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Frequently Asked Questions and Answers

State Digital Equity Capacity Grant Program:
Native Entities



U.S. Department of Commerce
National Telecommunications and Information Administration

Note

The State Digital Equity Capacity Grant Program, authorized by Section 60304(d) of the Infrastructure Investment and Jobs Act, Public Law 117-58, 135 Stat. 429 (November 15, 2021), also commonly known as the Bipartisan Infrastructure Law, provides federal funding to equip individuals and communities with the skills and tools needed for full participation in society and the economy.

This document was created to support Native Entity applicants in applying for the State Digital Equity Capacity Grant Program(2024), referred to herein as the *NE Capacity & Planning Grant Program*.

The following is the first in a series of FAQ documents intended to provide guidance on information set forth in NTIA's Notice of Funding Opportunity (NOFO)¹ issued on March 29th,2024. This FAQ document is relevant for Native Entities. Following the release of this document, further questions may be submitted to digitalequity@ntia.gov to be considered for inclusion in future FAQ documents.

The below FAQs are for informational purposes only and are intended solely to assist potential applicants in better understanding the NE Capacity & Planning Grant Program and the application requirements set forth in the NOFO for this program. The FAQs do not and are not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, or the specific application requirements set forth in the NOFO. In all cases, statutory and regulatory mandates, and the requirements set forth in the NOFO, shall prevail over any inconsistent information contained in the below FAQs.

¹ Unless specified, all mentions of the NOFO and NOFO citations are referring to the State Digital Equity Capacity Grant Program NOFO.

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1. General NE Capacity & Planning Grant Program Overview

1.1 What programs are in the Digital Equity Act, and what are the differences across programs?

The Digital Equity Act established three programs:

1. The State Digital Equity Planning Grant Program, a \$60 million program for grantees to develop Digital Equity Plans.
2. The State Digital Equity Capacity Grant Program, a \$1.44 billion program for grantees to implement their Digital Equity Plans and carry out digital inclusion activities.
3. The Digital Equity Competitive Grant Program, a \$1.25 billion program for grantees to develop and implement digital equity projects.

The State Digital Equity Planning Grant Program was launched in 2022 and provided funding to States (including the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico) and four U.S. Territories (the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands) to develop Digital Equity Plans that identify the barriers to digital equity faced by the Covered Populations. In addition, \$3,000,000 that was set aside for Native Entities under the State Digital Equity Planning Grant Program as well as approximately \$300,000 of unclaimed State Digital Equity Planning Grant Program funds will now be made available to Native Entities through this NOFO. These funds will be referred to as Planning Grant Funds for the purpose of clarity in this FAQ document. (NOFO Executive Summary Section K)

The State Digital Equity Capacity Grant Program was launched in 2024 and provides funds to States and U.S. Territories to implement the State Digital Equity Plans developed pursuant to the State Digital Equity Planning Grant Program. This NOFO also established a competitive process to make Capacity Grant and Planning Grant Funds available to Native Entities to carry out digital equity and inclusion activities consistent with the Digital Equity Act. These proposed projects must include measurable objectives and evaluation criteria as part of their program design and will likewise address barriers to digital equity and promote the availability and affordability of access to broadband technology, online accessibility and inclusivity of public resources and services, digital literacy, awareness of online privacy and cybersecurity, and the availability and affordability of consumer devices and technical support for those devices. (NOFO Executive Summary Section H)

The Digital Equity Competitive Grant Program is the third Digital Equity Program and will provide funding on a competitive basis to eligible applicants including, for example, a political subdivision, agency, or instrumentality of a State, including an agency of a State that is responsible for adult education, literacy, or public housing, Native Entities, nonprofits (except schools), community anchor institutions, local educational agencies, workforce development organizations, and/or a partnership between these entities that will fund digital equity and inclusion activities. (Digital Equity Competitive Grant Program NOFO Executive Summary Section H)

1.2 What is the NE Capacity & Planning Grant Program?

The NE Capacity & Planning Grant Program establishes a **competitive process** to make Capacity and Planning Grant Funds available to Native Entities to carry out digital equity and inclusion activities consistent with the Digital Equity Act.

These proposed projects must include measurable objectives and evaluation criteria as part of their program design and will address barriers to digital equity and promote the availability and affordability of access to broadband technology, online accessibility and inclusivity of public resources and services, digital literacy, awareness of online privacy and cybersecurity, and the availability and affordability of consumer devices and technical support for those devices. (NOFO Executive Summary Section H)

1.3 How are Native Entities defined in the NE Capacity & Planning Grant Program?

As used in the NOFO, the term “**Native Entity**” refers to **Indian Tribes, Alaska Native Entities, and Native Hawaiian Organizations** as referenced in 47 U.S.C. §1723(i)(2) and that meet the eligibility criteria outlined in Section III.B.1 of the NOFO. (NOFO Section I.C(17))

- **Indian Tribe:** The term “Indian Tribe” means any Indian tribe, band, nation, or other organized group or community (i.e., Tribal Organizations), including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 et seq., which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians. (NOFO Section I.C(15))
- **Alaska Native Entity:** The term “Alaska Native Entity” will refer to a tribally controlled entity in Alaska whose purpose or mission is to represent or advance the interests of one or more native Alaskan communities. This will include, but will not be limited to, subsidiary organizations of an Indian Tribe; entities that receive federal funding due to their status as an Indian or Native organization; and the Alaska Native Regional Nonprofit Organizations created to administer social, educational, and health services for Alaska Native people in their region. (NOFO Section I.C(5))
- **Native Hawaiian Organization (NHO):** An organization that is registered with the U.S. Department of the Interior’s Office of Native Hawaiian Relations and Hawaiian Homes 19 Commission Act Beneficiary Associations and Homestead Associations, as defined under 43 C.F.R. §§ 47.10 and 48.6, or is the Department of Hawaiian Home Lands. (NOFO Section I.C(16))

Indian Tribes, Alaska Native Entities, and Native Hawaiian Organizations that appear on one of the following lists prior to the closing of the application window, or that meet the criteria set forth below, satisfy the definition of a Native Entity for purposes of the NOFO:

- U.S. Department of the Interior, Bureau of Indian Affairs, Indian Entities Recognized by and Eligible to Receive Services From the United States Bureau of Indian Affairs, 88 Fed. Reg. 2112 (Jan. 12, 2023), available at <https://www.federalregister.gov/documents/2023/01/12/2023-00504/indian-entities-recognized-by-and-eligible-to-receive-services-from-the-united-states-bureau-of> ;

- Alaska Department of Natural Resources, Division of Mining, Land and Water, Index of Regional Native Corporations, available at: <https://dnr.alaska.gov/mlw/paad/17b-easements/search/>;
- U.S. Department of the Interior, Office of Native Hawaiian Relations, Native Hawaiian Organization Notification List, available at: <https://www.doi.gov/hawaiian/nhol>;
- U.S. Department of the Interior, Office of Native Hawaiian Relations, Homestead & Beneficiary Associations List, available at: <https://www.doi.gov/hawaiian/homestead-beneficiary-associations>; and
- The Department of Hawaiian Home Lands.

(NOFO Section III.B.1)

1.4 What is a Tribal Organization?

The term “Tribal Organization” means the recognized governing body of any Indian Tribe; any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities: provided, that in any case where a contract is let or grant made to an organization to perform services benefiting more than one Indian tribe, the approval of each such Indian tribe shall be a prerequisite to the letting or making of such contract or grant. (NOFO Section I.C(20))

1.5 Who are the eligible applicants for the NE Capacity & Planning Grant Program?

Indian Tribes, Alaska Native Entities, and Native Hawaiian Organizations (collectively, “Native Entities”) that appear on one of the lists defined in NOFO Section III.B.1 prior to the closing of the application window are eligible to apply to this Program.

- A Native Entity may apply as part of a **consortium** but may only make a single application, either as an individual applicant or as a consortium member. Each entity applying to participate in a consortium must submit documentation demonstrating it is authorized by the governing authority of the Native Entity to apply for Planning and/or Capacity Grant funds.
- A Native Entity may appoint a **non-profit corporation** authorized by the governing body of the Native Entity to administer Capacity and Planning Grant Funds on behalf of the eligible Native Entity. The non-profit will not need to submit a SAM.gov UEI at the time of application since they are only administering the funding and are therefore not considered co-recipients.

1.6 How can eligibility be demonstrated?

To demonstrate eligibility, all applicants must submit a Tribal Government Resolution, Tribal Resolution of Consent, or equivalent formal authorization from the governing body of the Native Entity providing:

1. Name of the Native Entity, which shall appear on one of the lists in NOFO Section III.B.1
2. Express authority to file an application for:

- a. Capacity Grant Funds on behalf of the Native Entity, or
- b. Capacity and Planning Grant Funds on behalf of the Native Entity.

For a consortium application, every member of the consortium must submit this documentation, demonstrating appropriate formal authorization from the applicable governing authority. Consortium applications submitted without formal authorizing documentation from each Native Entity named in the application will be considered incomplete. (NOFO Section III.B.1.c)

1.7 Are organizations that are local governments eligible to apply?

Yes, if the organization is a local government **and** is listed under the eligible entity lists in the NOFO Section III.B.1, it is eligible.

For example, in the case of some Native Hawaiian Organizations that are local governments **and** on the National Hawaiian Organization eligibility entity list, they are eligible.

1.8 Are local governments able to serve as a lead applicant for a consortium?

Yes, any applicant that is otherwise an eligible entity as identified in NOFO Section III.B.1 can serve as a lead applicant.

For example, a borough government can serve as a lead applicant for a consortium if it appears on one of the Native Entity lists in NOFO Section III.B.1 prior to the closing of the application window.

1.9 Are organizations eligible to apply for the NE Capacity & Planning Grant Program if they receive other sources of federal or state funding for broadband?

Yes. However, duplication of federal or state funding must be avoided. Grants or subgrants awarded under the NE Capacity & Planning Grant Program must supplement, not supplant (e.g., supersede, replace, or take the place of), federal or state funds available to the organization to carry out digital equity and inclusion activities. (NOFO Section III.C.3.b.v)

1.10 Are consortia eligible to apply for the NE Capacity & Planning Grant Program?

Yes. NTIA encourages coordination and collaboration in achieving digital equity through the submission of an application on behalf of a consortium of multiple Native Entities (each of which must be eligible) in the most cost-effective manner. Applicants may submit only one application, either as an individual application or as part of a consortium application. In addition, Native Entities that choose to apply as part of a consortium application may only be part of one consortium application. (NOFO Section III.B.1.b)

1.11 What must be included within a Memorandum of Understanding (MOU) for consortium applications?

The lead applicant must submit a Memorandum of Understanding (“MOU”) with **each Native Entity** participating in the consortium demonstrating approval of the proposed projects and clearly articulating the specific benefits and responsibilities of each member. This MOU must include a commitment from the lead applicant to stay in regular

communication with each member of the consortium regarding the status of awards and the progress of the proposed projects described. NTIA will consider application(s) submitted without the appropriate formal authorizing documentation and agreements as incomplete and may remove them from consideration for funding. (NOFO Section III.B.1.c)

2. Application

2.1 Can an applicant apply for Planning Grant Funds without applying for Capacity Grant Funds?

No, Planning Grant Funds will not be made available on a standalone basis. Native Entities are not required to seek Planning Grant Funds, but if they do, the amount cannot exceed seven and one-quarter (7.25) percent of the total funds requested.

If Planning Grant Funds are requested and awarded, activities funded by Planning Grant Funds may be conducted simultaneously with activities funded by Capacity Grant Funds.

Native Entities may apply only for Capacity Grant Funds.

(NOFO Section III.A.4)

2.2 When are applications for the NE Capacity & Planning Grant Program due?

The application window opened on September 25, 2024 and closes on February 7, 2025.

Applications must be received through the NTIA Grants Portal (<https://grants.ntia.gov>) or by email (digitalequity@ntia.gov) no later than 11:59 p.m. Eastern Time (ET) on February 7, 2025. (NOFO Section III.C.6)

If submitted by mail or courier, applications must be postmarked (for postal mail) or show clear evidence of mailing (for courier submissions) no later than 11:59 p.m. Eastern Time (ET) on February 7, 2025 to (NOFO Section III.C.1), and should be addressed to:

Angela Thi Bennett
Director of Digital Equity
Office of Internet Connectivity and Growth
National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

(NOFO Section III.C.8)

2.3 What are the application requirements for the NE Capacity & Planning Grant Program?

See NOFO Section III.C.2 for required application information.

2.4 What are the statutory purposes for the Capacity Grant Funds?

The statutory purposes set forth in 47 U.S.C. §1723(d) include:

- i. To update or maintain the Digital Equity Plan (subject to 20 percent cap)
- ii. To implement the Digital Equity Plan
- iii. To make a subgrant to any entity described in 47 U.S.C. §1724(b) and located in the jurisdiction:
 - a. To assist in the implementation of the Digital Equity Plan

- b. To pursue digital inclusion activities in the jurisdiction consistent with the Digital Equity Plan
 - c. To report regarding the digital inclusion activities of the entity
- iv. To evaluate the efficacy of the efforts funded by grants made under clause iii (subject to a 5 percent cap)
- v. For administrative costs incurred in carrying out the activities described in clauses i through iv (subject to a 3 percent cap)

2.5 What are the evaluation criteria for applications?

See NOFO Section III.D for the stages of review and evaluation criteria.

2.6 What should be included in the Consolidated Budget Form?

All budget information in the Consolidated Budget Form must support the dollar amounts identified in the SF-424 and demonstrate that the project or activity meets the eligible use requirements in the Digital Equity Act and the NOFO. The Consolidated Budget Form template will be included in the Application Packet, which will be available for download from the [NTIA Grants Portal](#).

The Consolidated Budget Form consists of a budget narrative and a detailed budget spreadsheet:

- The budget narrative cells in the spreadsheet must explain the necessity and basis for all costs, clearly correspond to the information included in the detailed budget spreadsheet and reflect only allowable costs that are consistent with the project scope. Allowable costs are determined in accordance with the cost principles identified in 2 C.F.R. Part 200, including Subpart E of such regulations and in 48 C.F.R. Part 31 for commercial organizations, as well as in 47 U.S.C. §1723(d).
- The detailed budget spreadsheet must reflect the cost categories that appear on the SF-424A and include itemized calculations for each cost placed under those categories. The cost categories include:
 - Personnel
 - Fringe Benefits
 - Travel
 - Equipment
 - Supplies
 - Contractual
 - Construction
 - Other
 - Indirect

If the Native Entity is also requesting Planning Grant Funds, the budget **must also separately categorize and separately track** the budgeted costs of the Capacity Grant Funds from the Planning Grant Funds (NOFO Section III.C.2.g)

2.7 What budget caps must be accounted for in the Consolidated Budget Form?

The Consolidated Budget Form should account for the following caps:

- No more than twenty (20) percent of the amount of the grant may be used to update or to maintain the Digital Equity Plan (NOFO Section III.C.3.b.i)
- No more than five (5) percent of the amount of the grant may be used to evaluate the efficacy of the efforts funded by grants made to subrecipients to
 - a. Assist in the implementation of the Digital Equity Plan
 - b. Pursue digital inclusion activities in the Native Entity's jurisdiction
 - c. Report to the Native Entity regarding the digital inclusion activities of the entity (NOFO Section III.C.3.b.ii)
- No more than three (3) percent of the amount of the Capacity Grant Funds may be used for administrative costs in carrying out allowable activities under this program and described in the award. This cap on administrative costs applies only to Capacity Grant Funds, not to Planning Grant Funds, if applicable (NOFO Section III.C.3.b.iii)
- No more than ten (10) percent of the amount of the grant may be used to fund subsidies for the provision of broadband services through affordable broadband programs (NOFO Section III.C.3.b.iv)
- To the extent that a Native Entity has requested State Digital Equity Planning Grant funds, no more than seven and one-quarter (7.25) percent of the total funds requested for the development of the elements of a Digital Equity Plan for the Native Entity (NOFO Section III.C.3.a.i)

2.8 What authorizing documentation is required to be included in the application? What must be included in a Tribal Government Resolution or equivalent formal authorization?

See FAQ 1.6 above.

2.9 Can subsidiaries of tribes apply?

Given the high demand for funding under this Program, NTIA will allow only one application from each Native Entity. Each Native Entity must coordinate internally (which includes all departments, subsidiaries, etc.) in submitting its single application. (NOFO Section III.B.1.a)

2.10 If a non-profit organization is designated to administer the funds, will they serve as a co-recipient?

No, a non-profit organization cannot be a co-recipient since it is not an eligible entity for the set aside as outlined in 47 U.S.C. §1723(i)(2). NTIA is authorized to give grants to Native Entities as defined in the NOFO Section III.B.1.

A Native Entity may appoint a **non-profit corporation** authorized by the governing body of the Native Entity to administer Capacity and Planning Grant Funds on behalf of the eligible Native Entity.

3. Awards and Funds/ Allowable Uses

3.1 What is the anticipated average amount of funding for awards under the NE Capacity & Planning Grant Program?

The NE Capacity & Planning Grant Program will make awards available through a **competitive process**. NTIA expects to make individual awards within a range of \$500,000 to \$2,000,000.

This funding range is not a required minimum or maximum, but Native Entities requesting funding for projects outside of this range must provide a reasonable explanation for the variance in their project size. Applications for funding must include the total amount of funding being requested and must account for all projects that will utilize the requested funding. (NOFO Section III.A.4).

3.2 What are the allowable uses of Capacity Grant Funds and Planning Grant Funds?

See NOFO Section III.C.3 for allowable uses of Capacity Grant Funds and Planning Grant Funds.

3.3 Can subgrants be awarded?

Yes, subgrants can be awarded to eligible entities as identified at 47 U.S.C. §1724(b) that are located in the Native Entity's jurisdiction. For additional information, see NOFO Section III.C.3.a.iii.

3.4 What entities are eligible to be subrecipients?

Subrecipients must be an eligible entity identified at 47 U.S.C. §1724(b); **and** must be located in the Native Entity's jurisdiction. Eligible subrecipients include as any of the following entities if the entity is not serving, and has not served, as the administering entity for a State under 47 U.S.C. §1723(b)(2):

- (1) A political subdivision, agency, or instrumentality of a State, including an agency of a State that is responsible for administering or supervising adult education and literacy activities, or for providing public housing, in the State.
- (2) An Indian Tribe, an Alaska Native entity, or a Native Hawaiian organization.
- (3) A foundation, corporation, institution, or association that is-
 - (A) a not-for-profit entity; and
 - (B) not a school.
- (4) A community anchor institution.
- (5) A local educational agency.
- (6) An entity that carries out a workforce development program.
- (7) A partnership between any of the entities described in paragraphs (1) through (6).
- (8) A partnership between-
 - (A) an entity described in any of paragraphs (1) through (6); and
 - (B) an entity that-
 - (i) the Assistant Secretary, by rule, determines to be in the public interest; and
 - (ii) is not a school.

3.5 What does “located in the Native Entity’s jurisdiction” mean as it relates to subrecipients?

The Native Entity’s jurisdiction is defined by the Native Entity(ies) by submitting the application. At the time of application, Native Entities should identify proposed subrecipients.

3.6 What budget caps apply to the NE Capacity & Planning Grant Program?

See FAQ 2.7 above.

3.7 Is there a cap on Planning Grant Funds?

If Planning Grant Funds are requested for planning activities, they must not exceed seven and one-quarter (7.25) percent of the total amount of funding being requested (i.e., total of both Capacity Grant Funds and Planning Grant Funds). For example, if a Native Entity applies for both the Capacity Grant Funds and the Planning Grant Funds totaling \$1,000,000, then the proportion of Planning Grant Funds would be capped at 7.25 percent, or \$72,500, in this case. (NOFO Section III.C.3.a.i)

3.8 What caps apply to the Planning Grant Program funds?

The following caps apply to Planning Grant Funds:

- 7.25 percent cap on Planning Grant Funds
- 20 percent cap on Digital Equity Plan Updates
- 5 percent cap on the Evaluation of Program Efficacy
- 10 percent cap on Affordable Broadband programs

(NOFO Section III.C.3.b)

See FAQs 3.7 and 3.9 for additional information.

3.9 What is the administrative cap and how is it applied to the NE Capacity & Planning Grant Program?

Per 47 U.S.C. §1723(d)(3)(D) and the NOFO Section III.C.3.b.iii, no more than three (3) percent of the amount of the Capacity Grant Funds may be used for administrative costs (exclusive of costs for program evaluation and updating the Digital Equity plan) in carrying out allowable activities under this Program and described in the award.

Notably, this statutory 3 percent cap only applies to Capacity Grant Funds. If a Native Entity seeks Planning Grant Funds, those funds will not be subject to a cap on administrative activities. Native Entity administrative costs should be tracked as instructed in the Consolidated Budget Form and must be reasonable and necessary.

3.10 Is cost sharing or matching required?

No. The Digital Equity Act authorizing the establishment of this Program does not contain a statutory non-federal cost sharing or matching funds requirement. Accordingly, NTIA does not require an Eligible Native Entity applying for a financial assistance award under this Program to provide a non-federal cost contribution and will not give additional

consideration during the evaluation process for applications proposing non-federal cost share. (NOFO Section III.B.2)

3.11 When will awards be issued?

NTIA expects to begin making awards to Native Entity applicants under the NOFO in Summer 2025. NTIA may issue awards made under the NE Capacity & Planning Grant Program on a rolling basis. (NOFO Section III.D.7)

3.12 When can project work begin?

The period of performance is 5 years from the effective date of the federal award and will be listed in the grant award documents. In general, work may begin after the award is issued and has been signed by the recipient; however, awards may be subject to Specific Award Conditions (SACs) that may determine when specific program activities may begin. (NOFO Section III.A.2)

4. Additional Questions

4.1 Can applicants request both Capacity Grant Funds and Planning Grant Funds?

Yes, however, Planning Grant Funds will not be made available on a standalone basis. Therefore, Planning Grant Funds, if requested, may only be awarded in conjunction with Capacity Grant Funds. There is a possibility that applicants who requested both Capacity and Planning Grant Funds may only be awarded Capacity Grant Funds. Applicants seeking Capacity and Planning Grant Funds and those seeking Capacity Grant Funds only should use the relevant application materials, which will be available for download from the [NTIA Grants Portal](#). (NOFO Section III.C.2)

4.2 How will applicants receive information or notifications about their application?

All notifications will be sent through the Digital Equity Program Inbox (digitalequity@ntia.gov), with a subject line that will be unique to Native Entities.