

# Sen. Cowles: Audit recommends improvements for certain PSC broadband programs

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MADISON - Today, the nonpartisan Legislative Audit Bureau (LAB) released a limited-scope review of certain broadband expansion grant programs (report 22-11). In February 2022, the Joint Legislative Audit Committee directed LAB to evaluate the State's administration of supplemental federal funding received in response to the public health emergency.

The Public Service Commission of Wisconsin (PSC) administers programs that award grants to telecommunication providers that make broadband service available to businesses and residences. In October 2020, the Department of Administration (DOA) allocated \$6.2 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to PSC. In July 2021, DOA allocated \$103.4 million in American Rescue Plan Act (ARPA) funds to PSC.

Through June 2022, PSC awarded \$105.3 million in broadband grants and reimbursed telecommunication providers \$7.7 million. PSC awarded 95 grants, including 12 grants with CARES Act funds and 83 grants with ARPA funds.

LAB identified concerns with PSC's program administration. For example, almost all of the 384 supporting documents that PSC reviewed did not indicate the amounts the providers had actually paid to construct the projects. PSC did not document its efforts to verify that providers had constructed the broadband infrastructure for which the providers were reimbursed. In addition, the guidance of PSC's commissioners to their staff for reviewing grant applications for the ARPA-funded program did not consistently adhere to the application instructions. For example, the commissioners instructed their staff not to consider 23 grant applications for

“middle-mile” projects even though the instructions did not indicate that such projects would not be considered.

“We hear regularly from Wisconsinites who demand broadband access, however without any written procedures, documented verification efforts, or proper cost accounting, it’s still unclear if these dollars are being put to their highest and best use. PSC’s lack of oversight and rewriting of application criteria after applications have been submitted has eroded much of my confidence concerning PSC’s ability to award future broadband expansion grants. As Wisconsin is soon anticipating a lot of federal dollars for broadband expansion, PSC needs to tighten this program up immediately, said Senator Robert Cowles (R-Green Bay).

LAB made 8 recommendations for PSC to improve its administration of broadband expansion grant programs, including by establishing comprehensive written program policies and improving how it reviews and awards grants, reimburses telecommunication providers, and oversees the programs.

“It’s evident, there needs to be a far more accountable process in this program moving forward. Once LAB’s recommendations in this audit report are implemented by PSC, future applicants for broadband expansion grants will have a greater assurance that their projects will be considered appropriately and consistently. I’m frustrated that efforts to improve and better target broadband grants were vetoed by the Governor in the last session, because problems like these could have simply been avoided in the first place,” said Representative John Macco (R-Ledgeview).

Copies of LAB’s report (report 22-11) may be obtained from its website at [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab) or by calling (608) 266-2818. Report concerns related to state government activities to LAB by calling the toll-free hotline at 1-877-FRAUD-17.