California Digital Equity Capacity Subgrant Program

Draft Guidelines

2024

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1. Program Background

Broadband for All is California's comprehensive, multi-billion-dollar program to close the digital divide. It reflects the work of the California Broadband Council and its members, Executive Order N-73-20, the *Broadband for All Action Plan* (2020), and the historic Broadband for All Act (SB 156, 2021). California's State Digital Equity Plan (SDEP) represents the latest chapter in the evolution of the State's *Broadband for All* program. This plan describes how the State will pair its existing *Broadband for All* investments and efforts with new federal funding from the National Telecommunications and Information Administration's (NTIA) State Digital Equity Capacity Grant Program to advance digital equity in California, which means all Californians have access to the technology and digital skills they need to participate fully in modern society. The plan's vision embodies and expands on the State's three long-term goals defined in the *Broadband for All* Action Plan and State Digital Equity Plan:

- **Goal 1:** All Californians have high-performance broadband available at home, schools, libraries, and businesses.
- **Goal 2:** All Californians have access to affordable broadband necessary devices.
- **Goal 3:** All Californians can access training and support to enable digital inclusion.

California's SDEP, approved by NTIA in April 2024, unlocked $70.2 million in federal State Capacity Grant dollars to support its implementation. These draft guidelines and proposed allocations are dependent on the California Department of Technology (CDT) receiving the full award amount of $70.2 million.

CDT is the State's Administering Entity to manage the State Digital Equity Planning and Capacity Grant Programs. As outlined in the SDEP, CDT will structure the Capacity Grant program implementation around three components:

- **Centralized Services**: services procured by CDT to support the efficiency and effectiveness of capacity subgrant awardees and digital inclusion practitioners
- **State Agency Digital Inclusion Efforts**: programs that impact digital equity outcomes for Covered Populations statewide
- **Capacity Subgrant Program**: subgrants to eligible entities for allowable activities including local digital equity planning, localized digital navigation services, digital literacy training, targeted device programs, community center computer labs, workforce training programs, etc.

CDT issues these draft Digital Equity Capacity Subgrant Program Guidelines to describe the requirements under which it will award subgrants through the Capacity Subgrant program to support SDEP implementation and further the goals of *Broadband for All*. Informed by stakeholder input and in alignment with NTIA requirements, these Draft Guidelines specify CDT's investments in statewide, regional and local planning, ecosystem development, and capacity building that address digital equity through defined activities to benefit California's Covered Populations, consistent with the SDEP.

2. Goals of the Capacity Subgrant Program

The NTIA requires CDT to consider four focal points in examining proposed State Digital Equity Capacity Grant strategies:

- **Focus on Covered Populations**: Activities should align with the State's Digital Equity Plan's goals and objectives, and the priorities of the Covered Populations being served, including subgroups within each Covered Population. Priority should be given to activities with the greatest potential impact, such as targeting Covered Households (i.e., low-income individuals) within other Covered Populations.
- **Long-lasting and Meaningful Change:** Digital Equity Plans are intended to address the systemic barriers and gaps to digital access. Activities should reflect this goal and consider the sustainability of initiatives created through this funding.
- **Measurable Implementation Strategies:** Proposed programs and activities should be based on objectives that are measurable, achievable, sustainable, timebound, and are designed to address identified disparities directly and logically.

- **Stakeholder Engagement:** Stakeholders who are directly affected by the proposed strategies and interventions should be involved to encourage ongoing feedback regarding the effectiveness of the interventions and to seek input on potential solutions and improvements.

As defined in the SDEP, the California Capacity Subgrant Program (the "Program") will address these focal points by funding further statewide, regional and local planning and alignment, and the delivery of digital inclusion services from trusted messengers in existing statewide and community-based organizations and institutions who can provide support in the communities and languages in which it is needed most. The SDEP identifies barriers to digital equity for eight Covered Populations outlined in the Digital Equity Act and includes the State's strategies to achieve specific objectives for each of the State's *Broadband for All* goals.

Goal 1: All Californians have high-performance broadband available at home, schools, libraries, and businesses.

- This goal and its corresponding objectives will be addressed through the continued build-out of existing *Broadband for All* investments and Broadband Equity, Access and Deployment (BEAD)-funded projects.

This Program is structured around funding further planning, ecosystem development, and capacity building for statewide and regional/local coalitions to implement strategies to overcome digital equity barriers experienced by Covered Populations and supports SDEP Goals 2 and 3, and their Objectives:

Goal 2: All Californians have access to affordable broadband necessary devices.

- **Objective 2.1:** Decrease the percentage of Californians who cite cost as the primary barrier to internet service.
- **Objective 2.2:** Reduce the percentage of Californians who rely solely on a smartphone to use the internet due to devices being inaccessible and unaffordable and increase the percentage with a home computing device.
- **Objective 2.3:** Increase the percentage of Californians enrolled in low-cost internet options and subsidies, including the Affordable Connectivity Program or successor program.

- **Objective 2.4:** Reduce the average cost that covered populations pay for internet service.

Goal 3: All Californians can access training and support to enable digital inclusion.

- **Objective 3.1:** Increase the availability of digital literacy, cybersecurity, and skills training programs.
- **Objective 3.2:** Increase the percentage of Californians who have access to technical support services for internet-connected devices.
- **Objective 3.3:** Reduce the percentage of Californians whose concerns for privacy and cybersecurity prevents broadband adoption or effective use.
- **Objective 3.4:** Increase the percentage of Californians who possess basic, intermediate, and advanced digital literacy skills.
- **Objective 3.5:** Expand the number of members of covered populations trained/hired in broadband infrastructure and technology jobs.
- **Objective 3.6:** Increase the percentage of Californians who utilize the internet to apply for or use public benefits and other essential services and can participate in civic and social engagement online.

Through the accomplishment of the SDEP Goals and Objectives, the Program is also designed to help advance California's State Policy Outcomes:

- Education
- Healthcare
- Digital literacy & inclusion
- Workforce & economic development
- Essential services, accessibility & civic engagement
- Tribal collaborations & partnerships

The Program will accomplish these overarching goals, objectives, and outcomes by supporting the implementation of statewide, regional and local planning, ecosystem development, and capacity building to support digital inclusion activities through the development of local and targeted statewide digital equity and inclusion ecosystems in two funding tracks.

- **Track 1: Regional/Local Digital Equity Ecosystems and Implementation** (expected to be no less than 54% of California's total State Capacity Grant allocation) – subgrants to (1) develop and refine local digital equity plans and (2) provide capacity to implement digital equity

activities directly or through secondary subgrants to local eligible entities with a focus on:

- o Local alignment with the SDEP Strategies, Key Activities and Measurable Objectives
- o Local digital equity asset identification and implementation strategy
- o Long-term sustainability

- **Track 2: Targeted Statewide Digital Equity Ecosystems** (expected to be no less than 9% of California's total State Capacity Grant allocation) – subgrants to support ecosystem development, planning, and innovation for State outcome areas and Covered Populations which may be served more effectively in statewide, rather than regional or local, ecosystems.

CDT will utilize the remainder of the State Capacity Grant funds on Centralized Services, State Agency Digital Inclusion Efforts, and costs associated with administering the grant, evaluation, and maintaining and updating the State Digital Equity Plan.

3. Definitions

The following definitions are derived from the Digital Equity Act, NTIA requirements, and California's SDEP:

- **Allowable Use**: use of grant funds towards costs for activities permitted by the NTIA Digital Equity Capacity Grant Notice of Funding Opportunity ("NOFO") and the Subgrant Program guidelines.

- **Community Anchor Institution**: a public school, a public or multi-family housing authority, a library, a medical or healthcare provider, a community college or other institution of higher education, a State or Territory library agency, and any other nonprofit or governmental community support organization.

- **Covered Populations[1]:**

    o Individuals who live in covered households (households with income from the most recently completed year of not more than 150% of the poverty level[2]);

    o Aging individuals (an individual who is 60 years of age or older);

    o Incarcerated individuals (as defined by the State of California), other than individuals who are incarcerated in a federal correctional facility;

    o Veterans (a person who served in the active military, naval, air, or space service, and who was discharged or released therefrom under conditions other than dishonorable);

    o Individuals with disabilities (with respect to an individual with a physical or mental impairment that substantially limits one or more major life activities of such individual; a record of such an impairment; or being regarded as having such an impairment);

    o Individuals with a language barrier, including individuals who— a. are English learners; and b. have low levels of literacy;

    o Individuals who are members of a racial or ethnic minority group; and

    o Individuals who primarily reside in a rural area (any area other than – a city or town that has a population of greater than 50,000 inhabitants; any urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants; and in the case of a grant or direct loan, a city, town, or incorporated area that has a population of greater than 20,000 inhabitants.)

- **Digital Equity**: the condition in which individuals and communities have the information technology capacity that is needed for full participation in the society and economy of the United States.

- **Digital Equity Assets ("Assets")**: organizations (including, but not limited to, nonprofit organizations, community-based organizations, internet service providers, philanthropic entities such as foundations, and

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[1] Source: https://www.ntia.gov/federal-register-notice/2024/notice-funding-opportunity-state-digital-equity-capacity-grant-program

[2] As determined by using criteria of poverty established by the Bureau of the Census.

government agencies), programs, services, funding, and other resources that are, or can be, leveraged to promote digital equity and support the implementation of the State Digital Equity Plan.

- **Digital Equity Ecosystem ("Ecosystem")**: the network of digital equity assets in a locality, region, or the state.

- **Digital Inclusion**: the activities that are necessary to ensure that all individuals in the United States have access to, and the use of, affordable information and communication technologies, such as—

    o Reliable fixed and wireless broadband internet service;

    o Internet-enabled devices that meet the needs of the user; and

    o Applications and online content designed to enable and encourage self-sufficiency, participation, and collaboration; and

  Includes—

    o Obtaining access to digital literacy training;

    o The provision of quality technical support; and

    o Obtaining basic awareness of measures to ensure online privacy and cybersecurity.

- **Digital Literacy**: the skills associated with using technology to enable users to find, evaluate, organize, create, and communicate information.

- **Digital Navigators**: trusted community organizations or community members who conduct the following activities:
    o Assess users' individual needs and goals
    o Advise on availability and access to low-cost offers for devices and internet service
    o Connect residents to or provide digital literacy training
    o Hardware and software technical support efforts
    o Individual, one-on-one support
    o Communal, group-based support

- **Eligible Applicant**: an entity eligible to apply for Digital Equity Capacity Subgrant funding permitted by the NTIA Digital Equity Capacity Grant Notice of Funding Opportunity ("NOFO") and the Subgrant Program guidelines.

- **Lead Applicant**: the designated applicant for a partnership application.

- **Second-tier Subgrant:** a formal agreement that includes the provision of funding between the Lead Applicant and a participating partner organization to further the goals of their Capacity Subgrant, if awarded.

- **Tribe**: California Native American tribes.

4. Eligible Applicants

Eligible entities must be located and operate in the State of California. Lead applicants for the Capacity Subgrant must come from the following entities:

- A local political subdivision, agency, or instrumentality of the State of California, including an agency of the State that is responsible for administering or supervising adult education and literacy activities, or for providing public housing, in the State.
- A Tribe.
- A foundation, corporation, institution, organization, or association that is:
  - a not-for-profit entity; and
  - not a school (schools may be eligible as community anchor institutions)
- A community anchor institution.
- A local educational agency.
- An entity that carries out a workforce development program.
- A partnership between any of the entities listed above.

CDT encourages applications from partnerships of multiple eligible entities. CDT also encourages the following applicants to apply for each funding track.

Encouraged Eligible Applicants by Funding Track

CDT encourages applications from the following types of eligible entities for Funding Tracks 1 and 2. Note that these are not minimum requirements, and applicants do not need every listed category of experience to be eligible.

Track 1: Regional/Local Ecosystems

CDT encourages Track 1 applications from applicants with the following experience:

- Local/regional coalition-building
- Digital equity or digital inclusion planning or programming
- Managing federal or state grants
- Strategic planning or service delivery in the county they are applying for and with local partners in place
- Awarding grants or subgrants

CDT encourages the submission of one application per county representing the partnership of interested eligible entities within each county. Additionally, eligible entities in multiple counties may also partner together to submit one multi-county joint application.

Track 2: Targeted Statewide Ecosystems

CDT encourages Track 2 applications from applicants with the following experience:

- Statewide coalition-building
- Digital equity or digital inclusion planning or programming
- Managing federal or state grants
- Strategic planning or service delivery for the specific Covered Population(s) or outcome area(s) they are applying for
- Applicants with a statewide network of partners

5. Eligible Use of Funds and Program Requirements

Awards made under the Program must advance the Program's goals, objectives, and outcome areas by supporting the implementation of digital inclusion activities through the development of regional, local, and targeted statewide digital equity and inclusion ecosystems.

The period of performance for all awards made under the Program is 3 years and 10 months from the date of award.

Track 1: Regional/Local Ecosystems

Eligible Use of Funds

All Track 1 Subgrantees must use their awarded funding for digital equity planning and implementation of activities within their specified county or multi-county region.

- **Development or refinement of regional/local digital equity plans** that align with the SDEP. CDT plans to share a local digital equity plan template and local digital equity data collection tools such as the Statewide Digital Equity Public Survey and the Digital Equity Ecosystem Mapping (DEEM) asset inventory tool with subgrantees to support the development of their local plans. At a minimum, regional/local digital equity plans should include:
  - o Regional/local vision, goals, and objectives for digital equity in alignment with the SDEP's vision, goals, and objectives
  - o Barriers to digital equity faced by Covered Populations in the region/county (if different than outlined in SDEP)
  - o Assets to be leveraged for digital equity program implementation (including existing funding, programs, and partners, such as local internet service providers, community-based organizations, and philanthropic partners)
  - o A regional/local implementation strategy that is holistic, addresses the barriers to participation in the digital world, and aligns with SDEP activities
  - o An explanation of how the implementation strategy will supplement and/or leverage existing federal, state, local, and private funding and initiatives for long-term sustainability

- o Plans to collaborate with or make second-tier subgrants to key stakeholders in the county/region, especially those that represent the interests of or provide services to Covered Populations
- o A timeline for implementation of the plan

Regional/local digital equity plans must be completed and approved by CDT before Capacity Subgrant awards may be used for implementation of activities. If the county or region has previously completed a local digital equity plan, it must demonstrate to CDT that the pre-existing plan meets all minimum requirements before Capacity Subgrant awards may be used for implementation of activities.

- **Implementation of** local digital equity activities that align with the SDEP and regional/local digital equity plan, such as:
  - o Broadband adoption campaigns
  - o Broadband adoption efforts focusing on enrollment in affordable internet service programs
  - o Digital navigation services
  - o Referring or conducting digital literacy training
  - o Targeted device programs to ensure devices are relevant and useful, and hardware and software sensitive to specific needs for specific Covered Populations
  - o Establishment of computer labs/digital literacy training programs at community centers (Senior Centers, Veterans Halls)
  - o Workforce training programs and apprenticeships (broadband infrastructure and tech jobs)
- **Making second-tier subgrants** to eligible applicants (as listed in Section IV) in the county/region to implement any of the above activities.

Additional requirements:

- Regional/local digital equity plans must be completed and submitted to CDT for approval within 6 months of award. If entities cannot complete the plan within this timeframe, CDT may consider requests for extension, not to exceed 12 months. CDT expects to complete its review and approval of regional/local digital equity plans within 3 months of receipt.
- Each regional/local digital equity plan must address the entirety of the county or multi-county area it represents, including municipalities, unincorporated areas, and rural areas. If a lead applicant is awarded for a multi-county area, a regional/local digital equity plan must be submitted for each county. Regional/local digital equity plans may include individual plans for cities within the county.
- All subgrantees are required to contribute to CDT's ongoing collection of responses for the Statewide Digital Equity Public Survey and DEEM tool to continue to build out statewide and regional/local needs assessments and asset inventories.
- All subgrantees encouraged to leverage CDT's provided Centralized Services to support the efficiency and effectiveness of their implementation activities. If subgrantees opt out of utilizing the Centralized Services, they must provide justification and receive approval from CDT before Capacity Subgrant awards may be used for similar services. In the instance that Centralized Services do not meet unique needs of a certain region (for instance digital literacy training if specific languages beyond English and Spanish), exceptions will be granted if noted in applications.

Track 2: Targeted Statewide Ecosystems

Eligible Use of Funds

Track 2 subgrants will fund digital equity activities that serve at least one Covered Population or outcome area. These may include, but are not limited to, digital equity activities for:

Covered Populations

- Aging individuals
- Individuals with disabilities
- Incarcerated individuals
- Tribes
- Veterans

Or

Outcome Areas

- Education
- Healthcare access
- Workforce development
- Essential services

All Track 2 Subgrantees must use their awarded funding for the following purposes within their specified Covered Population or outcome area.

- **Ecosystem-building and ongoing planning** to identify additional statewide/regional/local partners and develop a plan for mobilizing and obtaining resources to support the specific needs of the Covered Population or interventions and innovation for the specified outcome area. Track 2 subgrantees must include a plan for regional/local coordination with Track 1 subgrantees.
- **Statewide capacity-building** for the ecosystem of partners to serve the specified Covered Population or outcome area. Capacity-building may include train-the-trainer and skill-building activities and other resources for partner organizations to better serve their constituents in the long-term.
- **Statewide innovative projects or solutions** that can leverage other sources of funding to address an aspect of the digital divide without a current solution or supplements an existing solution in an innovative manner and uses a unique, novel, and/or creative approach aligned with an outcome area and/or tailored to the unique needs and challenges faced by the Covered Population(s).

Additional requirements:

- Track 2 Subgrantees must engage stakeholders across the state.
- All subgrantees are required to assist CDT with the ongoing collection of responses for the DEEM tool and Statewide Digital Equity Public Survey.
- All subgrantees encouraged to leverage CDT's provided Centralized Services to support the efficiency and effectiveness of their implementation activities. If subgrantees opt out of utilizing the Centralized Services, they must provide justification and receive approval from CDT before Capacity Subgrant awards may be used for similar services. In the instance that Centralized Services do not meet unique needs of a certain Covered Population or outcome area (for instance digital literacy training if specific languages beyond English and Spanish), exceptions will be granted if noted in applications.

6. Who This Benefits

Focus on Covered Populations

All applications awarded under either Funding Track must benefit Covered Populations within the applicant's county/region, specified Covered Population or outcome area. Applications should additionally prioritize Covered Households and consider intersectionality among Covered Populations to maximize the effectiveness and efficiency of proposed activities.

Subgrants awarded under **Track 1: Regional/Local Ecosystems** must develop plans and implement activities to drive towards measurable objectives to benefit members of all Covered Populations within the county/region or multi-county joint application regions (if multiple areas partner on one application to pool resources and leverage economies of scale).

Subgrants awarded under **Track 2: Targeted Statewide Ecosystems** must benefit **at least one** Covered Population or outcome area statewide.

7. Proposed Allocation & Award Formula

The NTIA used the [following formula](#) in determining the State's Digital Equity Capacity Grant allocation.

- Total Population (50%)
- Total number of members of Covered Populations (25%)
- Comparative Lack of Broadband Availability and Adoption (25%)
- Minimum allocation of one-half (0.5) percent

Based on stakeholder feedback, CDT is proposing the following modified allocation criteria.

Track 1: Regional/Local Ecosystems

Tentative award allocation percentages of total Track 1 funding per county were calculated using a formula-based approach to ensure geographic diversity and equity. The formula considered:

- **Covered Populations (75%)**: To ensure service to Covered Populations is prioritized, 75 percent of a county's allocation is based on the number of individuals in the county who are members of Covered Populations, in proportion to the total number of individuals in the State of California who are members of Covered Populations, as determined by data from the US Census Bureau and NTIA's [Digital Equity Act Population Viewer,](#) which was used in NTIA's formula that determined the State Digital Equity Capacity Grant allocation.
- **Relative Lack of Broadband Availability and Adoption (25%)**: To ensure consideration for each county's relative lack of broadband availability and adoption, 12.5 percent of a county's allocation is based on the county's relative lack of broadband availability and 12.5 percent is based on the county's relative lack of broadband adoption relative to all counties, as determined by the most current broadband data available from CPUC's [2023 CASF Annual Report](#) and the broadband adoption data from the [Digital Equity Act Population Viewer](#).
- **Minimum Allocation**: A minimum allocation of 0.5 percent of the total Track 1 funding pool was assigned to counties whose formula allocations amounted to less than 0.5 percent of the total funding pool and for counties that had less than 20,000 in total population.

CDT expects to award Track 1 subgrants based on the following tentative county allocations, as determined by the formula which was developed with public input. If an applicant serves multiple counties, the applicable county allocations will be summed. For example, if a Consortium applies for service to three counties, the applicant will be eligible to access the total allocation for those three counties.

The below percentages correspond to the proposed allocation criteria in this section. These may be subject to further change based off of public comment.

County	Allocation	County	Allocation
Alameda County	3.2%	Orange County	5.8%
Alpine County	0.5%	Placer County	0.8%
Amador County	1.0%	Plumas County	0.5%
Butte County	0.6%	Riverside County	5.1%
Calaveras County	0.9%	Sacramento County	2.8%
Colusa County	0.5%	San Benito County	0.5%
Contra Costa County	2.1%	San Bernardino County	4.8%
Del Norte County	1.2%	San Diego County	6.0%
El Dorado County	1.2%	San Francisco County	1.6%
Fresno County	2.3%	San Joaquin County	1.7%
Glenn County	0.8%	San Luis Obispo County	0.9%
Humboldt County	0.7%	San Mateo County	1.5%
Imperial County	0.9%	Santa Barbara County	1.4%
Inyo County	0.5%	Santa Clara County	3.6%
Kern County	2.2%	Santa Cruz County	0.8%
Kings County	0.7%	Shasta County	1.0%
Lake County	0.9%	Sierra County	0.5%
Lassen County	1.6%	Siskiyou County	1.4%
Los Angeles County	19.1%	Solano County	1.0%
Madera County	0.8%	Sonoma County	1.3%
Marin County	0.6%	Stanislaus County	1.2%
Mariposa County	0.5%	Sutter County	0.5%
Mendocino County	1.5%	Tehama County	0.9%
Merced County	0.8%	Trinity County	0.5%
Modoc County	0.5%	Tulare County	1.4%
Mono County	0.5%	Tuolumne County	1.1%
Monterey County	1.2%	Ventura County	2.0%
Napa County	0.5%	Yolo County	0.6%
Nevada County	0.5%	Yuba County	0.5%

Track 2: Targeted Statewide Ecosystems

CDT expects to award Track 2 subgrants within a range of $400,000 to $1,000,000.

8. Funding Restrictions

Subgrant recipients may only use federal award funds to pay for allowable costs of funds under the federal State Digital Equity Capacity Program. Allowable costs are determined in accordance with the cost principles identified in the grant program's authorizing legislation. In addition, costs must be reasonable, necessary, allocable, and allowable for the proposed activities, and conform to generally accepted accounting principles. Subgrant funds may be used to cover only eligible costs incurred by the recipient during the period of performance, and for allowable costs incurred by the recipient during the subgrant closeout process.

Applicants must comply with the requirements of 47 U.S.C. §1723(d)(3)(D) of the Digital Equity Act and these Program Guidelines. An Eligible Entity awarded must use the subgrant funds only for Eligible Uses defined in Section V. Additional funding restrictions are as follows:

- **Planning Costs:** No more than five (5) percent of the amount of the subgrant for this purpose or $50,000, whichever is the higher amount, may be used for Track 1 or Track 2 digital equity planning activities.
- **Prohibition on Supplanting:** Pursuant to 47 U.S.C. §1723(h), Capacity Subgrant awards must supplement, not supplant, other federal or State funds that have been made available to carry out digital equity activities described at 47 U.S.C. §1723 and in these Program Guidelines.
- **Evaluation Costs:** No more than five (5) percent of the amount of the subgrant may be used to evaluate the efficacy of the efforts funded by the subgrants made to subgrantees.
- **Administrative Costs:** No more than three (3) percent of the amount of the subgrant may be used for administrative costs (exclusive of costs for program evaluation and digital equity planning) in carrying out allowable activities under this Program and described in the Capacity Subgrant award. For this purpose, the three (3) percent limitation on

administrative expenses includes the combined total of indirect and direct administrative costs charged to an award. The applicant must clearly describe in the budget narrative how it applied or calculated the three (3) percent limitation on administrative costs.

- **Broadband Subsidies:** No more than ten (10) percent of the amount of the subgrant may be used to fund subsidies for the provision of broadband services through affordable broadband programs.

- **Pre-Award Costs:** Reasonable pre-application expenses incurred between Request for Application (RFA) release date and the application deadline in an amount not to exceed $10,000 may be recoverable under federal rules (2 C.F.R. §200.458). Pre-application expenses, which include expenses related to preparing an application, may be reimbursed if they are incurred after the publication date of the RFA and prior to the date of issuance of the grant award from CDT, except that lobbying costs and contingency fees are not reimbursables from grant funds. These costs should be clearly identified in the proposed budget and must be approved by CDT in writing to be considered allowable. Pre-application costs are incurred at the sole risk of the applicant and will not be reimbursed by CDT if the application does not receive an award pursuant to this Program. If approved, pre-award costs would be considered to be administrative costs, and would count against the administrative cost cap for the award.

- **Device Costs:** CDT encouraged NTIA Competitive Grant applicants to apply for funding for devices given their high cost relative to the Capacity Subgrant Program's total available funds. CDT suggests that subgrantees as part of their awards identify philanthropic and private partners to fund the cost of devices. Reimbursement for computing devices used in community training rooms or other public spaces, such as local government centers, senior centers, public libraries, nonprofit organizations, and community-based organizations (i.e., in-classroom computers) is capped at $11,250 per award and limited to $750 per device (device software costs will be considered a separate expense). Reimbursement for take-home computing devices is capped at $300 per device, limited to two computing devices per eligible household, and limited to $40,000 per award.

Prior to making second-tier subgrants to any of the eligible entities listed in Section IV, the Subgrant recipient must require that the entity to which a second-tier subgrant is to be awarded certify that:

- The entity shall carry out the activities as required by these program guidelines;
- The receipt of the second-tier subgrant shall not result in unjust enrichment of the entity; and
- The entity shall cooperate with any evaluation of the program as it relates to the second-tier subgrant awarded to the entity.

9. Information Requested from Applicants

A. Applicant or Applicant Team Summary

The following information must be provided for the lead applicant:

- Organization name
- Eligible entity type (as described in Section IV)
- Evidence verifying lead applicant's status as an eligible entity
- Organization category
  - o County government
  - o Municipal government
  - o Nonprofit
  - o Broadband Consortium
  - o Tribe
  - o Other, please specify
- Organization's Unique Entity ID (UEI) number assigned by SAM.gov
- Organization Address and Contact Information

B. Application Narrative
Note: While CDT understands that Track 1 applicants may need to develop their local digital equity plans before finalizing activity details, Track 1 applicants should provide the following Application Narrative information to the greatest extent possible, to serve as preliminary information.

- An **Executive Summary** of the proposed activities, including the following details. Please note, CDT may use all or a portion of the Executive Summary as part of a press release issued by CDT, or for other public information and outreach purposes. Applicants are advised not to include information that concerns business trade secrets or other confidential commercial or financial information as part of the Executive Summary.
    o An overview of the goals of the proposed activities
    o The geographic scope of the application
    o A high-level overview of the planning and implementation activities proposed
- **Applicant Team's** description of its experience and capacity in the following areas:
    o Capacity to implement the proposed activities and meet key milestones
    o Experience managing similar partnerships or coalitions
    o Experience managing federal or state grants or subgrants
    o Experience engaging with or serving Covered Populations
    o If second-tier subgrants are proposed, a description of the lead applicant's experience in making grants or subgrants to other organizations
- A preliminary **timeline** describing major activities and key milestones, when each Subgrant activity will start and end, and subgrant evaluation and closeout activities.
- Describe how you will develop or expand your engagement strategy to include a range of stakeholder organizations (including smaller organizations with fewer resources) to receive ongoing feedback on your plan and the effectiveness of the activities.
- **Proposed data collection promotion strategy** to support CDT's Statewide Digital Equity Public Survey, DEEM tool, and evaluation efforts. Note: CDT plans to provide an evaluation framework and templates for subgrantee use.

C. Partnership Information
- Applicants must complete a table that will be provided by CDT that includes:
    o A list of all members of the partnership

- o Verification that each partner is an Eligible Entity (if they are proposed as a second-tier subgrantee to receive funding)
  - o The category of Eligible Entity Type and Organization Category of each partner
  - o The scope of work/role of each partner
  - o Whether a partner is applying for Capacity Subgrant funding under any other partnership, and if so, the lead applicant for each other partnership
  - o The amount of funding to be allocated for each partner
- Applicants must also provide Letters of Support from each partner demonstrating approval of the proposal and clearly articulating the specific benefits and responsibilities of the partner.

D. Budget Form
- Budget spreadsheet reflecting allowable costs that are consistent with these Program Guidelines and federal requirements.
- Budget narrative to explain the necessity and basis of all costs.

E. Disclosure of Other Sources of State or Federal Funding
A disclosure of other sources of State of Federal Funding that the lead applicant and any partnering entities have 1) already applied for or is in the process of applying for, or 2) already received, for activities related to the purposes of these Program Guidelines, along with a general description of their uses (either intended or proposed).

F. Funding Track Specific Questions
Each Funding Track will have specific set of narrative questions and information requested.

Track 1: Regional/Local Ecosystems

- Description of local digital equity planning activities and timeline for completion. Indicate whether the Applicant Team will develop a new plan or upgrade or submit pre-existing local digital equity plans to meet CDT requirements. If the Applicant Team plans to upgrade or submit a pre-existing plan, please attach the plan and describe the prior planning efforts.
- Plan for reaching all Covered Populations within the county/region, including municipalities, unincorporated areas, and rural areas.

- The total number of members of Covered Populations in your geographic area that your proposed regional/local digital equity plan(s) will address and the percentage of that population that your proposed Capacity Subgrant will be able to serve with the given allocation.
- Preliminary estimated outputs (e.g. number of regional/local digital equity plans developed, number of assets mapped, number of outcome area partners established, number of Covered Populations enrolled in low-cost offers, number of Covered Populations trained in digital literacy, number of Covered Populations connected to devices, etc.). Preliminary estimated outputs should align with SDEP Goals and Objectives defined in Section II and should reflect the Applicant Team's current priorities, which may be further refined through the local digital equity planning process.

Track 2: Targeted Statewide Ecosystems

- Description of the targeted Covered Population(s) or outcome area(s) to be served by the proposed activities with justification for why they may be served more effectively in statewide, rather than regional or local, ecosystems.
- The expected number of individuals to be served within each Covered Population.
- A description of how the proposed activities align with, or address a gap in, the California SDEP.
- The basis on which the applicant believes the proposed activities will be effective in advancing the SDEP Goals and Objectives defined in Section II.
- Estimated outputs (e.g. number of Covered Populations enrolled in low-cost offers, number of Covered Populations trained in digital literacy, number of Covered Populations connected to devices). Estimated outputs should align with SDEP Goals and Objectives defined in Section II.
- Description of how the proposed activities represent an innovative solution that can leverage other sources of funding to address an aspect of the digital divide without a current solution or supplements an existing solution in an innovative manner and uses a unique, novel, and/or creative approach.

- Description of the other sources of braided funding that can be identified and leveraged to support this program.
- Description of how proposed activities can support and align with efforts of Track 1 subgrantees and their regional/local ecosystems.

10. Selection Information

CDT will evaluate all applications received by the deadline for eligibility and completeness.

Applicants will be selected based on the processes below for Tracks 1 and 2.

Applicants that are not selected during this funding opportunity are encouraged to apply again in the future as there may be additional funding opportunities depending on the federal authorization of future tranches of funding under the Digital Equity Act.

Track 1 Selection Process:

Applications must meet the following Minimum Requirements to be considered for funding:

- Application contains all required information and submitted by the application deadline.
- Lead applicant is a verified eligible entity with an active Unique Entity ID (UEI) number assigned by SAM.gov.
- Application includes more than one letter of support from stakeholder organizations within the geographic scope of the application (county or multi-county region).

CDT will encourage one application per county.

If regions cannot agree on a coalition partnership and align around a lead applicant and multiple applications are submitted for the same region, the following criteria will be used to determine which lead applicant receives funding:

- **Need, Purpose, and Benefits (30 pts)**

- o Plan for reaching all Covered Populations within the county/region, including municipalities, unincorporated areas, and rural areas
- o Prioritizes Covered Households and maximizes opportunities for intersectionality, or to serve those from multiple Covered Populations
- o Ability to demonstrate support from regional/local digital equity ecosystem through external Letters of Support
- **Strength of Applicant's Organizational Capacity (30 pts)**
  - o Lead applicant's experience with managing large initiatives, managing federal or state grants, and making grants or subgrants to other organizations (if proposed)
  - o Applicant Team's experience in serving Covered Populations in specified county or multi-county region
  - o Applicant Team's experience in digital equity or digital inclusion planning or programming
  - o Robustness of partnership strategy presented, including diversity and regional/local reach of partners
- **Strength of Proposed Timeline and Budget (30pts)**
  - o Soundness of proposed activities
  - o Realistic timelines & milestones
  - o Feasible & efficient budget
  - o Sustainability and likelihood of long-term impact
- **Application Administration (10 pts)**
  - o Thoroughness of application
  - o Compliance with application instructions

Model Application

A model, or competitive, **Track 1** application may include the following components:

- A lead applicant with experience, reach, and partnerships across their specified county or multi-county region.
- Local partners representing Covered Populations and digital equity practitioners that are identified by the time of application.

- Applicant Team (lead applicant and partners) reflects strong understanding of regional/local digital equity landscape (stakeholders, barriers, and assets) to expedite local digital equity plan development.
- The lead applicant will award and manage second-tier subgrants to community-based partners and digital equity practitioners to implement eligible digital equity activities and strengthen the local digital equity ecosystem.

Track 2 Selection Process:

Applications must meet the following Minimum Requirements to be considered for funding:

- Application is complete and submitted by the application deadline.
- Lead applicant is a verified eligible entity with an active Unique Entity ID (UEI) number assigned by SAM.gov.
- Application includes more than one letter of support from stakeholder organizations across the state.

CDT will award the highest scoring applications while avoiding duplication of targeted Covered Population(s) or outcome area(s) based on the following criteria. For example, if the two highest scoring applications propose activities in the same outcome area, CDT plans to only award one.

- **Need, Purpose, and Benefits (30 pts)**
    - Justification for targeted statewide ecosystem
    - Addresses root causes and barriers of digital divide for Covered Populations
    - Number of Covered Populations served & individuals within each that will benefit
    - Effectively advances SDEP Goals and Objectives for Covered Populations
    - Benefits Covered Populations in diverse regions of the state.
- **Strength of Applicant's Organizational Capacity (30 pts)**
    - Lead applicant's experience with managing large initiatives and managing federal or state grants
    - Applicant Team's experience in serving Covered Populations in diverse regions of the state

- o Applicant Team's experience in digital equity or digital inclusion planning or programming
- o Robustness of partnership strategy presented, including diversity and statewide reach of partners and coordination with Track 1 subgrantees at regional/local levels
- **Strength of Proposed Timeline and Budget (30 pts)**
  - o Soundness of proposed activities
  - o Realistic timelines & milestones
  - o Feasible & efficient budget
  - o Sustainability and likelihood of long-term impact (including through innovation and ability to leverage additional funding)
- **Application Administration (10 pts)**
  - o Thoroughness of application
  - o Compliance with application instructions

Model Application

A model, or competitive, **Track 2** application may include the following components:

- A lead applicant with experience, reach, and partnerships across the diverse regions of the state, specializing in serving at least one Covered Population or outcome area.
- Local partners representing Covered Populations and digital equity practitioners that are identified by the time of application to strengthen the statewide digital equity ecosystem.
- The application demonstrates an innovative idea and/or outlines a plan for large-scale, statewide digital equity activity implementation and ecosystem coordination.
- The application demonstrates why the specified Covered Population or outcome area is better served at the statewide level, instead of at the local/regional level.

11. **Post-Award Expectations**

Subgrant Awardee Reporting Requirements
- **Financial Reporting**
  - o Each awardee will be required to submit a Financial Report twice a year consistent with Federal reporting guidelines. If awarded,

further instructions on where and how to submit reports will be provided via a specific award condition.

- **Technical Reporting**
  - o Each awardee will be required to submit a technical progress report to CDT twice a year. If awarded, further instructions on where and how to submit reports will be provided via a specific award condition. Reports will be due within fourteen (14) days after the end of the reporting period.
  - o Technical progress reports shall contain information including:
    - Status of achieving implementation milestones;
    - Progress towards measurable objectives;
    - Alignment to expenditures; and
    - Activity outputs (e.g., number of devices provided/subsidized, number of digital literacy/training programs developed, and number of training hours provided, number of Internet subscriptions provided/subsidized, etc., as applicable).
- **Audit Requirements**
  - o All awardees are subject to audits from CDT during the period of performance. CDT audits will include a review of subgrantee programmatic and financial records and documentation pertaining to the performance/compliance of the subgrant agreement through sites visits, desk reviews, or other agreed upon procedures. Subgrantees must submit a written corrective action plan in response to performance/compliance concerns as identified through the CDT audit.
  - o Federal regulations require any awardee that expends federal awards of $1,000,000 or more in the recipient's fiscal year to conduct a single or program-specific audit in accordance with federal requirements and submit the completed audit to CDT for approval.
  - o Applicants are reminded that CDT, NTIA, the NIST Grants Office, the Department of Commerce Office of Inspector General, or another authorized federal agency may conduct an audit of an award at any time.

Payments
- Awardees may submit reimbursement requests on a quarterly basis.

- Awardees may request up to 10 percent of their awarded funds by completing the Advance of Grant Subaward Funds Request. An advance can only be received in the beginning of the Subgrant performance period.

Second-tier Subgrant Requirements
- Second-tier subgrantee selection is at the discretion of the awardee. The selection process must comply with state and federal requirements.
- All awardees are responsible for collecting and submitting required information from second-tier subgrantees in accordance with reporting requirements above.
- Payment of second-tier subgrantees is the responsibility of the awardee. All second-tier subgrantees are responsible for submitting the required information to their awardee for payment.

Execution and Performance Tracking
- **Period of Performance**: The anticipated start and end dates of the period of performance for the Subgrant Awards are tentatively July 2025 to May 2029. These dates are subject to change as CDT subgrantee selections must be approved by NTIA prior to awards.
- **Performance Tracking**: All awardees are required to incorporate program measurement and evaluation activities as a part of their program design and implementation. These activities must include documentation of progress made towards measurable objectives identified in the State Digital Equity Plan and/or Regional/Local Digital Equity Plan. Templates will be provided.
- **Closeout Period**: Final financial and technical reports are due within sixty (60) days after the end of the period of performance.

Compliance with Federal Requirements
- **Code of Federal Regulations**
    - Guidance for federal awards is published in the Code of Federal Regulations (CFR). The CFR is accessible through the Electronic Code of Federal Regulations at www.ecfr.gov. Capacity Subgrants awarded to eligible entities through this Program are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards contained in 2 CFR part 200 and 2 CFR part 400.

- o Grant funds awarded to for-profit organizations are subject to the Uniform Administrative Requirements contained in 2 CFR part 200 and 2 CFR part 400, and the Cost Principles contained in the Federal Acquisition Regulation (FAR) Subpart 31.2, Contracts with Commercial Organizations, codified at 48 CFR 31.2.
  - o Recipients are responsible for the consistent application of federal regulations to the Capacity Subgrant funds. Recipients are responsible for ensuring their contractors/consultants comply with federal regulations.
  - o Requirements for record retention.
- **Timekeeping Requirements**
  - o Activity reports are required to support salary, wage, and fringe benefit expenditures charged to Capacity Subgrant awards. Each report must account for the total activity for which each employee is compensated, as well as the hours worked on a particular Capacity Subgrant activity. A description of activities must be included, and the description must include enough detail to determine whether the activity is Capacity Subgrant-related. This also applies to salaried employees, such as Executive Directors (reference 2 CFR 200.430). Costs not adequately supported are unallowable and will not be reimbursed.
  - o Fringe benefits must be billed at or below actual cost in accordance with the Recipient's established fringe benefits policy; billing fringe benefits based on estimated rates is unallowable.
- **Contractor/Consultants**
  - o Recipients may contract for services that cannot be provided by staff employed by the Recipient. Generally, these services are for a short-term period and provide a specific and identifiable product or service. Recipients are responsible for ensuring their contractors/consultants comply with applicable federal and State regulations and requirements and may be subject to audit. Contracting out must not affect the Recipient's overall responsibility for the management of the Capacity Subgrant award, and the Recipient must reserve sufficient rights and controls to enable it to fulfill its responsibilities for the award.

- o Recipients must establish and follow a documented procurement policy which conforms to applicable federal law and reflects applicable state, local and tribal laws and regulations. Reference 2 CFR 200.318 for additional information on general procurement standards.
- **Competitive Process**
  - o Federal regulations require all procurement transactions be conducted in a manner providing full and open competition and consistent with the procurement standards of 2 CFR 200.318 – 200.327.
- **Written Agreement**
  - o The Recipient must have an executed agreement with each contractor/consultant and second-tier subgrant recipients. The written agreement must include at a minimum: beginning and ending dates, the dollar amount of the contract, a description of activities, services or deliverables to be performed with a time schedule, a budget, the cost principles to be used in determining allowable costs, payment provisions, the policies and requirements that apply to the contractor/consultant and second-tier subgrant recipients, and signature and date by all parties. The budget in the contract must include the same line item categories as the Subgrant Agreement budget.

12. **Proposed Schedule of Activities** (subject to change based on award date of State Capacity Grant and from public comment.)

Milestone	Date
Anticipated RFA Launch	December 6, 2024
Anticipated RFA webinar	December 11, 2024
Anticipated Technical Assistance Period	December 12, 2024 – January 17, 2025
Deadline to Submit Questions	December 20, 2024
Anticipated RFA Close	February 6, 2025
CDT Administrative Review	February 7 – February 14, 2025
CDT Technical Review	February 15 – March 30, 2025
CDT Final Selection	March 31 – May 14, 2025
Anticipated Notice of Award	May 15, 2025