

Arkansas American Rescue Plan Steering Committee

Broadband Working Group Report

October 8, 2021

Executive Summary

In June 2021, Governor Hutchinson formed a broadband working group from within the Cabinet in response to the substantial funding available to Arkansas through the American Rescue Plan (ARP). To best utilize ARP funds for broadband expansion, the Governor tasked the working group with identifying existing broadband resources as well as the broadband needs of the state. The Governor appointed five cabinet secretaries to the working group with Stacy Hurst, Secretary of Parks, Heritage and Tourism (ADPHT), serving as Chair. The Governor advised that the state needed a written plan for broadband that included supporting existing programs such as the Arkansas Rural Connect (ARC) program while partnering with cities and counties that are leading separate broadband initiatives. The plan should also include identifying the most accurate information related to connectivity in the state. The working group met and included collaboration with multiple Departments, stakeholders in the public and private sector, and members of the General Assembly. The working group determined that the state would benefit from the creation of a broadband master plan that included the assessment of the state's connectivity by using both sophisticated technology and maps as well as in-person data verification, also termed "boots on the ground," to validate connectivity in the state. The working group determined that the broadband master plan needed to include the analysis of current broadband availability, a recommendation for deployment for broadband throughout the state including current efforts, detailed technology type and staffing recommendations, and affordability of the internet service once implemented. A broadband consultant was selected through a procurement process that sought proposals for the best vendor to complete the work for the state. The master plan will be developed by the Broadband Development Group and will be completed for the state by April of 2022.

Working Groups Established

On June 29, 2021, Governor Hutchinson established three cabinet-led working groups as part of the Arkansas American Rescue Plan Steering Committee (ARP Steering Committee) to address needs related to broadband, water and wastewater infrastructure projects, and workforce development and human capital. These working groups were tasked to develop ideas, recommendations, and plans for consideration to submit to the Arkansas ARP Steering Committee.

Broadband Working Group

The Governor requested that the working group identify the existing broadband resources as well as the broadband needs of the state. The Governor appointed five cabinet secretaries to the working group with Stacy Hurst, Secretary of ADPHT, serving as Chair. The Governor advised that the state needed a written plan for broadband that included supporting existing programs such as the ARC program while partnering with cities and counties that are leading separate broadband initiatives. The plan should also include identifying the most accurate information related to connectivity in the state. The Governor requested that the broadband working committee move with a sense of urgency as the deployment of broadband is essential to our communities to be connected at both home and work including connectivity for healthcare providers and educational institutions.

The Broadband Working Group includes the following:

- Stacy Hurst, Secretary, Department of Parks, Heritage and Tourism, Chair
- Larry Walther, Secretary, Department of Finance and Administration
- Mike Preston, Secretary, Department of Commerce
- Amy Fecher, Secretary, Department of Transformation and Shared Services
- Elizabeth Smith, Secretary, Department of Inspector General
- Bill Gossage, Deputy Chief of Staff to the Governor, Ex-officio
- Steven Porch, Chief Legal Counsel for the Department of Commerce and Executive Broadband Manager for the Arkansas Economic Development Commission Arkansas Rural Connect program, Ex-officio

Information Gathering and Coordination

Prior to the first working group meeting, Secretary Hurst, and her team at ADPHT as well as members of the working group conducted initial research to learn more about existing resources in the state for broadband. This included working with other Departments and parts of state government.

On June 30, 2021, Secretary Hurst's staff met with Steven Porch and other members of the Arkansas Economic Development Commission (AEDC) ARC program. This meeting included discussion of the ARC, the Rural Broadband ID program, the Rural Opportunity Fund, USDA's ReConnect program, and others. Steven Porch shared details regarding grant awards and applications from cities and counties, connectivity maps related to ARC, and the affordability of broadband. The funding sources for ARC and broadband were detailed and include both state and federal funds including Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The interest and support of broadband expansion in the state expressed by members of the Arkansas General Assembly were shared as well. The end goal of the meeting was to develop the best way to utilize the ARP funds for the support of ARC while working in tandem to determine how we can best define the comprehensive broadband needs as well as how to deploy the infrastructure in Arkansas.

From July 1 to July 7, 2021, informational discussions regarding broadband were held with the Arkansas Research and Education Optical Network, Arkansas Department of Education, Arkansas Public Broadcasting Service (Arkansas PBS), Arkansas Department of Education, Division of Elementary and Secondary Education, Division of Research and Technology, as well as the Arkansas Geographic Information Systems. These informational discussions included a wide range of stakeholders in order to ensure engagement with broadband stakeholders and to assist the working group in identifying clear priorities.

Working Group Meeting

The broadband working group held their first meeting on Thursday, July 8, 2021. This meeting included leadership from several departments as well as higher education and the Public Service Commission. Attendees for the working group meeting included the following attendees.

- Stacy Hurst, Secretary, Department of Parks, Heritage and Tourism, Chair
- Larry Walther, Secretary, Department of Finance and Administration
- Alan McVey, Chief of Staff and Chief Fiscal Officer, Department of Finance and Administration
- Mike Preston, Secretary, Department of Commerce
- Jim Hudson, Arkansas Economic Development Commission Deputy Director of Operations and General Counsel, Commerce Director of Strategy & Operations

- Amy Fecher, Secretary, Department of Transformation and Shared Services
- Elizabeth Smith, Secretary, Department of Inspector General
- Bill Gossage, Deputy Chief of Staff to the Governor, Ex-officio
- A.J. Gary, Director, Arkansas Wireless Information Network
- Elon Turner, Director, Arkansas Research and Education Optical Network
- Gina Windle, Chief of Staff, Arkansas Department of Education
- Ted Thomas, Chairman, Arkansas Public Service Commission
- Caleb Osborne, Chief of Staff, Department of Parks, Heritage and Tourism
- Leslie Fiskens, Chief of Legislative Affairs, Department of Parks, Heritage and Tourism

The meeting included reports on existing programs and robust conversations around resources and needs in the state. These discussions included the following issues.

- ARC is a grant program initially designed in 2019 to expand the broadband footprint in rural Arkansas communities. The program is a part of the AEDC Broadband Office within the Department of Commerce. The program has now expanded to the entire state. The program has helped provide connectivity to 130,000 citizens in businesses and households. The program received \$118 million in CARES Act funds that have helped fund 76 projects throughout the state. The maps from the Federal Communications Commission (FCC) and CostQuest provide census blocks of information regarding connectivity but are not detailed and specific for accurate verification of connectivity within many of our communities, particularly the rural areas. Experts estimate that it will cost \$500 million to deploy broadband throughout the state.
- Arkansas Wireless Information Network (AWIN) provides radio connection to Arkansas State Police. Their map channel has statewide communication and they also have tower sites. AWIN is working in partnership with the Arkansas PBS for use of their towers.
- Arkansas Research and Education Optical Network (ARE-ON) is a non-profit consortium of all public degree-granting institutions in Arkansas and other selected higher education organizations. ARE-ON provides a high-speed fiber optic backbone network throughout the state with Ethernet connections to its members and affiliates. Arkansas law limits membership of the ARE-ON network. Discussion of possible ways to make it easier to create public private partnerships working with ARE-ON could be considered for future legislative sessions.
- Ted Thomas, Chairman, Arkansas Public Service Commission, provided insight and historical information regarding broadband deployment, including fiber and non-fiber deployment. Broadband is not a regulated utility. Data was shared regarding other states that are currently facing similar challenges on how to best improve and provide connectivity in their states.
- Gina Windle, Chief of Staff, Arkansas Department of Education, provided information regarding broadband availability at all public schools in the state.

In conclusion of the meeting, the working group agreed that the ARC program is a well-established program that has provided initial and improved connectivity to more than 100,000 citizens in the state. The cities and counties have separate broadband initiatives that are helping expand connectivity in the state. With the new round of funding coming to the state from the ARP that prioritizes broadband, our state should continue to support the successful ARC program while creating a master plan for broadband deployment. A statewide plan will provide optimum understanding of our needs and how to deploy broadband in every county in the state. In order to pursue the development of the plan most efficiently, three secretaries, Secretary Hurst, Secretary Walther, and Secretary Preston, agreed to work collaboratively to identify a vendor and pursue the funding from the ARP Steering Committee.

Research and Communication

From July 1 to October 1, 2021, Secretary Hurst and staff members learned more regarding the broadband needs of the state, identified broadband experts, and communicated with members of the General Assembly regarding their input on broadband. A summary of these communications are provided below.

Broadband Experts

Communications including telephone calls and Zoom meetings were held with CHR Solutions, Inc., Horne LLP, and Tilson. All of these communications included high level discussion of the work of the organization in other states regarding assessment of broadband connectivity and needs, broadband deployment, and broadband mapping. The communications were exploratory in nature and there were no details discussed as to exact needs, costs, or details for the state.

A meeting was also held with Center for Toxicology and Environmental Health (CTEH) , a state-contracted consultant that has worked with the state on expertise with CARES Act funds as well as currently providing expertise and guidance related to the use of ARP funds. Based on the request of ADPHT staff members, CTEH provided a high-level proposal regarding broadband deployment that did not include cost. Additionally, there was a meeting with Broadband Development Group that included information regarding their work with the Rural Broadband ID program in 2020 and 2021. Prior to the Governor creating the broadband working group, the Department of Commerce received a proposal regarding broadband expansion in the state from the Broadband Development Group . The Department of Commerce shared that earlier proposal with the working group.

Other States

As the working group had learned that other states had similar challenges related to broadband, staff members at ADPHT looked to surrounding states with similar demographics and population to learn how they were planning to accurately assess connectivity while expanding broadband availability. These communications included learning about the state of Mississippi's broadband assessment and deployment plans, use of ARP funds, and the role of the Mississippi Public Service Commission with broadband. The staff members at ADPHT limited the detailed information gathering to Mississippi but surveyed other states beyond Mississippi including work being conducted on broadband in Tennessee, Missouri, and Alabama.

General Assembly

As part of the work of the working group, outreach was conducted from July 1 to October 1, 2021, to many legislators that were interested in the expansion of broadband in Arkansas. The conversations included learning more about the needs of their districts, interest, and support of ARC, and how to best utilize the new federal funds, ARP. Several legislators also expressed concern about the lack of accuracy of broadband maps created by the FCC as well as state-contracted CostQuest. Legislators expressed the desire to have field verification and community engagement in every county in the state in order to reach all areas of the state to assess the connectivity. Conversations were held with numerous members of the General Assembly regarding the work of the broadband working group including both the leadership of the House of Representatives and the Senate.

Action Taken

After the above referenced meetings and discussions, on behalf of the working group, Secretary Hurst advised the Governor that the consensus of stakeholders was that the state of Arkansas needed a statewide

master plan for broadband assessment and deployment. This plan needed to be developed by experts that could create a plan that could work in conjunction with our existing programs while identifying the needs of the state. The Governor was supportive of hiring an expert consultant to develop a statewide masterplan.

August 16, 2021 - Request for Proposal for Consulting Services Issued

Secretary Hurst and her staff worked very closely with the Office of State Procurement (OSP) to develop an expedited Request for Proposal (RFP) for Consulting Services, Most Advantageous Proposal (MAP). Secretaries Hurst, Walther and Preston worked collaboratively to develop the scope of work needed for this plan. Additionally, Secretaries Hurst, Walther and Preston continued communication with state legislators to better understand their concerns and in order to ensure the drafting of a comprehensive scope of work that reflected the needs and challenges identified by stakeholders. With the guidance and expertise of OSP, the RFP was issued on August 16, 2021. On page 6 of the [RFP](#), the scope of work for the broadband master plan requirement included the following language.

2.4 BROADBAND MASTER PLAN REQUIREMENTS

- A. The Contractor **shall** design, coordinate, and formulate a final Broadband Master Plan that **must** include, without limitation:
 - 1. Data collection and analysis of current broadband availability.
 - 2. Recommendation for deployment of broadband throughout the State that includes analysis of current efforts in the public and private sector, including current broadband programs, the Arkansas Rural Connect program, the Rural Broadband ID program, the Rural Opportunity Fund, USDA's ReConnect program, and others.
 - 3. Detailed technology, equipment type, staffing and program administration recommendations, and a proposed community outreach plan that could be utilized in the deployment of broadband.
 - 4. Recommendations to increase affordability of internet service for citizens and guidance on a reasonable timeline for deployment.
 - 5. Recommendations that can be implemented and funded with the use of funds from the American Rescue Plan.
- B. In formulating the Broadband Master Plan, the Contractor **shall** consider and complement other broadband initiatives in the State such as those led by cities, counties, and others.
- C. The Contractor **shall** prioritize access to all federal funds within the Broadband Master Plan.

Request for Proposal Evaluated

Three vendors, CostQuest, Deloitte, and Broadband Development Group, submitted proposals for the statewide broadband masterplan RFP. The initial scoring and interviews of the proposals began on August 24, 2021. In accordance with the laws and rules of procurement of the state, the Secretaries followed the process of the scoring, interview, and discussion phases of the RFP process. Additionally, during the evaluation phase the Secretaries requested that the state-contracted consultant CTEH that has been hired to provide expertise and guidance related to the use of ARP funds, review the proposals with their technical experts. The Secretaries requested that CTEH advise the state on follow-up inquiries that should be posed to the vendors, if any. CTEH also provided technical analysis of those responses to the Secretaries and joined the discussion phase of the process. Detailed discussions with all three vendors occurred between September 13 and September 20, 2021. In these discussions, the details of proposals were discussed and included all facets of the proposals, paying close attention to the method of data collection and field verification for broadband as well as the community engagement piece. Conversations also included local field verification combined with other efforts of data collection utilizing existing maps and satellite technology.

Appropriation for Request for Proposal - Arkansas Legislative Council, September 13, 2021 and September 17, 2021; Final Review of the Contract

On September 13, 2021, in anticipation of the award of the RFP, Secretary Hurst, on behalf of the Department of Commerce, requested an appropriation from the Arkansas Legislative Council (ALC)-PEER Sub-Committee for the Department of Commerce of up to \$4 million in ARP funds for funding of the consulting contract. The appropriation was granted and received final approval by full ALC on September 17, 2021.

At the same ALC meeting on September 17, 2021, in an effort to help expedite the process once the RFP was awarded, ALC voted to have the contract presented directly to ALC-Executive Subcommittee for final review.

Vendor Selected, September 21, 2021 and Anticipation of Award Announced, September 23, 2021

On September 21, 2021, the Secretaries voted unanimously to move forward with the proposal from Broadband Development Group. This vendor was selected as this was the only vendor that met the requirements of the RFP including a robust field verification component with “boots on the ground” and community engagement including four to five town hall meetings in each county. The other vendors offered some measure of field verification or “boots on the ground” and community engagement, but both were substantially less robust. On September 22, 2021, the anticipation of award was posted and formalized through OSP. In accordance with procurement laws, the contract for the RFP was finalized on October 6, 2021.

Final Review of Contract by Arkansas Legislative Council, September 29, 2021

On September 29, 2021, Secretary Hurst presented the contract with the Broadband Development Group and the contract received final approval from ALC- Executive Subcommittee. The contract was executed on October 6, 2021. The master plan will be developed by the Broadband Development Group and will be completed for the state in April of 2022.