Public Service Commission

Broadband Provisions

(LFB Budget Summary Document: Page 360)

LFB Summary Items for Which an Issue Paper Has Been Prepared

Item #	Title
1 & 2	Broadband Expansion Grants (Paper #610)

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June, 2019 Joint Committee on Finance Paper #610

Broadband Expansion Grants
(Public Service Commission -- Broadband Provisions)

[LFB 2019-21 Budget Summary: Page 23, #5, Page 360, #1 and Page 361, #2]

CURRENT LAW

The Public Service Commission (PSC) administers the broadband expansion grant program, created by 2013 Wisconsin Act 20. Profit and not-for-profit organizations, telecommunications utilities, and those organizations and utilities in partnership with municipalities and counties are eligible to apply for grants. Grants are to be used for projects that increase broadband access and capacity in underserved areas of the state. Priority is given to projects that include matching funds, involve public-private partnerships, affect areas with no broadband service providers, are scalable, promote economic development, or affect a large geographic area or a large number of underserved individuals or communities.

Since 1996, the PSC has administered the universal service fund (USF) to ensure that all state residents receive essential telecommunications services. Funding for USF programs is derived from PSC assessments on companies providing retail intrastate voice telecommunications services. Providers pay assessments monthly based on an assessment rate that the PSC adjusts annually. The Federal Communications Commission (FCC) administers a federal USF, funded by assessments on telecommunications carriers that provide interstate telecommunications services. Under the federal USF, FCC has made funding available to broadband providers to extend broadband service to rural areas through two programs. The Connect America Fund (CAF) assists providers subject to "price cap" regulation (generally larger providers), and the Alternative Connect America Cost Model (A-CAM) assists providers subject to "rate-of-return" regulation (generally smaller providers). Another federal USF program, known as "e-rate," provides support for telecommunications services, including broadband, to schools and libraries.

GOVERNOR

Create a biennial appropriation and provide $30,400,000 GPR in 2019-20 and $20,000,000 GPR in 2020-21 PSC's broadband expansion grant program. Further, transfer $6,900,000 FED in 2019-20 and $17,300,000 FED in 2020-21 from the Department of Administration's (DOA) federal e-rate aid appropriation to the USF and reestimate the USF SEG continuing appropriation for the broadband expansion grant program by the same amount. Additionally, provide $53,000 PR in 2019-20 and $70,700 PR in 2020-21 with 1.0 position in the Commission's State Broadband Office to assist in administering the grant program.

Modify the definitions of unserved and underserved broadband areas for the purposes of awarding grants under the broadband expansion grant program. Define unserved areas as those in which households or businesses lack access to broadband service of at least 10 megabits per second (Mbps) download speed and 1 Mbps upload speed. (Broadband download and upload speeds are abbreviated in this paper, such as 10/1 reflecting 10 Mbps download speed and 1 Mbps upload speed.) Define underserved areas as those in which households or businesses lack access to broadband service of at least 25/3. In an errata item, the administration indicated it intended: (a) to define underserved areas as lacking access to at least two providers and speeds of at least 25/3; and (b) to define broadband as either fixed wireless or wired service. (Attachment 1 provides a graphic that demonstrates the difference between current law, the bill as introduced, and the bill as amended by the errata item. Attachment 2 provides maps showing the current law and errata definitions applied to Wisconsin, by census block. Maps provided in Attachment 2 were created by PSC and are intended for informational purposes only.)

DISCUSSION POINTS

A. Broadband Expansion Grant Funding

1. Table 1 shows fund sources for broadband expansion grants since 2013-14. Funding has been provided from: (a) a transfer from DOA's PR appropriation for information technology and communications services to nonstate entities (2013 Act 20); (b) transfers from the unencumbered balance of the universal service fund (2015 Wisconsin Act 55 and 2017 Wisconsin Act 59); (c) PSC's "sweep" of unexpended amounts in other USF appropriations to the broadband expansion grants appropriation for fiscal years 2017-18 onward (2017 Act 59); and (d) federal e-rate funds (2017 Act 59).

2. Under the Governor's proposal, 2019-21 broadband expansion grants would be supported by: (a) PSC's current-law sweep of unexpended amounts in other USF appropriations to the broadband expansion grants appropriation; (b) a transfer of $6.9 million FED in 2019-20 and $17.3 million FED in 2020-21 to the USF from DOA's federal e-rate aid appropriation; and (c) a separate GPR appropriation, which would provide new funding of $30.4 million in 2019-20 and $20 million in 2020-21. Thus, in the 2019-21 biennium, funding would total at least $39.3 million each year for broadband expansion grants, with any funding above this amount reflecting sweeps above the minimum $2 million. While PSC has limited ability to assess for broadband expansion grants if sweeps do not total $2 million, PSC has not yet utilized this authority to date, as swept amounts totaled

above $2 million under the first transfer of 2017-18 unexpended amounts.

TABLE 1

Broadband Expansion Grant Funding

	Continuing Appropriation						Biennial Approp.
	Revenues				Expenditures	Closing Balance	
Year	PR	USF SEG	E-Rate FED	Total Available	Awards		GPR
2013-14	$4,300,000[a]			$4,300,000	$500,000	$3,800,000	
2014-15				3,800,000	452,600	3,347,400	
2015-16	-3,347,400[a]	$6,000,000[b]		6,000,000	1,500,000	4,500,000	
2016-17				4,500,000	1,500,000	3,000,000	
2017-18			11,000,000	14,000,000	9,189,000	4,811,000	
2018-19		2,242,600[c]		7,053,600	7,053,600	0	
2019-20 (Gov)		2,000,000[d]	6,900,000	8,900,000	n/a		30,400,000
2020-21 (Gov)		2,000,000[d]	17,300,000	28,200,000	n/a		20,000,000
Total	$952,600	$12,242,600	$35,200,000	$48,395,200	$20,195,200		$50,400,000

[a] From the Department of Administration's appropriation for information technology and communications services to nonstate entities. Remaining amounts were transferred to the general fund under 2015 Act 55.
[b] From the unencumbered balance of the USF.
[c] A sweep of $2,242,600 in unexpended amounts in other USF appropriations in 2017-18.
[d] Minimum amount. If sweeps from other USF appropriations are insufficient, PSC is authorized to assess USF contributors an additional amount sufficient to meet the $2,000,000 minimum.

3. Broadband expansion grants have been provided from a continuing appropriation, meaning amounts deposited to the appropriation do not lapse, but remain for future use as expenditure authority allows. Expenditures were capped at the amount in the schedule of appropriations for 2013-14 through 2016-17. 2017 Act 59 removed this limit, and the appropriation is now authorized to expend all moneys received. The Governor's proposal creates a GPR-funded biennial appropriation. Biennial appropriations allow expenditure of the amounts in the schedule in either year of the biennium, after which any remaining amounts lapse. As continuing balances may accumulate if unused, PSC reports that it would prioritize use of GPR funds. If the Committee wished to conserve GPR, it could consider requiring that all continuing balances be expended before GPR is used (Alternative A4a) or requiring that continuing balances and GPR be expended at an equal rate (Alternative A4b).

4. The federal e-rate appropriation under DOA receives federal aid from the federal USF as reimbursement for a percentage of eligible telecommunications expenses for schools and libraries. The federal e-rate appropriation is used primarily to support the Technology for Educational Achievement (TEACH) program, which provides eligible entities with internet access through rate discounts and subsidized installation of data lines. State funding for the TEACH program is provided from the state USF; however, if state USF funds are insufficient, federal e-rate monies may be utilized for certain TEACH program expenses. (On May 14, 2019, the Committee took no action to modify

expenditure authority for TEACH, which has base-level authority of $15,984,200 SEG annually.)

5. Federal e-rate aid is based on eligible bandwidth expenditures and is provided to the state approximately two fiscal years after costs are incurred. As a continuing appropriation, the closing balance at the end of each fiscal year remains in the appropriation and can be utilized in the subsequent fiscal year. Under 2017 Act 59, DOA was authorized to provide a one-time transfer from the federal e-rate appropriation of $12,500,000 to the USF, $11,000,000 of which was eventually directed to the broadband expansion grants appropriation. In 2017-18, DOA spent $20,383,800 from the federal e-rate appropriation, including authorized transfers. The closing balance in 2018-19 is estimated to total $37,501,800.

6. The Governor recommends the transfer of $24,200,000 FED ($6,900,000 in 2019-20 and $17,300,000 in 2020-21) from DOA's federal e-rate appropriation to the USF for broadband expansion grants. Table 2 below shows estimated revenues and expenditures of the e-rate appropriation under the bill (Alternative A1).

TABLE 2

Federal E-Rate Fund Estimate, Bill
2018-19 to 2020-21

	2018-19*	2019-20	2020-21
Beginning Cash Balance	$28,820,200	$37,501,800	$36,379,700
Federal Aid	$11,286,800	$8,720,900	$7,489,700
E-Rate Expenditures	$2,605,200	$2,943,000	$2,943,000
Broadband Grant Transfer	0	6,900,000	17,300,000
Total Expenditures	$2,605,200	$9,843,000	$20,243,000
Closing Balance	$37,501,800	$36,379,700	$23,626,400

*As of May 31, 2019

7. Based on the available balance of the e-rate appropriation, there appear to be sufficient funds available to support transfers for broadband grants of up to $22,000,000 FED annually in 2019-20 and 2020-21. (This would transfer $19.8 million more for the biennium than recommended by the Governor.) Due to the delay of federal reimbursements, a closing balance is required in 2020-21 to support estimated 2021-22 program expenditures prior to the receipt of federal aid. Table 3 below shows estimated revenues and expenditures in the e-rate appropriation providing for one-time transfers of $22,000,000 FED annually during the 2019-21 biennium (Alternative A2a).

TABLE 3

Federal E-Rate Fund Estimate, Alternative A2a
2018-19 to 2020-21

	2018-19*	2019-20	2020-21
Beginning Cash Balance	$28,820,200	$37,501,800	$21,279,700
Federal Aid	$11,286,800	$8,720,900	$7,489,700
E-Rate Expenditures	$2,605,200	$2,943,000	$2,943,000
Broadband Grant Transfer	0	22,000,000	22,000,000
Total Expenditures	$2,605,200	$24,943,000	$24,943,000
Closing Balance	$37,501,800	$21,279,700	$3,826,400

*As of May 31, 2019

8. Alternatively, the Committee could decide that a lower level of federal e-rate funding for broadband expansion grants would be more sustainable given the annual amount and potential uncertainty regarding estimated revenues. Therefore, the Committee could provide $7,000,000 FED annually, equal to the total amount allocated for broadband expansion grants under 2017 Act 59. Under this alternative, there would be less funding for broadband expansion grants compared to the bill. However, additional e-rate funds would be available for other current-law purposes and for broadband expansion grants in future biennia. Given estimated revenues ($8,720,900 in 2019-20 and $7,489,700 in 2020-21) and estimated e-rate expenditures ($2,943,000 annually), there appear to be sufficient funds available to support the transfer of $7,000,000 FED each year for broadband expansion grants in the 2019-21 biennium as well as future years. If the Legislature wished to transfer e-rate funds under subsequent biennial budgets, it could transfer $7,000,000 FED each year and conserve funds for future allocation (Alternative A2b).

Broadband Expansion Grant Demand

9. The administration indicates the proposed increase in broadband expansion grant funding is intended to increase access to high-speed internet in the state. The administration argues that areas that are unserved or underserved with regards to broadband service experience limited work and educational opportunities, which results in a negative impact on economic development. Further, in a separate budget item (removed from the budget by the Joint Committee on Finance), the Governor proposed establishing a goal that all businesses and homes in the state have access to broadband service of 25/3 by January 1, 2025, and this funding is intended to support that goal.

10. Due to the scale and complexity of such a goal, it is difficult to estimate the cost of providing service at speeds of 25/3 to all residents of the state. However, PSC staff suggest the total cost to deploy broadband service at speeds of 25/3 to all residents of the state could cost perhaps $700 million to $900 million. Combined with federal funding and grantee matching funds, PSC estimates the state cost could total between $145 million and $220 million. Due to the time necessary to build out projects, PSC staff report grants would need to be awarded no later than 2022-23 to meet the

Governor's proposed broadband access goal in January, 2025. Based on this estimated range, annual broadband expansion grant awards would need to total approximately $36 million to $55 million annually through 2022-23. Thus, funding provided during the 2019-21 biennium under the Governor's proposal would generally be commensurate with meeting the proposed access goal.

11. In its 2018 broadband report, FCC reported that, as of December 31, 2016, 69% of rural Americans and 98% of urban Americans had access to speeds of at least 25/3, as compared to 57% of rural Wisconsinites and 99% of urban Wisconsinites. Table 4 shows access rates for neighboring states. Among neighboring Midwest states, Wisconsin ranks comparably in urban access to speeds of 25/3, but last in rural access and total access to speeds of 25/3.

TABLE 4

Broadband Access by State as of December 31, 2016

	Speed of at Least 25/3		
	Rural	Urban	Total
Illinois	64%	99%	95%
Minnesota	75	99	93
Iowa	77	98	91
Michigan	66	99	90
Indiana	59	98	87
Wisconsin	57	99	86
U.S. Average	69%	98%	92%

12. Table 5 shows broadband expansion grant funding requests and awards since the program's inception. Commission staff report that demand for broadband expansion grants has grown over time. Staff attribute this demand growth to a number of factors, including increasing availability of funding, increased awareness, and successful public-private partnerships. Further, staff argue that the number and amount of requests for broadband expansion grants has been suppressed by limited availability of funds, noting that as funding has increased over time, the number and amount of requests has also increased. Staff expect that this trend will continue as more funding is made available. Commission staff also expect additional projects identified during planning for federal broadband expansion grants, but that did not receive federal funding due to limited resources, may seek state grant funding instead, which could further increase demand.

TABLE 5

Broadband Expansion Grant Awards

Round	Applicants	Amount Requested	Awards	Amount Awarded
1 (2014)	24	$2,967,609	7	$500,000
2 (2015)	13	1,860,352	7	452,579
3 (2016)	28	4,413,096	11	1,500,000
4 (2017)	37	5,288,385	17	1,500,000
5 (2018)	51	7,413,227	13	1,500,000
6 (2018)	78	22,257,583	46	7,688,982
7 (2019)	83	17,181,829	37	7,053,577
Total	314*	$61,382,081*	138	$20,195,138

*Total applicants and requested amounts may reflect double-counting of projects that reapply for funding.

13. Due to the scale and complexity of a goal to provide broadband to all residents and businesses of the state, provision of additional funding for broadband expansion grants could be considered an allocation of resources towards improving broadband access in general, and the extent of improved access would be commensurate with the amount of funding provided. Table 6 shows the estimated improved access due to broadband grant awards to date. Data represents information provided upon grant application and subsequent award regarding the estimated impact of a project. Although the size and complexity of projects vary from year to year, the resulting increased access to residents and businesses could be considered a useful metric for examining the effectiveness of grants.

TABLE 6

Estimated Improved Access from Grant Projects

Round	Grant Awards	Matching Funds	Total Funding	Businesses with Improved Access	Homes with Improved Access
1 (2014)	$500,000	$373,058	$873,058	100	3,490
2 (2015)	452,579	519,659	972,238	86	3,757
3 (2016)	1,500,000	2,972,231	4,472,231	129	4,405
4 (2017)	1,500,000	2,212,217	3,712,217	214	15,595
5 (2018)	1,500,000	2,307,976	3,807,976	651	6,155
6 (2018)	7,688,982	11,783,943	19,472,925	2,070	27,859
7 (2019)	7,053,577	12,120,990	19,174,567	1,145	14,403
Total	$20,195,138	$32,290,074	$52,485,212	4,395	75,664

14. Given increasing demand for broadband expansion grants and relative availability of

broadband service in Wisconsin as compared to the U.S. average and neighboring states, the Committee could consider adopting the Governor's proposal to provide a total of $37.3 million in additional funding each year for broadband expansion grants, consisting of federal e-rate aid of $6,900,000 in 2019-20 and $17,300,000 in 2020-21, and GPR of $30,400,000 in 2019-20 and $20,000,000 in 2020-21 (Alternative A1).

15. Alternatively, given the existing balance of the federal e-rate aid appropriation, which could support transfers of up to $22,000,000 annually during the 2019-21 biennium, the Committee could consider providing funding from federal e-rate aid in order to conserve GPR (Alternatives under A2). The Committee could also consider providing GPR (Alternatives under A3). If the Committee wished to provide a combination of funding, it could select alternatives under both A2 and A3. The Committee could also consider taking no action (Alternative A5), allowing broadband expansion grants to be supported by annual sweeps of unexpended amounts from other USF appropriations, not less than $2,000,000.

B. Grant Management Position

16. The State Broadband Office currently consists of four staff, including 1.0 director, 2.0 mapping specialists, and 1.0 grant administrator. Additionally, a fiscal staff person is also partially dedicated to reviewing grant reimbursement requests. The Commission reports broadband expansion grant administration activities include: (a) grant round preparation and outreach, including updating applicant materials, instructions, and mapping resources, and conducting outreach to eligible groups (10%); (b) grant application review, including preparing maps, as well as organizing, summarizing, and ranking submissions for review by Commissioners (25%); (c) providing support to assist Commissioners in making grant award decisions and announcements of grant awards (15%); and (d) grant management, including establishing grant agreements, tracking project status, and reviewing reimbursement requests (50%).

17. PSC reports the proposed position would be dedicated primarily to monitoring open grant awards, including tracking project status and ensuring grantees meet the schedule of their grant agreement. The position would also spend time on data collection. PSC reports 92 grant awards are currently open, and argues that one position is the minimum required to manage the additional grants that would be awarded under the funding increase. The position would be funded from PSC's general operations assessments for utility regulation.

18. Given that the proposal would provide annual funding sufficient to award more grants than the previous seven rounds of grants combined, the Committee could consider providing an additional grant management position (Alternative B1). However, if the Committee chooses to provide additional one-time program funding instead of ongoing amounts, it may be appropriate to continue State Broadband Office staffing at current levels. The Committee could also consider taking no action (Alternative B2).

C. Definition of Broadband

19. Broadband service can be measured by two components: (a) the number of service providers in an area; and (b) the speed of service in Mbps. The number of service providers in an area

reflects the relative competitiveness of broadband service, with more providers reflecting conditions favorable for higher quality and/or lower-cost service due to competition. Measurements of speed in Mbps demonstrate quality of service with respect to data transfer speeds. Figure 1, prepared by FCC, provides an overview of the relative capacity of different speeds of broadband service for a typical household. The FCC minimum speed benchmark for service to be considered high-speed broadband is 25/3.

FIGURE 1

Broadband Capacity

Basic Service = 3 to 8 Mbps

Medium Service = 12 to 25 Mbps

Advanced Service = More than 25 Mbps

	Light Use (Basic functions: email, browsing, basic video, VoIP, Internet radio)	**Moderate Use** (Basic functions plus *one* high-demand application: streaming HD video, multiparty video conferencing, online gaming, telecommuting)	**High Use** (Basic functions plus *more than one* high-demand application running at the same time)
1 user on 1 device	Basic	Basic	Medium
2 users or devices at a time	Basic	Medium	Medium/Advanced
3 users or devices at a time	Medium	Medium	Advanced
4 users or devices at a time	Medium	Advanced	Advanced

20. Attachment 1 provides a matrix to visualize broadband definitions under current law, the Governor's proposal as introduced, and the Governor's proposal as amended by an errata item. Each definition is as follows:

- Under current law, unserved areas have speeds below 5/0.6, and underserved areas have only one provider. Served areas, though not explicitly defined by statute, have speeds above 5/0.6 and two or more providers.

- Under the Governor's proposal as introduced, unserved areas would have speeds below 10/1, underserved areas would have speeds between 10/1 and 25/3, and served areas would have speeds above 25/3 (Alternative C1).

- Under the Governor's proposal as amended by the errata, unserved areas would have speeds below 10/1, underserved areas would have either one provider and speeds above 10/1, or two or more providers and speeds between 10/1 and 25/3, and served areas would have speeds above 25/3 and two or more providers (Alternative C2).

21. The errata item also clarifies that broadband service may include either wired or fixed wireless service. Fixed wireless service does not include mobile or satellite internet, but instead represents wireless connections between fixed locations, and is generally intended to avoid construction of wired service necessary for dispersed or otherwise remote customers. Current law specifies fixed wireless or wired connections may be considered broadband service in unserved areas, but does not specify what methods of service constitute broadband service in underserved areas. Both

Alternatives C1 and C2 incorporate language specifying that underserved broadband service may also include either wired service or fixed wireless service. If the Committee chose not to modify the definition of broadband service, it could consider clarifying the current definition by specifying that underserved broadband service also includes either wired service or fixed wireless service, to reflect the intent that broadband service quality be defined by competitiveness and speed, rather than type (Alternative C3).

22. Expanding the definitions of unserved and underserved areas of broadband service would increase eligibility for broadband expansion grants. Attachment 2 applies these definitions to Wisconsin to provide maps with data by census block that compare eligibility (underserved) and priority (unserved) for broadband expansion grants under current law and the Governor's proposal, including errata. While increased eligibility for broadband expansion grants would increase the number of applicants and projects proposed, the Commission could still exercise discretion in application of its priority criteria laid out under current law to allocate funding to projects that: (a) include matching funds; (b) involve public-private partnerships; (c) affect areas with no broadband service providers; (d) are scalable; (e) promote economic development; or (f) affect a large geographic area or large number of underserved individuals or communities. Thus, new definitions would allow for more eligible projects, but would not require the Commission to provide funding to projects that are newly eligible. Commission staff report that in the event available funding exceeds total applicant requests, the Commission would consider a minimum scoring requirement to ensure that funds are being allocated to projects of a certain quality. At the same time, existing grant rounds have consistently received requests that exceed available funding, as seen in Table 5, suggesting additional eligibility for grants may not be necessary, particularly if funding for broadband expansion grants is not increased.

23. While current-law definitions require at least two service providers for an area to be considered served, the bill as introduced would define broadband service independent of the number of service providers. However, the errata would specify that an area would require at least two providers in order to be considered served. Broadband definitions confer eligibility for broadband expansion grants. As the number of providers reflects the relative competitiveness of broadband service, broadband grants provided under the bill as introduced would be awarded primarily on the basis of speed, and not require a consideration of relative competitiveness of service. If the Committee wished to base provision of broadband grants only on speed of service, it could consider adopting the bill as introduced (Alternative C1).

24. Given that expanded definitions of unserved and underserved areas of broadband service would expand eligible projects for broadband expansion grants and match Wisconsin's definition with the current FCC benchmark speed, the Committee could consider adopting the Governor's proposal (Alternative C1) or the Governor's proposal as amended by an errata item (Alternative C2). Conversely, given that existing eligibility criteria already generate sufficient applications at current funding levels, the Committee could take no action (Alternative C4).

ALTERNATIVES

A. Broadband Expansion Grant Funding

1. Adopt the Governor's proposal to: (a) create a biennial appropriation and provide $30,400,000 GPR in 2019-20 and $20,000,000 GPR in 2020-21; and (b) transfer $6,900,000 FED in 2019-20 and $17,300,000 FED in 2020-21 from the Department of Administration's federal e-rate aid appropriation. Provide the broadband expansion grants USF SEG appropriation the amounts of the FED transfer each year.

ALT A1	Change to Base	Change to Bill
GPR	$50,400,000	$0
SEG	24,200,000	0
Total	$74,600,000	$0
FED-Transfer	- $24,200,000	$0
SEG-Transfer	24,200,000	0

2. Transfer funding from the Department of Administration's federal e-rate aid appropriation to the USF SEG appropriation for broadband expansion grants, consisting of one of the following. (Either of these could be moved in addition to alternatives under A3.)

a. $22,000,000 FED each year.

ALT A2a	Change to Base	Change to Bill
GPR	$0	- $50,400,000
SEG	44,000,000	19,800,000
Total	$44,000,000	- $30,600,000
FED-Transfer	- $44,000,000	- $19,800,000
SEG-Transfer	44,000,000	19,800,000

b. $7,000,000 FED each year. (This would provide funding equal to the amount provided for broadband expansion grants under 2017 Act 59, excluding sweeps of unexpended amounts in other USF appropriations.)

ALT A2b	Change to Base	Change to Bill
GPR	$0	- $50,400,000
SEG	14,000,000	- 10,200,000
Total	$14,000,000	- $60,600,000
FED-Transfer	- $14,000,000	$10,200,000
SEG-Transfer	$14,000,000	- $10,200,000

3. Create a biennial appropriation and provide: (These alternatives could be moved in addition to alternatives under A2.)

a. $30,400,000 GPR in 2019-20 and $20,000,000 GPR in 2020-21. (This would provide the same amount of GPR funding as proposed by the Governor.)

ALT A3a	Change to Base	Change to Bill
GPR	$50,400,000	$0
SEG	0	- 24,200,000
Total	$50,400,000	- $24,200,000
FED-Transfer	$0	$24,200,000
SEG-Transfer	$0	- $24,200,000

b. $7,000,000 GPR each year. (Taken alone, this would provide funding equal to the amount provided for broadband expansion grants under 2017 Act 59, excluding sweeps of unexpended amounts in other USF appropriations.)

ALT A3b	Change to Base	Change to Bill
GPR	$14,000,000	- $36,400,000
SEG	0	- 24,200,000
Total	$14,000,000	- $60,600,000
FED-Transfer	$0	$24,200,000
SEG-Transfer	$0	- $24,200,000

4. Specify one of the following regarding expenditure of continuing SEG balances before GPR. (One of the following could be moved in addition to any of the alternatives under A1 or A3, but is not required.)

a. Require PSC to expend all balances of its SEG continuing appropriation prior to expenditure of GPR.

b. Require PSC to expend SEG continuing funds and GPR at an equal rate.

5. Take no action. Broadband expansion grants would be supported by annual sweeps of unexpended amounts in other USF appropriations, not less than $2,000,000 each year.

ALT A5	Change to Base	Change to Bill
GPR	$0	- $50,400,000
SEG	0	- 24,200,000
Total	$0	- $74,600,000
FED-Transfer	$0	$24,200,000
SEG-Transfer	$0	- $24,200,000

B. Grant Management Position

1. Adopt the Governor's proposal to provide 1.0 PR position for grant management activities, and provide $53,000 PR in 2019-20 and $70,700 PR in 2020-21.

ALT B1	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
PR	$123,700	1.00	$0	0.00

2. Take no action.

ALT B2	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
PR	$0	1.00	- $123,700	- 1.00

C. Definition of Broadband Service

1. Adopt the Governor's proposal, as introduced, which would define unserved areas as those lacking broadband speeds of at least 10/1 and underserved areas as those lacking access to speeds of at least 25/3. Additionally, adopt the errata item that specifies broadband service may include either wired service or fixed wireless service.

2. Adopt the Governor's proposal, as amended by an errata item, which would define unserved areas as those lacking broadband speeds of at least 10/1 and underserved areas as those lacking speeds of at least 25/3 and at least two providers. Additionally, adopt the errata item that specifies broadband service may include either wired service or fixed wireless service.

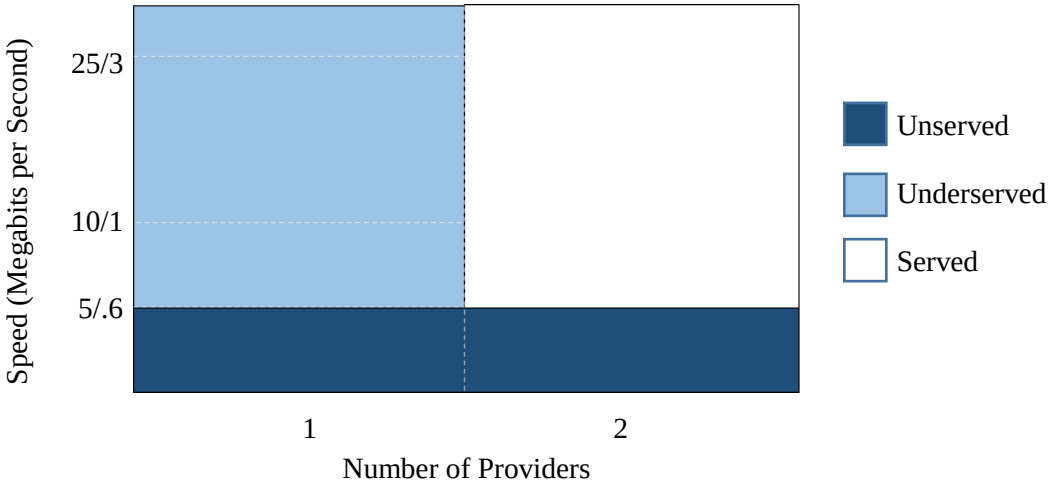
3. Modify the current-law definition of underserved areas of broadband service to specify that underserved broadband service also includes either wired service or fixed wireless service.

4. Take no action. (Unserved areas would remain defined as those lacking speeds of at least 5/0.6, and that are not served by fixed wireless or wired service. Underserved areas would remain defined as those with only one provider.)

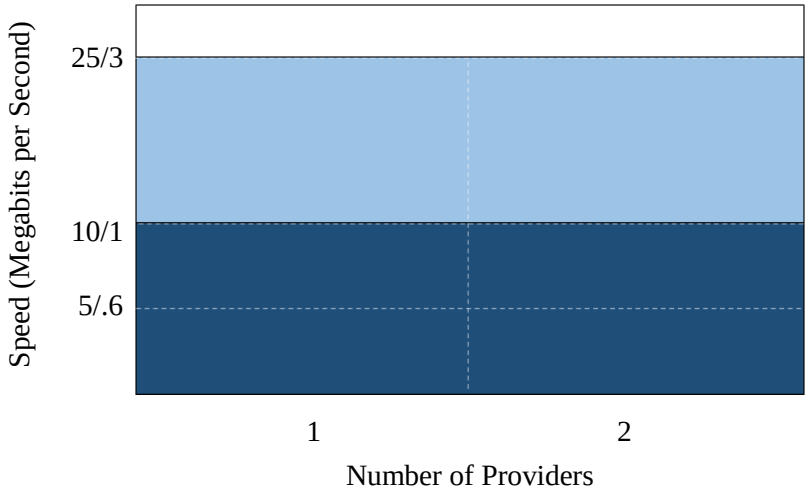
Prepared by: Rory Tikalsky and Angela Miller
Attachments

ATTACHMENT 1

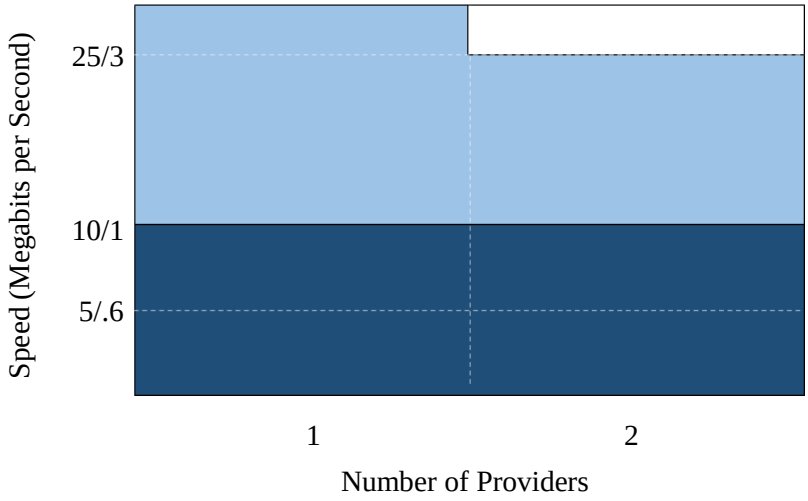
Current Law



Governor (Alternative C1)

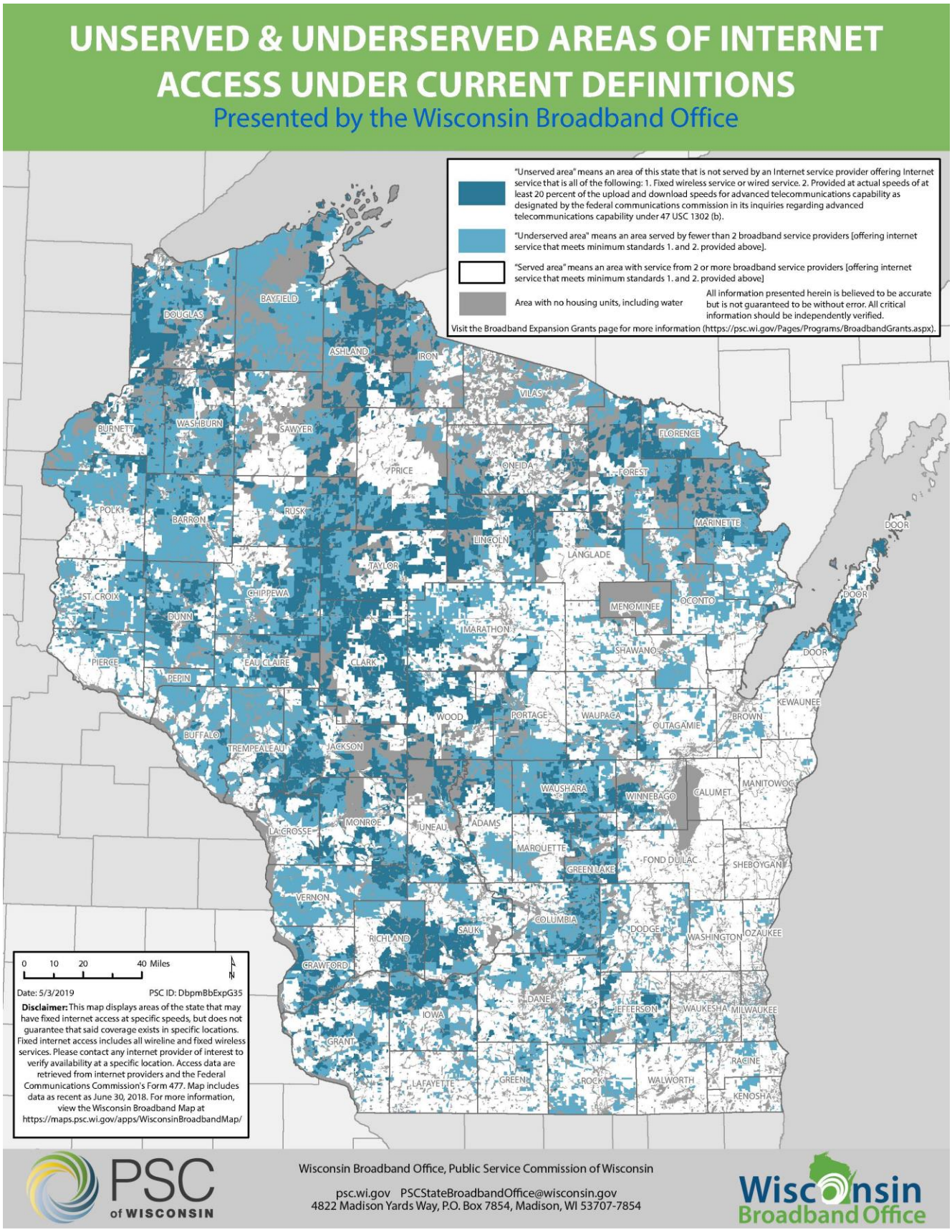


Errata (Alternative C2)



ATTACHMENT 2

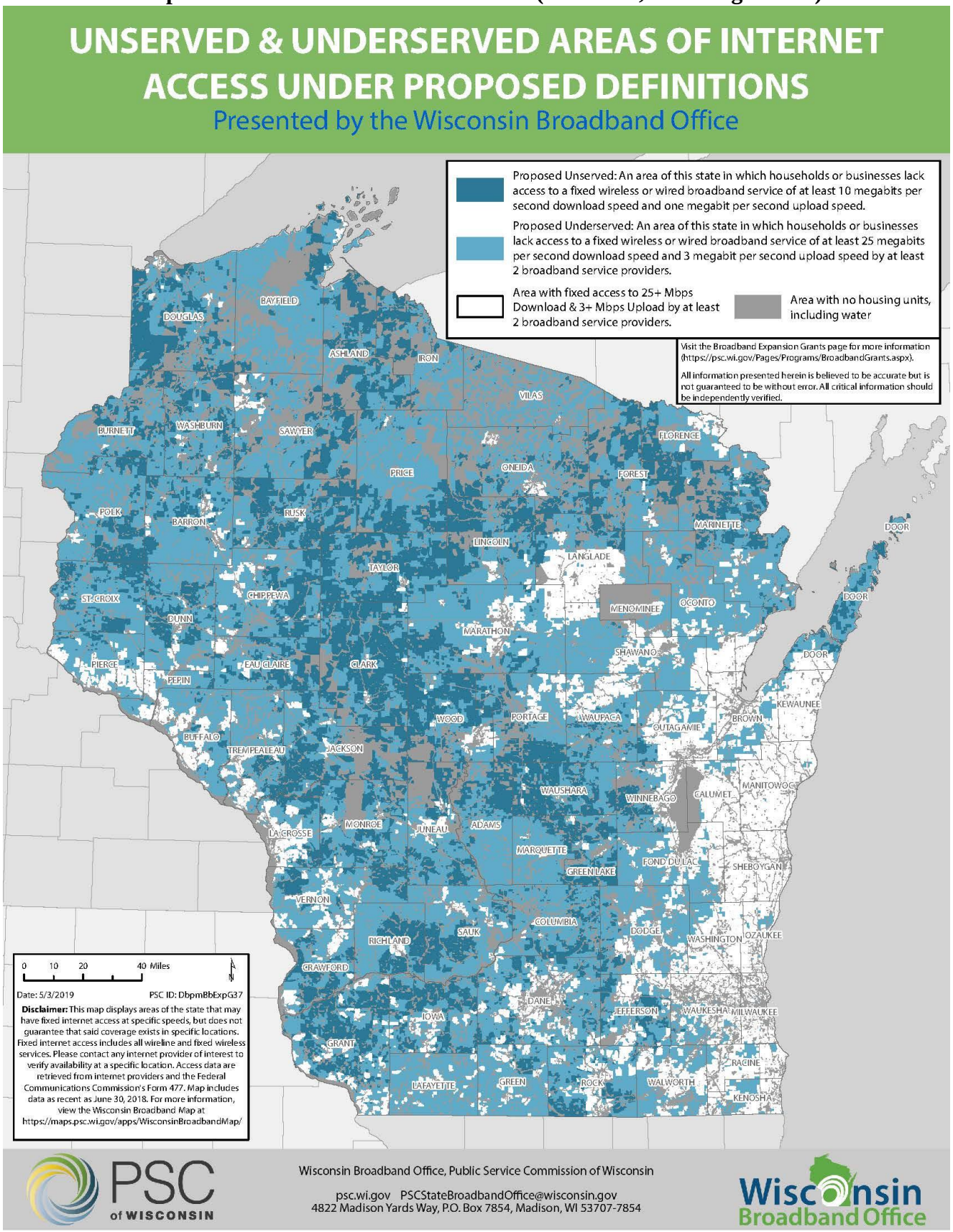
Current Law Broadband Service Definitions



Note: Colored versions of these maps are available online at http://docs.legis.wisconsin.gov/misc/lfb/budget/2019_21_biennial_budget/102_budget_papers/ or upon request.

ATTACHMENT 2 (continued)

Proposed Broadband Service Definitions (Governor, including Errata)



Note: Colored versions of these maps are available online at http://docs.legis.wisconsin.gov/misc/lfb/budget/2019_21_biennial_budget/102_budget_papers/ or upon request.

PUBLIC SERVICE COMMISSION

Broadband Provisions

LFB Summary Items Removed From Budget Consideration

Item #	Title
3	Municipal Broadband Facilities in Underserved or Unserved Areas
4	State Broadband Access Goal
5	Broadband Report