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Infrastructure funds can help bridge the digital divide

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The National League of Cities believes that now is the time for local leaders and communities to leverage pandemic relief funds and historic federal infrastructure earmarks to help close the digital divide.

"This year is a really great time to get moving on digital equity," said Angelina Panettieri, NLC's legislative director for information technology and communications.

Panettieri made the comments in January during the first webinar in the organization's 2022 series on digital equity. NLC defines digital equity as "all individuals and communities [having] the information technology capacity needed for full participation in…society, democracy and [the] economy."

One of the reasons why Panettieri sees 2022 as being ripe for significant movement on digital equity is the Treasury Department's final rule for the state and local fiscal recovery funds program (SLFRF) under the American Rescue Plan Act.

"Your community potentially has more resources at your disposal than ever before," said Angelina Panettieri, NLC's legislative director for information technology and communications.

The other reason Panettieri pointed to is the "roughly $65 billion dollars that were appropriated for broadband and digital equity in the bipartisan infrastructure law."

"Your community potentially has more resources at your disposal than ever before," Panettieri told attendees.

SLFRF was designed to ensure that state and local governments have the necessary resources to respond to the pandemic. Thus far, the Treasury has distributed in excess of $245 billion of the program's $350 billion budget to state, local, and [tribal governments](#).

In January, Treasury [issued its SLFRF final rule,](#) which Panettieri noted "allows even more flexibility for local governments to invest [their] state and local fiscal recovery fund dollars in broadband and internal equity projects."

NLC and other organizations had [expressed concern](#) about definitions surrounding eligible investments in the interim rule that tied necessary investments in broadband infrastructure to "unserved or underserved" households and communities.

The final SLFRF rule, which goes into effect April 1, defines eligible investment areas more broadly to include services provided to households and businesses with "an identified need for additional broadband infrastructure investment."

"This means that communities could identify needs based on a lack of infrastructure and service, providing whatever speed benchmark they define as necessary for their community, or a lack of affordable access," according to the NLC.

The Infrastructure and Jobs Act, [signed into law](#) in November, also provides billions in federal funding to address the digital divide. Most is focused on broadband access, but there is $2.75 billion set aside for state and local digital equity and inclusion work.

Digital inclusion is seen as going beyond broadband to the more human side of the digital equity equation—i.e., ensuring that individuals can effectively access and use information and communication technologies.

The federal digital equity funds will essentially be distributed through two grant programs –some grants will go to states and others will be competitive grants for local community organizations and institutions. Cities that are not directly eligible may, NLC says, be able to partner with universities, libraries or internet service providers.

For its part, NLC launched its Digital Equity Playbook last year, which Panettieri describes as an interactive "soup to nuts guide for local leaders who are looking to close the digital divide in their communities."

NLC will also host additional webinars to highlight various aspects of its playbook and to support cities in their digital equity work.

"It is important for local leaders to get up to speed on how to be good stewards of those resources and to leverage them as far as possible," Panattieri said.