

County of Santa Clara
Technology Services and Solutions Department



24-5608

DATE: May 7, 2024 (Item No. {{item.number}})

TO: Board of Supervisors

FROM: Nina D'Amato, Chief Information Officer

SUBJECT: Response to Board Referral Relating to Digital Equity Strategy

RECOMMENDED ACTION

Held from April 16, 2024 (Item No. 21): Receive report relating to Digital Equity Strategy. (Technology Services and Solutions Department)

FISCAL IMPLICATIONS

This effort is grant funded through the State of California Public Utilities Commission (CPUC). There is no impact to the County General Fund. Rather, private sector and not-for-profit partners can submit proposals to the CPUC that work to close the digital divide within Santa Clara County.

REASONS FOR RECOMMENDATION AND BACKGROUND

According to the National Digital Inclusion Alliance, digital equity is a condition in which all individuals and communities have the information technology capacity needed for full participation in our society. Digital equity warrants access to affordable broadband, digital literacy training, and the devices necessary to use the internet.

Supporting digital equity aligns with the County's core mission statement: to plan for the needs of a dynamic community, provide quality services, and promote a healthy, safe and prosperous community for all. In fact, digital equity was a focus of various efforts in the County even before the pandemic made gaps in broadband access more noticeable. In 2023, the County's main public website was successfully migrated to a new Content Management System (CMS). This migration project is a powerful tool to deliver County services digitally and is built on the principle of equity to provide residents and County clients the option to apply for and receive services through digital means in addition to on-site and in-person service delivery. Additionally, several other initiatives by County agencies helped fill gaps for thousands of students, the elderly, and disabled populations. One key effort stemmed from the Board of Supervisors' legislative direction to conduct an in-depth analysis into internet connectivity barriers within the county and to develop an action plan to address them.

In 2021, the Board of Supervisors requested research and technical analysis on the existing state of broadband infrastructure and the needs of the County. The County's Technology Services and Solutions (TSS) Department has been designated as the administering department to synthesize these findings into a comprehensive digital equity strategy. Through a needs assessment, stakeholder interviews, and workshops with the County's Digital Equity Consortium, the County developed an understanding of the digital divide barriers facing the community. The needs assessment highlights the vital importance of affordable connectivity options and computing devices and notes digital adoption gaps for low-income and elderly households. While there are pocket gaps across the whole county, these attached findings indicate businesses and residents living in San José, South San José, and South County (Morgan Hill, San Martin, and Gilroy) are disproportionately impacted.

In response to a December 14, 2021, referral (Item No. 11; Supervisors Chavez and Ellenberg) and an April 19, 2022, referral (Item No. 18; Supervisors Chavez and Ellenberg), TSS is evaluating all options for closing the County's digital divide. Our initial discovery into a County-administered municipal broadband service highlights several barriers that must be considered, including:

Financial risk and initial investment: Building and maintaining an underground fiber network requires a substantial upfront investment. Depending on the scope, these initial funds can range from tens of millions to hundreds of millions of dollars. The financial risk is considerable, especially if the service fails to attract enough subscribers to become self-sustaining. Chattanooga, Tennessee, the country's bellwether for municipal broadband, spent an estimated \$220 million to build municipal network in 2015 and today, spends close to \$300 million in annual operating costs.

Competition from Established Providers: Established regional and national telecommunications providers can leverage their existing customer base, economies of scale, and revenue to challenge new entrants through providing strategies, improved services, or legal challenges.

Operational and Technical Expertise: Operating a broadband network requires significant technical and operational expertise. These skillsets are either developed in-house or through partnerships with external entities that can manage the network. Ensuring reliable service, customer support, and network maintenance are ongoing responsibilities that are fundamental to competing in this space.

Community Support: Gaining community support is crucial for the success of a County administered municipal broadband service. In other areas of the country, these efforts have become politically contentious, with opposition from the private sector over government competition, the financial risk involved utilizing public sector funding, or the allocation of public resources.

Market demand and Sustainability: There must be sufficient interest and willingness to pay for the County's service among residents and businesses to make this venture sustainable. This involves competing on both price, quality, and reliability against established providers.

Regulatory Compliance and Privacy Concerns: Complex regulatory environments that govern telecommunications services, including compliance with federal and state laws related to privacy, net neutrality, and consumer protection must all be navigated. It will be challenging to balance these regulatory requirements with the goal of providing affordable and open internet.

Considering these factors, partnering with industry proves to be the most affordable, thoughtful, and the fastest approach. The County will strive for an inclusive, affordable, reliable fast internet service in the most needed areas.

The County's FY24-27 Digital Equity Strategy will guide our efforts to improve digital equity. The strategy includes goals, objectives, strategic actions, and key performance indicators. These components work together to sequence and prioritize initiatives as it relates to balancing long-term priorities with today's available resources.

CHILD IMPACT

Approving the recommended action will have a positive impact on children as it aims to reduce the digital gaps within the County.

SENIOR IMPACT

Approving the recommended action will have a positive impact on older residents as it aims to reduce the digital gaps within the County.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

Not receiving the County's FY24-27 Digital Equity Strategy will have an adverse effect on our residents and their ability to received stable sustained internet service to their home or business.

STEPS FOLLOWING APPROVAL

Please send notification of completed processing to Nina D'Amato, Jecelyn Zaha, and Lisa Bito.

ATTACHMENTS:

- County of Santa Clara FY24 27 Digital Equity Strategy