Rural Broadband Policy Brief

Federal and Kansas landscape, as of July, 2026

Bottom Line

BEAD is finally moving, but a year behind the timeline its restructuring promised, and the money that is moving now carries less fiber and more fixed wireless than earlier rounds, including in Kansas. Getting crews and materials to the job is its own constraint; BEAD-related deployment could require over 170,000 fiber workers, with some manufacturers reporting lead times exceeding 60 weeks for certain ribbon-fiber products. USF carries a record-high assessment rate and a revived legal threat. ReConnect, the main federal grant option outside BEAD, has been proposed for elimination and restored twice in twelve months with no permanent resolution. Affordability support has not returned since ACP lapsed in 2024, and Kansas has not replaced it. And even as BEAD money starts flowing, Congress is still pushing the FCC to fix the map that decided where it goes. Eight pressure points, none of them settled, all worth tracking through the second half of 2026.

1. BEAD: Moving, but a year behind

- Nationally, as of July 17, 2026, 55 of 56 states/territories have NTIA-approved final proposals, 54 have NIST budget approval, and 52 have signed award agreements. A year after the June 2025 restructuring meant to accelerate the program, many states remain in early implementation, with construction only beginning or expected later in 2026.
- As of June 2026, over $22 billion in BEAD funds remained tied up at the Commerce Department, and some subgrantees, including two in Maine, have already declined their awards over cost and timeline uncertainty.
- Kansas finalized its award in December 2025 at $166.6 million, a 63% reduction from its original $451 million allocation under the Benefit of the Bargain restructuring. The reduction reflects the federal restructuring that re-scored projects using technology-neutral, lowest-cost criteria, reducing Kansas's final award relative to its original BEAD allocation.

Kansas BEAD	Original Allocation	Final Award	Change
Total funding	$451.0M	$166.6M	-63%
Technology mix (final award)	Fiber: 30%	Fixed wireless: 67%	LEO satellite: 3%

- Kansas Office of Broadband Development expects subgrantees to begin groundbreaking in the second half of 2026.

2. Fiber vs. fixed wireless: the technology-neutral shift

- The June 2025 restructuring dropped BEAD's prior preference for fiber in favor of technology-neutral, lowest-cost scoring, opening real competition to fixed wireless and low-Earth-orbit satellite.
- Fiber's case rests on lower long-run operating cost, higher reliability, and greater future capacity. Fixed wireless and satellite's case rests on faster deployment and lower upfront cost per location, especially in the most remote areas.

- Kansas's currently announced awards, fixed wireless 67%, fiber 30%, LEO satellite 3%, is a direct outcome of that shift and a preview of the competitive landscape Kansas fiber providers will be building into over the next several years.

3. Construction costs and workforce: the execution bottleneck

- Industry estimates point to a shortfall of roughly 178,000 fiber construction and technician workers against BEAD-era demand, with fiber crews competing directly against hyperscale data-center and utility projects for the same labor pool.
- Materials are similarly constrained. Fiber manufacturers report lead times of 60-plus weeks for ribbon fiber and into Q3 2026 for loose-tube fiber, driven by simultaneous BEAD, data-center, and Build America Buy America-compliant demand.
- At a May 2026 industry summit, fiber operators cited permitting backlogs and utility locate failures, on top of labor and materials, as adding cost and time on top of already-thin BEAD construction margins.

4. USF: record assessment rate meets a revived legal threat

- The USF contribution factor reached 37.6% of interstate telecom revenue in Q1 2026, among the highest in the fund's history, and continues to climb.
- Consumers' Research, which lost its constitutional challenge to USF at the Supreme Court 6-3 in June 2025, filed a new challenge at the Fifth Circuit in January 2026 targeting individual statutory principles the Court's dissent flagged as vulnerable.
- NTCA and other industry groups are actively defending the fund in court. For rate-of-return carriers drawing on the High Cost Fund, this is a live financial risk, not a background policy debate.

5. ReConnect and USDA funding: unresolved after a year of whiplash

- FY26 budget: the administration proposed eliminating ReConnect entirely; the House restored funding to $90 million; the Senate countered at $35 million.
- April 2026: USDA again pushed to cut the program, warning it could become the last federal broadband grant program left standing if not renewed.
- June 2026: Senate Republicans' farm bill draft proposes codifying ReConnect at $100 million a year through 2031, but this has not passed.
- Outcome still pending. This matters because ReConnect is one of the key federal grant vehicles remaining outside BEAD.

6. Affordability: the post-ACP gap has not closed

- ACP ended in June 2024. No federal replacement has passed as of mid-2026; roughly 23 million households lost the $30/month benefit.
- Lifeline remains the only active federal discount, at $9.25/month ($34.25 on Tribal lands).
- A handful of states, including New Mexico, California, Oregon, New York, and Connecticut, have built their own replacement programs or rate caps. Kansas has not.

7. Mapping, compliance, and accountability

- The bipartisan Broadband MAP Act of 2026, introduced by Senators Fetterman, Thune, and Fischer in July 2026, would direct the FCC to review and improve its mapping and provider challenge process, reflecting continued dissatisfaction even after multiple rounds of data collection.

- The FCC began a coverage-restoration process in May 2026 and now applies a persistence rule: once a location is removed from a provider's reported coverage, it stays removed unless the provider shows new evidence.
- Accuracy still carries financial weight. One widely cited independent analysis estimated the FCC map may undercount unserved locations by roughly 6.4 million, concentrated in the rural Plains and Mountain West, meaning mapping error can still misdirect BEAD dollars even after allocation.

8. Financial sustainability after deployment

- As BEAD-funded construction begins, providers are increasingly focused on long-term operating sustainability rather than simply network deployment.
- Rural broadband providers continue to face rising operating costs, declining legacy voice revenues, uncertainty surrounding the future of the Universal Service Fund, and the challenge of maintaining infrastructure across sparsely populated service territories.
- Without sustainable operating revenues and predictable federal support, some rural networks could struggle to maintain affordability, reliability, and future upgrades after construction is complete.
- Increasingly, policymakers are recognizing that closing the digital divide requires not only building networks, but ensuring they remain financially viable for decades.

Why this matters for Kansas

- Kansas providers are entering the largest broadband buildout in state history while navigating workforce, supply chain, and funding uncertainty.
- Long-term affordability and Universal Service Fund stability will be as important as construction funding in sustaining rural connectivity.
- Decisions made in DC over the next 12–18 months will influence not only where networks are built, but whether they remain financially sustainable for rural communities.

References

References: NTIA BEAD Progress Dashboard (July 2026). Kansas Office of Broadband Development. Kansas Governor's Office. FCC Broadband Data Collection. FCC Universal Service Administrative Company (USAC). Universal Service Administrative Company (USAC) contribution factor releases. NTCA – The Rural Broadband Association. Telecompetitor. Broadband Breakfast. Fierce Network. Benton Institute for Broadband & Society. Pew Charitable Trusts. USDA Rural Development. USDA ReConnect Program. House and Senate FY2026 Appropriations documents. Benefits Data Trust / BenefitsUSA ACP tracking. BroadbandNow Mapping Audit (2025). Consumers' Research litigation filings. Fifth Circuit docket (USF litigation). Senate Broadband MAP Act press releases.

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