

Strategic Plan Blueprint

Texas Broadband Development Office (BDO)

Table of Contents

1. Executive Framework	2
1.1 Funding Position as of September 2026	2
2. Transparency, Data, Mapping, and Challenge Operations	3
3. Stakeholder and Regional Engagement.....	4
4. Infrastructure Deployment.....	4
4.1 BEAD Deployment.....	5
Technology Mix.....	5
4.2 Texas Middle Mile (TMM) Network.....	6
4.3 Pole Replacement Program (PRP)	6
4.4 CPF Programs and Closeout.....	6
4.5 Non-Deployed BEAD Funds	7
5. Adoption and Public Resource Access	7
6. Governance, Compliance, and Fiscal Accountability	8
7. Key Performance Indicators	9

Strategic Plan Blueprint

Texas Broadband Development Office (BDO)

Congress and the Texas Legislature have committed substantial public capital to broadband deployment, and this office is charged by law with executing that commitment. Subsidy programs of this scale carry a real risk of displacing private investment that would have occurred without them. This office will guard against that risk rather than assume it away.

Texans are owed execution with urgency, rigor, and private-sector discipline. Every award will be evaluated on the following metrics: cost per location served, the service actually delivered, and the remedies available if a provider does not perform. Where those answers fall short, the office will require better ones. The governing standard for every decision in this plan is that Texas taxpayers receive full value for every dollar spent.

Through the Broadband Development Office (BDO), Comptroller Huffines pairs historic capital deployment with accountability, transparency, and cost discipline, bringing the state's Broadband Equity, Access, and Deployment (BEAD) allocation, remaining Coronavirus Capital Projects Fund (CPF) and Pole Replacement Fund balances, and the \$1.5 billion Broadband Infrastructure Fund (BIF) approved by Texas voters in 2023 under a single framework.

1. Executive Framework

- **Mission:** Deliver high-quality and affordable high-speed internet connectivity across Texas, ensuring Texans can participate in the 21st century digital economy by expending the lowest amount of public funds and consistent with statutory requirements.
- **Vision:** Close the Texas digital divide by systematically connecting unserved and underserved locations and ensuring all 254 counties are prepared for the modern age.
- **Core Values:** Deliver the highest possible value for taxpayers, structural accountability, vendor neutrality, community collaboration, and transparent, data-driven stewardship of public funds.

1.1 Funding Position as of September 2026

Each funding program below indicates the actual balance available and whether a funding source is contingent or expiring.

- **BEAD.** Texas received an allocation of approximately \$3.31 billion. The final proposal approved by the National Telecommunications and Information Administration (NTIA) in late 2025 commits approximately \$1.27 billion in federal funds plus approximately \$177 million in state match across 22 awardees to serve more than 240,000 broadband serviceable locations, including more than 2,700 community anchor institutions. The approved technology mix serves 123,349 locations by end-to-end fiber, 65,977 by low earth orbit satellite, and 53,653 by fixed wireless, with a four-year construction window from grant execution. Those technology allocations are fixed by executed subgrant agreements and cannot be revised unilaterally by the state.

- **BEAD Non-deployment Funds.** Approximately \$2 billion of the Texas allocation remains unobligated. NTIA rescinded approval of all non-deployment activities in its June 2025 Restructuring Policy Notice. On Sept. 3, 2026, NTIA issued the BEAD Supplemental Deployment Policy Notice, which directs a portion of nationwide program savings to an additional deployment bidding round for locations that remain unserved because of defaults, provider misreporting or changes to the Federal Communications Commission (FCC) broadband map. NTIA has said guidance on any other use of these balances will follow separately and is not imminent. With the exception of section 4.5, no commitment in this plan is contingent upon these funds.
- **CPF.** Texas received approximately \$500.5 million, the majority directed to the Bringing Online Opportunities to Texas (BOOT) programs. The statutory period of performance ends Dec. 31, 2026. The U.S. Department of the Treasury offered project-specific six-month extensions to June 30, 2027, but required states to submit extension requests by July 31, 2026. Extensions for 15 projects were obtained by the Comptroller's office and are in place. Funds not expended by the applicable date will be returned to the Treasury at closeout.
- **BIF.** Voters approved \$1.5 billion in November 2023 under Article III, Section 49-d-16 of the Texas Constitution. A material portion is already committed, including a \$155 million transfer to Next Generation 9-1-1, a \$75 million transfer to the Pole Replacement fund, up to \$200 million allocated to the Texas Middle Mile Program, approximately \$24.6 million to broadband workforce training, and \$177 million toward the Texas Match Assistance Program. BIF money may be spent without further legislative appropriation. Unexpended or unobligated balances revert to General Revenue when the constitutional provision expires Sept. 1, 2035.
- **Pole Replacement Fund.** With accrued interest, approximately \$51 million remains.

2. Transparency, Data, Mapping, and Challenge Operations

Objective: Create program transparency with accurate, detailed information and maps to encourage participation among industry experts, stakeholders, and community leaders in unserved and underserved areas.

- **Publicly available and accurate maps.** Texas Government Code Section 490I.0105 requires compliance with the FCC's mapping methodology and for the BDO to annually update its map classifying every broadband serviceable location as unserved, underserved, or served. The office will maintain that map and, beyond the statutory minimum, publish additional public-facing project maps and datasets that allow Texans to track deployment progress.
- **Granular data collection.** Integrate semiannual FCC data reported by internet service providers (ISPs) with local, consumer-submitted speed test verification as a pilot forecasting map for what is expected to be available. This goes beyond statutory requirements.
- **Challenge and protest process.** Texas Government Code Section 490I.0106(f) requires the office to accept written protests from interested parties during the 30-day posting period for broadband infrastructure projects regarding the location's eligibility for

funding. The applicant challenge process warrants significant improvements from what was done under prior leadership to protect the use of state funds. Going forward, the office will go beyond statute to operate a standing challenge mechanism for state-funded programs. Determinations will be posted publicly, including accepted, rejected, and pending, with justification for each decision.

- **Grant agreement transparency.** Executed grant agreements for all funded projects will be made available on the BDO section of the Comptroller's office website.
- **Speed and latency standardization.** Enforce a benchmark of 100 Megabits per second (Mbps) download and 20 Mbps upload with maximum latency of 100 milliseconds for all funded last-mile territories, and 1 Gigabit per second (Gbps) symmetrical for funded community anchor institutions.
- **Public accountability dashboards.** Earn the trust of stakeholders and taxpayers alike by publishing dashboards showing project milestones, cumulative funds awarded, locations connected, miles of fiber deployed, anchor institutions connected, and cost per location.
- **Transparent rule changes.** Model the BDO's proposed rules change process on other agencies' successful methods of adopting substantive changes to program rules. Post all input received during the public comment period. Examine the necessity and reasonableness of recently changed rules.
- **Competitive selection.** Reform policies to require that all projects be competitively bid.

3. Stakeholder and Regional Engagement

Objective: Establish a consistent, accessible, and structured statewide engagement model giving stakeholders meaningful opportunities to work with the BDO. Texas Government Code Section 490I.0103(a)(2) directs the office to engage in community outreach for broadband expansion, adoption, and affordability, and Texas Government Code Section 490I.0107(b) directs the office to collaborate with stakeholders and explore state and regional approaches in developing the state broadband plan.

- **Stakeholder inputs.** Standardize a permanent public comment loop and create short-term regional work groups. Note that significant inroads have already been made toward this goal over the past month.
- **Regular convenings.** Enhance scheduled gatherings for industry, elected officials, local governments, and community organizations to share updates, gather input, and discuss upcoming milestones.
- **Regional points of contact.** Designate a named BDO contact for each of the state's Councils of Government (COG) regions and maintain direct communication with each. A regional structure is consistent with the statutory direction to explore regional approaches and is achievable with existing staff.

4. Infrastructure Deployment

Objective: Complete network buildouts to the unserved and underserved locations

identified in the approved Texas BEAD Final Proposal. Additionally, address the gap left unfunded by that proposal in a way that maintains the BDO's mission of delivering service while maintaining fiscal discipline and wisely stewarding taxpayer resources.

Texas statute sets the parameters around which deployment revolves. Texas Government Code Section 490I.0101(a) sets the threshold speed for broadband service; Texas Government Code Section 490I.0105(a) classifies a location as underserved if it lacks 100/20 Mbps service at 100 milliseconds or less latency. Texas Government Code Section 490I.0106(a-1) limits infrastructure awards to projects in which at least 80% of locations served are unserved or underserved. Texas Government Code Section 490I.01062 directs the office to prioritize end-to-end fiber, while expressly permitting alternative technologies where the project is in a high-cost area, where the alternative may be deployed at a lower cost, or where the alternative meets criteria the office establishes.

4.1 BEAD Deployment

Funded by the federal Infrastructure Investment and Jobs Act, BEAD is the largest single deployment program in the state's history. Texas has 22 executed or pending subgrantee relationships covering the approved location set. The BDO's role in deployment is execution management: milestone enforcement, environmental and permitting throughput, and default response.

Technology Mix

The federal Restructuring Policy Notice of June 2025 eliminated the federal fiber preference and required selection on lowest program outlay per location. Texas statute retains a fiber preference at Government Code Section 490I.01062, subject to the cost-efficiency and high-cost-area exceptions in that section. The office will document, project by project, the basis on which any non-fiber technology was selected, so that records support the decision if it is questioned.

- **Fiber-optic networks.** Ensure that end-to-end fiber, where it is the qualifying option, is consistent with Texas Government Code Section 490I.01062.
- **Fixed wireless access.** Deploy licensed spectrum fixed wireless to connect topographically challenging terrain.
- **Cable modem and hybrid fiber coaxial.** Deploy networks combining optical fiber and coaxial cable where that mix is the least cost qualifying option.
- **Next generation satellite.** Use low Earth orbit systems for deep rural, highly isolated residential nodes, subject to the capacity subgrant conditions imposed by NTIA.
- **Texas Match Assistance Program (TMAP).** Allows Texas BEAD applicants to request state matching funds of no more than 12.5% of total project cost per project, administered from the BIF.

- **Residual unfunded locations.** Approximately 2,000 eligible locations were not funded in the approved final proposal. NTIA's Sept. 3, 2026, Supplemental Deployment Policy Notice establishes a process and funding ceiling for reaching locations of this kind. The office is evaluating whether to participate, weighing the cost per location against the nine or more months the process is expected to add. This plan does not commit the state to funding every residual location at any price.

4.2 Texas Middle Mile (TMM) Network

- Designed to strengthen network resiliency, increase affordability for end users, and reduce costs of connecting unserved and underserved areas to the internet backbone. Concerns regarding duplication of existing private facilities have been raised.
- Up to \$200 million allocated from the BIF, with initial awards exceeding \$113 million to the city of Brownsville, the Kerrville Public Utility Board, Reeves County, and Zayo Group. On Aug. 17, 2026, the Comptroller's office rescinded the provisional Zayo Group awards, freeing up approximately \$61 million of the originally committed \$113 million. The Comptroller's office is currently reviewing the Brownsville and the Reeves County projects to ensure alignment with the statutory goal of connecting unserved and underserved locations.
- Because of the program's history of subsidizing duplicate facilities in substantially served areas, the BDO is prepared to eliminate the TMM entirely and return remaining funds to the BIF. This would not prevent the BDO from awarding a future middle-mile project out of the BIF if that project meets the requirements of Texas Government Code Section 490I.0106(a-2) and the standards set by the Comptroller's office.

4.3 Pole Replacement Program (PRP)

- Established by House Bill 1505 in the 87th Legislature, the program reimburses eligible applicants to expedite broadband deployment to Texans living in rural, unserved areas. After two successful rounds of funding, with accrued interest, approximately \$51 million remains in the Pole Replacement Fund.
- The Comptroller's office intends to announce a third round of pole replacement to be awarded retroactively to projects meeting all program and statutory requirements, which have already been completed between the date of the last round of PRP through July 31, 2026.
- The Comptroller's office currently has no plans to issue a fourth round of funding for the PRP for poles replaced on or after Aug. 1, 2026. The program is being re-evaluated.

4.4 CPF Programs and Closeout

Because the CPF period of performance ends Dec. 31, 2026, for all BOOT I and some BOOT II projects, this section of the agency's plan is particularly time-sensitive to execute and close out. Money not expended is returned to Treasury. Treasury's window for requesting six-month extensions closed July 31, 2026; the Comptroller's office sought and obtained 15 individual extensions for BOOT II projects, extending these project completion dates to June 30, 2027.

- **BOOT I.** Competitive grant program to build last-mile broadband connections that

increase high-speed internet service to Texans.

- **BOOT II.** Competitive grant program funding countywide infrastructure projects that bring access to end users in eligible areas of the state.
- **Texas State Library and Archives Commission.** The Library Infrastructure Facility Improvement grant program is a \$7.8 million initiative supporting public libraries across Texas by improving physical infrastructure and prioritizing rural communities.
- **Texas Department of Agriculture.** The Texas Rural Hospital Broadband Program is a \$22.9 million initiative to expand broadband access for rural hospitals.
- **Texas Department of Transportation.** The El Paso District safety rest area broadband infrastructure project is a \$6 million initiative to expand high-speed broadband at rest areas across the district.
- **Closeout protocol.** Maintain a project level burn rate dashboard against the applicable deadline, identify at-risk projects monthly, and hold a documented default, de-obligation and reallocation procedure ready to execute.

4.5 Non-Deployed BEAD Funds

Approximately \$2 billion of the Texas BEAD allocation is unobligated. NTIA rescinded all prior non-deployment approvals in June 2025 and has not authorized any replacement category. Its Sept. 3, 2026, guidance directs savings toward additional deployment, and NTIA has indicated that guidance on other uses is not imminent.

The BDO will not build a spending queue based on these potential funds, nor will programs be designed in anticipation of federal permission. No commitment elsewhere in this plan depends on these balances.

If NTIA later authorizes additional uses, the BDO will evaluate any proposal against a single test: whether it delivers measurable value to Texas taxpayers that the private market is not already delivering. Proposals will not be advanced if they:

- Duplicate private investment.
- Create recurring obligations the state would inherit when federal money ends.
- Cannot demonstrate a meaningful return on the investment.

5. Adoption and Public Resource Access

Objective: Ensure that infrastructure built with public money is used, so that the state's investment produces a return. Texas Government Code Section 490I.0103(a)(2) directs the office to engage in community outreach regarding the expansion, adoption, affordability, and use of broadband service. Texas Government Code Section 490I.0107(b)(4) directs the office to examine broadband service needs related to public safety, public education, and public health in the state broadband plan. This section satisfies those directives.

- **Public safety, education, and health needs assessment.** Examine and report broadband

service needs in these three areas as Government Code Section 490I.0107(b)(4) requires, without committing state funds to new programming.

- **Public resource access.** Optimize state portals, telehealth platforms, and digital educational resources for community navigation.
- **Broadband workforce.** Administer the \$24.6 million Building the Texas Broadband Workforce Grant Program in accordance with its terms. The Comptroller's office is not proposing to expand this program.
- **Texas Regional Broadband Program (TRBP).** Provide continuing toolkits, template packets, and planning guidance to the state's COGs.

6. Governance, Compliance, and Fiscal Accountability

Objective: Serve the people of Texas efficiently and transparently by promoting open communication with industry stakeholders and community leaders, and instituting accountability metrics within the BDO from the early inception of a Notice of Funding Availability (NOFA) through final project completion and deployment of funds.

- **Pre-NOFA conferences.** Invite feedback from interested entities before a notice of funds availability is issued.
- **Post-NOFA conferences.** Following any challenge process (where applicable), provide opportunities for providers to meet with BDO staff to understand the grounds on which they were or were not awarded under a specific NOFA.
- **Subgrantee meetings.** Meet regularly with subgrantees to identify obstacles to completion early, while they can still be solved.
- **Pre-award vetting.** Implement an independent certified public accountant review of applicant financials and verified engineering blueprints, calibrated so that requirements removed by the June 2025 Restructuring Policy Notice are not reimposed on BEAD applicants without a federal waiver.
- **Performance security.** The BEAD Notice of Funding Opportunity requires an irrevocable standby letter of credit at 25% of the subaward. NTIA's programmatic waiver permits four alternatives, and Texas will use them where they protect the state at lower cost to the applicant: a letter of credit from a qualifying credit union rather than a bank; a performance bond at 100% of the subaward, issued by a surety holding a certificate of authority under Treasury Circular 570; reduction of the letter of credit or bond as the subgrantee meets defined deployment milestones; and an initial instrument at 10% of the subaward where the state disburses on a reimbursement basis in periods of no more than six months. The office's default posture is reimbursement-based disbursement, which reduces the state's exposure at every point in the build and lowers the barrier for smaller Texas providers. Draw conditions will be defined in the grant agreement. Satellite capacity subgrants will carry the security terms NTIA requires.
- **Milestones and reporting.** Buildout timelines with mandatory quarterly progress and expense reporting, automated where practicable.
- **Default, cure, and reassignment.** Publish, in addition to being the grant agreement, the default standard, the cure period, and the procedure for reassigning a defaulted project area to an alternate provider. Preserve award scoring records so that a reassignment

decision (where applicable) is defensible on the existing record.

- **Clawback.** Each grant agreement contains non-negotiable clawback provisions to reclaim funds from non-compliant subgrantees, with the enforcement forum, notice, and cure path specified in the grant agreement.
- **Build America Buy America (BABA) Act.** Maintain a standing BABA compliance track, including documentation standards and a waiver request procedure, since BABA applies to all BEAD infrastructure projects and is a common source of post-award cost disputes.
- **Permitting and environmental throughput.** Track National Environmental Policy Act clearances and report cycle times, since permitting delay is the most frequently cited cause of missed federal deadlines.
- **Scoring transparency.** Publish scoring rubrics and awarded scores. Texas Government Code Section 490I.0106(d)(1) prohibits favoring a particular broadband technology except as Texas Government Code Section 490I.01062 provides, and the record for each award will show how that standard was applied.
- **Monitoring.** Ongoing oversight of all grant-funded programs and expenditures, including risk assessments, review of financial and performance reports, desk and field reviews, corrective action plans, and regular communication with recipients.

7. Key Performance Indicators

Objective: Publish dashboards that inform the Legislature, stakeholders, and the public. The measures below pair output counts with cost and reliability measures, so that the BDO reports not only how much was built but what it cost and whether it works.

- **Unserved clearance rate.** Percentage reduction of completely unserved Texas locations year over year.
- **Cost per location served.** Total state and federal dollars disbursed per connected location, broken out by technology and by program.
- **Anchor institutions.** Anchor institutions connected, reported by class and by county.
- **Adoption.** Change in subscription rates in previously unserved or underserved areas following infrastructure completion, as a measure of whether the state's capital investment is being used.
- **Schedule performance.** Share of awardees meeting contractual milestones on time, and the subgrantee default and de-obligation rate.
- **Funds recovered.** Dollars clawed back or de-obligated from non-performing subgrantees, and dollars redirected as a result.
- **Funds retained.** Federal dollars expended against federal dollars allocated, by program, including CPF dollars retained rather than returned to Treasury.
- **Verified performance.** Post-completion speed and latency testing against the contracted obligation, published by project, rather than testing only at the application stage.