SECTION 04

The Digital Equity Act Under Siege

04

The May 2025 cancellation of the Digital Equity Act's Capacity and Competitive Grant Programs put most of the $2.75 billion Congress appropriated at risk.

Dr. Troy Nash Founder and CEO, AGI Affinity

May 8, 2025

Ended in a social media post.

SECTION 04 / THE DIGITAL EQUITY ACT UNDER SIEGE

$2.75 billion program cancelled. Three years of planning left without implementation funding.

The Digital Equity Act created three programs. The Planning program was complete; the Capacity and Competitive programs were cancelled.

WHAT CONGRESS APPROPRIATED

$2.75B	total Digital Equity Act funding
$1.44B	State Capacity Grant Program
$1.25B	Competitive Grant Program
$60M	Planning Grant Program, completed

WHAT HAPPENED NEXT

56	states and territories had completed Digital Equity Plans
21 states	and the District of Columbia sued in June 2025 over the federal grant-termination rule

The case is pending. The National Digital Inclusion Alliance sued separately in the U.S. District Court for the District of Columbia on October 7, 2025. The government moved to dismiss. On July 15, 2026 the court ruled that NDIA's claims survive, and the government committed to reinstate the Competitive Grant Program; the Commerce Department is targeting a December 2026 funding notice.

NTIA Notices of Funding Opportunity for the State Digital Equity Capacity Grant Program and the Digital Equity Competitive Grant Program. Akin Gump, "President Trump Declares End of $2.75 Billion Digital Equity Act Programs", May 14, 2025. NDIA v. Trump, No. 1:25-cv-03606 (D.D.C.), ECF 1 (Oct. 7, 2025), ECF 60 (July 15, 2026), ECF 62 (Aug. 17, 2026); and the NDIA letter to Secretary Lutnick (June 2025). National Digital Inclusion Alliance, October 8, 2025. California Attorney General, press release, June 24, 2025.

POLICY RECOMMENDATIONS

Defending the Digital Equity Act framework

01 **Challenge the termination** through congressional oversight and litigation, protecting appropriated funds from executive reallocation.

02 **Restore Digital Equity Act funding** by reappropriation or standalone legislation, reinstating all three grant programs.

03 **Protect the completed state plans** by adopting them as state policy frameworks, independent of any federal funding stream.

04 **Stand up state level digital access funds** using lottery proceeds, universal service contributions or franchise fees, so the work is locally controlled.

05 **Create a federal digital access trust fund** insulated from annual appropriations and executive action.

How AGI Affinity can help

We help states and municipalities preserve the planning investment they already made. Using the TSDOH Assessment Matrix we translate voided federal plans into state frameworks, identify alternative funding, and build coalitions that keep digital access work moving whatever happens federally.

We check every figure in this brief against its source. If you find an error, email info@agiaffinity.com and we will correct it within 5 to 7 business days. Policy: agiaffinity.com/sourcing-and-corrections

NTIA Notices of Funding Opportunity for the State Digital Equity Capacity Grant Program and the Digital Equity Competitive Grant Program. Akin Gump, "President Trump Declares End of $2.75 Billion Digital Equity Act Programs", May 14, 2025. NDIA v. Trump, No. 1:25-cv-03606 (D.D.C.), ECF 1 (Oct. 7, 2025), ECF 60 (July 15, 2026), ECF 62 (Aug. 17, 2026); and the NDIA letter to Secretary Lutnick (June 2025). National Digital Inclusion Alliance, October 8, 2025. California Attorney General, press release, June 24, 2025.