

# BROADBAND ACCELERATION GRANT



# **Program Guidelines FY2021**

The Kansas Office of Broadband Development (KOBD) was established to help ensure all Kansans have the opportunity to live, work, learn and compete in a global economy by improving universal access to quality, affordable and reliable broadband.

In 2020, the Kansas Legislature passed, and Governor Laura Kelly enacted, a bill to fund \$85 million for broadband expansion over the next 10 years to be administered by the Department of Commerce through the Office of Broadband Development. This state-funded grant program will allot \$5 million annually for the first three years and \$10 million annually for the next seven years.

To that end, the Broadband Acceleration Grant program, Kansas' first state-funded competitive broadband grant opportunity, is the initial program launched by KOBD to fund projects that facilitate access to high-quality internet service to Kansas homes, businesses and communities. The need for access to critical broadband infrastructure has been significantly magnified in 2020. From consumer-facing connectivity needs, to digital and remote learning, telehealth services, online commerce transactions and e-government shifts, compelling need exists in many areas of Kansas. Specific areas that lack broadband coverage (unserved); areas that lack quality, reliable access to fixed terrestrial broadband; and areas deemed economically distressed by the state are priorities to address through this initial round of Broadband Acceleration Grants.

## **PROGRAM GUIDELINES**

In this initial round, the Broadband Acceleration Grant program will invest a total of \$5 million towards bridging the digital divide in Kansas. This program will provide a maximum of \$1 million per grant to fund projects that provide access to high-quality, reliable broadband throughout Kansas with priority given to applications that address unserved areas, economically distressed communities and areas of compelling need. Applicants are expected to engage their community – community leaders and stakeholders (libraries, education institutions, healthcare, businesses, non-profits, etc.) – in the development of projects that are strategic, scalable and bridge critical access gaps to support quality of life considerations and economic viability for Kansas citizens and communities. Funded projects are required to be completed and operational one year from initial grant award funding date.

The Broadband Acceleration Grant seeks projects that will:

- Address priorities for unserved, economically distressed and other service areas with compelling needs.
- Be supported by local community partners and stakeholders through letters of support, formal partnership commitments, funding support or explicitly defined project support.
- Share project information and associated service area data in full transparency for a defined public comment period.
- Meet fiscal requirements including a 50% matching contribution for the proposed project.
- Be constructed, installed and operational by February 28, 2022.
- Include all required attestations, signed agreements and required submissions by the application deadline of January 7, 2021.
- Commit to required reporting, audit, evaluation and on-site monitoring requirements.

#### **GRANT TIMELINE**

Nov. 24, 2020 Grant guidelines, Opportunity Announced

Dec. 7, 2020 Application Submission Window Opens (4 p.m. CST)

Dec 9, 2020 Broadband Acceleration Grant Webinar (10:30 a.m. CST)

Dec. 11, 2020 Intent to Apply Due

Jan. 7, 2021 Application Window Closes (12 p.m. CST)

Jan. 11-Feb. 1, 2021 Grant Application Evaluation

Jan. 11-Feb. 1, 2021 Public Comment Window Opens, Applications Posted

Feb. 2-9, 2021 Applicant Response Window

Feb. 10-16, 2021 KOBD Review Public Comments/Applicant Responses

Feb. 17-18, 2021 Applicant Interviews
Feb. 25, 2021 Awards Announced

Feb. 28, 2022 Grant Project Completion – Operational Validation

May 28, 2022 Project Closeout Deadline

# **ELIGIBLE APPLICANTS**

 Applicants must be authorized to provide broadband services in the area proposed to be served with grant funding.

- Eligible applicants include:
  - Political subdivisions or entities of political subdivisions
  - Corporations
  - Limited liability companies
  - · Partnerships or other business entities
  - Non-profit organizations
  - Any other entity authorized by state law to provide broadband services

# **ELIGIBLE AREAS**

The purpose of the grant is to facilitate broadband access to areas with demonstrated need and may include residential, business and community anchor institution locations. Priority will be given to projects that address areas that are currently unserved, economically distressed communities and areas of compelling need. Middle-mile expenses are eligible for grant funding only when they are necessary for the provision of the last-mile services described in the application.

- Grant funds are to be used to pay for costs associated with deployment of broadband to unserved, economically distressed and service areas with compelling needs.
- An unserved area is defined as a designated geographic area in which households or businesses
  are without a fixed, terrestrial connection supporting at least 25 Mbps download and 3 Mbps
  upload speeds.
- An area is economically distressed if it has a per capita income of 80 percent or less of the national average, or if it has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate.
   (Reference: <a href="http://www.statsamerica.org/distress/distress.aspx">http://www.statsamerica.org/distress/distress.aspx</a>)

- Proposed service areas are not required to be contiguous. However, non-contiguous areas more than 10
  miles apart must include an explanation of how the economic and community impact is the same for the
  proposed areas.
- Determination of the available broadband service:
  - Applicant may refer to the most current FCC Form 477 data to determine existing service levels and identify unserved areas.
  - Because this data can overstate the availability of services, an applicant is permitted to provide additional information to demonstrate that the proposed service area is, in fact, unserved.
  - If the applicant deems areas indicated as "served" per FCC Form 477 are inaccurate for the area proposed to be served, the applicant shall provide evidence to demonstrate that actual service is not available. Evidence must be sufficient to conclude that an area is, in fact, eligible.
  - Evidence may include but is not limited to:
    - Survey data for a majority of consumers in the designated area;
    - Documentation of the location of existing infrastructure attributes indicating eligibility; or
    - Documentation from website of reported service provider stating that service is not available in this area. The presence of existing infrastructure alone does not disqualify an area from the grant process. An area is excluded if service is available at terrestrial, fixed 25/3 speeds at specific locations. For example, fiber for residential service may be constructed in an area but service is not yet available to specific locations, i.e. the location is lacking a service drop. Additionally, fiber might run through an area but not be available for residential services along that route (e.g. to service a cell tower, back haul).
- Applications must include GIS map files that clearly identify the proposed service areas as outlined in the Project Proposal and the Technical Project Plan.
  - Areas already receiving funding for broadband expansion from other sources are ineligible. Ineligible
    areas include but are not limited to:
    - Areas awarded Connectivity Emergency Response Grants (CERG).
    - Areas awarded USDA grants, including ReConnect.
- Applicants falsifying location eligibility may be subject to grant rescindment.

# **ELIGIBLE COSTS - MATCHING REQUIREMENT**

The Broadband Acceleration Grant program can pay up to 50% of the eligible costs for a qualifying project, up to \$1 million. Eligible broadband project expenses are terrestrial capital expenses directly related to a qualified broadband project, including design, engineering, permitting and construction of "last-mile" infrastructure expenses. Last mile is defined as the final leg connecting a broadband service provider's network to the end-user customer's on-premise telecommunication equipment. Middle-mile expenses are eligible for grant funding only when they are necessary for the provision of the last-mile services described in the application. Maintenance or operating expenses related to the project do not qualify as eligible costs.

- The maximum grant funding request is \$1 million.
- The grant will cover up to 50% of eligible project expenses.
- 50% matching funds for the project are required.
- Matching funds may include an in-kind match of up to 50% of the required match.
- Federal grants or other federal broadband funding are not eligible matches.

- Eligible project costs: capital expenditures associated with the construction and materials require for installation and/or acquisition of middle-mile and last-mile broadband infrastructure to provide broadband access to additional residential, business and community anchor institution locations. Middle-mile expenditures are eligible only if necessary to provide last-mile services.
  - Examples: Project planning, construction permits, construction of facilities, equipment, installation and test of service.
- Ineligible costs:
  - General broadband planning not associated with the proposed build.
  - Maintenance or operating expenses related to the project.
  - Infrastructure not directly connected to service provision for an end user.
- Applicants are required to obtain review of the network architecture plan by a Professional Engineer (PE) or
  another qualified individual. If the evaluation is not stamped by a PE, applicants must provide documentation
  showing the credentials of the individual who prepared the report.
- Grantees are required to obtain validation of project completion by a PE or another qualified individual.
- Grantees must complete/submit the required financial documents and legal agreements.
- KOBD reserves the right to amend the scope of grant awards or partially fund applications.

#### **INTENT TO APPLY**

Potential applicants should submit an Intent to Apply by Dec. 11, 2020. The Intent to Apply is for communication purposes and capacity planning for the grant process. It does not eliminate potential grantees from applying should the deadline be missed. The intent to apply will include:

- Applicant Business/Organization Name & Business Address
- Primary Business Contact(s) (Name, Email, Phone)
- MO/YR business established in Kansas and MO/YR Broadband Service offerings began.
- Proposed service area including County(s), City(s)
- Estimated Project Amount and Estimated Grant Request
- Proposed project scope, services and access speeds to be provided
- Proposed key partners, community anchors

Applicants should submit the INTENT TO APPLY by 11:59 p.m., Dec. 11, 2020.

# PUBLIC COMMENT PERIOD - APPLICANT RESPONSE - JAN. 11, 2021-FEB. 9, 2021

To ensure transparency and best use of taxpayer funds, the application process will include a public comment period. This period is intended to provide an opportunity for providers, elected officials and constituents to either express support or to inform us of any issues or concerns with an application or its proposed service area. All comments collected during the public comment period are subject to public disclosure, except for the specific location of infrastructure assets deemed "proprietary."

- Within one week of the close of applications, the Project Proposal and proposed service area GIS map for each application will be posted for public comment.
- The online public comment period will begin Jan. 11, 2021 and close Feb. 1, 2021. A form and instructions will be posted on the KOBD website by Jan. 11, 2021.
- Comments submitted relative to ineligibility of a proposed service area should include information beyond the FCC data.

- KOBD reserves the right to publicly disclose comments received.
- Providers are encouraged to submit comments and corresponding documentation with supporting evidence if:
  - The area proposed to be served already has service available; or
  - Construction is underway in the area proposed to be served and will be completed within 12 months.
- The impact of planned builds disclosed in comments will depend on the totality of the circumstances
  including certainty of the build as demonstrated by the documentation and evidence submitted with the
  comment and the timeline for the expansion.
- Comments with insufficient evidence or documentation will not be considered.
- Should evidence demonstrate that an area is currently served (with a 25/3 fixed, terrestrial connection), that
  portion of the grant area may be disqualified. In order for a defined area to be considered served, service at
  or exceeding 25 Mbps download and 3 Mbps upload must be generally available to all residential customers in the defined area.
- Grant applicants will be given Feb. 2-9, 20201 to respond to comments.
- Providers who comment may be asked to provide additional information and/or work with KOBD to validate service availability.

If a commenter is found to have submitted inaccurate information, comment submissions will be disregarded.

#### APPLICATION SUBMISSION INFORMATION

The application information below allows potential applicants to begin formulating a response to the grant opportunity. Formal application window via an online portal will open Dec. 7, 2020, and close at 12:00 p.m. CST, Jan. 7, 2021. The application contains three primary sections: Project Proposal, Technical Project Plan and Financial and Legal requirements. The Project Proposal section includes documents designated (\*) for public posting during a public comment period.

A Technical Planning Guide will be posted to assist applicants in completing the Technical Project Plan submission requirements.

# PROJECT PROPOSAL

The Project Proposal should provide a compelling case for this project and include:

- EXECUTIVE SUMMARY OF THE PROJECT\* is a narrative summary of the project including specific project goals, needs addressed, a description of the proposed service area, community partners/stakeholders involved and the potential impact of the project.
- 2. PROPOSED SERVICE AREA MAP\* for the proposed service area that proposed service locations. The map should be as detailed as possible for public consumption. This map must be in annotated .kmz, .shp, or. kml format and include:
  - a. The hardline routing
  - b. For wireless projects: RF prediction map depicting the location of the transmitter, its footprint, and a map legend

These Project Proposal sections are required for application but not posted for public comment:

- 3. COMMUNITY PARTNERS, ROLES, COMMITMENTS & LETTERS OF SUPPORT
- 4. ECONOMIC & COMMUNITY IMPACT
- 5. ADOPTION EFFORTS

<sup>\*</sup>To be posted for public comment. Please do not include Personally Identifiable Information (PII) or proprietary information.

#### TECHNICAL PROJECT PLAN

The Technical Project Plan details the technical elements of the proposed project including:

- 1. TECHNICAL PROJECT OVERVIEW
- 2. DETAILED EVIDENCE OF NEED
- 3. NETWORK ARCHITECTURE [Certified]
- 4. GIS maps for the proposed network in .kmz, .shp, or. kml format. Maps should be explicit for each proposed technology (fiber, fixed wireless or both) and include required annotations as outlined in the Technical Planning Guide.
- 5. PROJECT PLAN AND MILESTONES
  - a. Planning
  - b. Permitting
  - c. Construction
  - d. Equipment Installation
  - e. Operational Validation Certification of Completion
- 6. INVESTMENT POTENTIAL: Scalability, Future Proofing

A Technical Planning Guide will be <u>posted online</u> on Nov. 30, 2020, to assist applicants in developing this portion of the grant application.

# **FINANCIAL**

Financial and legal submission requirements include:

- 1. BUDGET NARRATIVE
- 2. BUDGET SPREADSHEET
- 3. FINANCIAL PROFIT/LOSS STATEMENT

# **APPLICATION EVALUATION & AWARD**

Broadband Acceleration Grants will be vetted through a process that incorporates both project expertise as well as technical and financial review teams. Applicants being considered for award will participate in a final interview to be held via interactive meeting.

Prior to evaluation, each application will undergo an initial administrative review to ensure applicants have met the following baseline requirements. Applications must meet the following threshold requirements to be evaluated:

- 1. Project submission includes all required elements including:
  - a. A GIS map of the proposed service area and service locations with census block data in required format for PUBLIC CONSUMPTION as outlined in Application Information above (.kmz, .shp, or. kml format only).
  - b. Detailed, technical GIS maps in required format outlined in the Technical Planning Guide to support for Technical Project Detail (.kmz, .shp, or. kml format only).
  - c. Network Architecture Plan with required engineering certification.
- 2. Required financial documents including a completed Budget file, which includes funding for operational validation certification and includes the 50% matching requirement.

Application evaluation will be based on the overall quality of the application including the Project Proposal, Technical Project Plan and Financial information presented.

Interviews for the final grant candidates will take place on Feb. 17-18, 2021. This final opportunity for grantees to 'make their case' should include organization and financial leaders, key project personnel and partners critical to the overall success of the effort. Participants should be prepared to speak to specific aspects of the proposed project, the technical project plan and the financials submitted that support the project. This interactive meeting will provide an opportunity for grantees to call into focus key aspects of the project, compelling needs of the proposal and answer the question, "why should the state of Kansas invest in this project?"

Grant awards will be announced by Feb. 25, 2021.

#### **FUNDS DISBURSEMENT**

Grantees must submit all required signed agreements, state required forms and contracts prior to funds disbursement.

- Once a project has been approved and agreements are signed, 25% of the grant award shall be disbursed. Additional payments of 25% of the grant award shall be funded June 15, 2021, and Sept. 15, 2021. Upon certification of completion and final project report, the final 25% of the grant shall be funded.
- If project costs exceed the budget included with the application, grantees will still be required to finish the
  proposed project without an increase in the grant award.

# **REPORTING - ACCOUNTABILITY - PROJECT COMPLETION**

- Grantees will be required to report the status of the project every 30 days.
- Grantees must notify KOBD of delays at KDC\_Broadband@ks.gov.
- KOBD reserves the right to audit the project to ensure funds are spent appropriately.
- KOBD reserves the right to field audit the project to gauge progress.
- Projects must be operational by Feb. 28, 2022.
- Grantees will be required to submit a final report.
- Grant closeout will require review from either a Professional Engineer certified in Kansas or another
  qualified individual. This review will confirm that the build has been completed, the design and installation
  conform to all applicable federal, state and local requirements and standard engineering practice; and
  that the installed infrastructure will provide service at the locations and service levels stated in the application.
- Grantees are expected to offer service at the pricing and speed levels stated in the application for a minimum of three (3) years after closeout of the contract. While not a contractual requirement, it is expected that the selected applicants will have incorporated this criteria into their business plan.

# **KEY DEFINITIONS**

#### Broadband

Broadband or high-speed Internet access allows users to access the Internet and Internet-related services at significantly higher speeds than those available through "dial-up" services. Broadband speeds vary significantly depending on the technology and level of service ordered. Broadband services for residential consumers typically provide faster downstream speeds (from the Internet to your computer) than upstream speeds (from your computer to the Internet).

Source: FCC

For additional information, visit <a href="https://www.fcc.gov/consumers/guides/getting-broadband-qa">https://www.fcc.gov/consumers/guides/getting-broadband-qa</a>.

# **Adoption Efforts**

Adoption goes beyond access to high-speed internet and speaks to the ability of individuals and communities to harness access for quality of life implications. These efforts may include digital literacy training, low-income assistance programs (for equipment and/or broadband service), partnerships with co-working or entrepreneurship organizations, awareness or marketing campaigns, service provision to community anchor institutions and/or additional programing and other programs designed to meet the needs of the local community

# **Economically Distressed Community**

An area is economically distressed if it has a per capita income of 80 percent or less of the national average, or if it has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate. <a href="http://www.statsamerica.org/distress/distress.aspx">http://www.statsamerica.org/distress/distress.aspx</a>

# Last Mile

Last mile refers to network infrastructure that carries signals from the network to and from the end-user premise. Depending on network design and density of the area served, the actual distance of the last mile can be relatively short or may be considerably longer than a mile.

# Middle Mile

Middle mile refers to the portion of the telecommunications network that connects a network operator's core network to the local network (last mile) plant. Middle-mile facilities provide fast, large capacity connections and can range from a few miles to a few hundred miles. Grant funding can only be used for middle-mile related costs if it is necessary in order to provide last-mile service.

### Unserved

An Unserved area is defined as an area where broadband service is not available from a wireline-based provider at advertised speeds equal to or higher than 25 Mbps download / 3 Mbps upload.