Kansas Office of Broadband Development:

Capital Projects Fund Program Declination Debrief

February 17, 2023

KANSAS OFFICE OF BROADBAND DEVELOPMENT

Kansas Department of Commerce Office of Broadband Development

Agenda

Welcome

- Kansas Capital Project Fund Program Summary
- Application Evaluation Approach
- CPF Program Feedback
- Questions

Kansas Capital Project Fund Program Summary

CPF Program Factoids

Public Comments
Total: 363
Positive: 148
Negative: 214
Accepted: 120

Avg. Project
Total Cost: $6.38M
Funding Requested: $4.15M
Locations Passed: 1,335
Cost Per Locations Passed: $4,752
Kansas Net Cost Per Locations Passed: $3,096
Degree of Unserved: 75%

Financial
Avg. Applicant Match: 34.9%
Avg. Applicant Incremental Match: 17.6%
Avg. Co-Investment: $94.9k

CPF Program ($83.46M Available)
Applications: 141
Total Project Costs: $888.3M
Total Requested Funding: $579.0M
Total Locations Passed: 185,759
Oversubscription Ratio: 6.9

Application
Co-Investments: 37
Incremental Match: 107
Economically Distressed: 65
Multi-County: 39
RDOF Impacted: 82

Application Sources
Service Providers: 44
Service Providers w/ > 1 Application: 21

Region
Counties w/ an Application: 71
Region with Most Applications: Southeast (30)
Counties with Most Applications:
Miami (16), Sedgwick (12), Saline (10), Butler (10)

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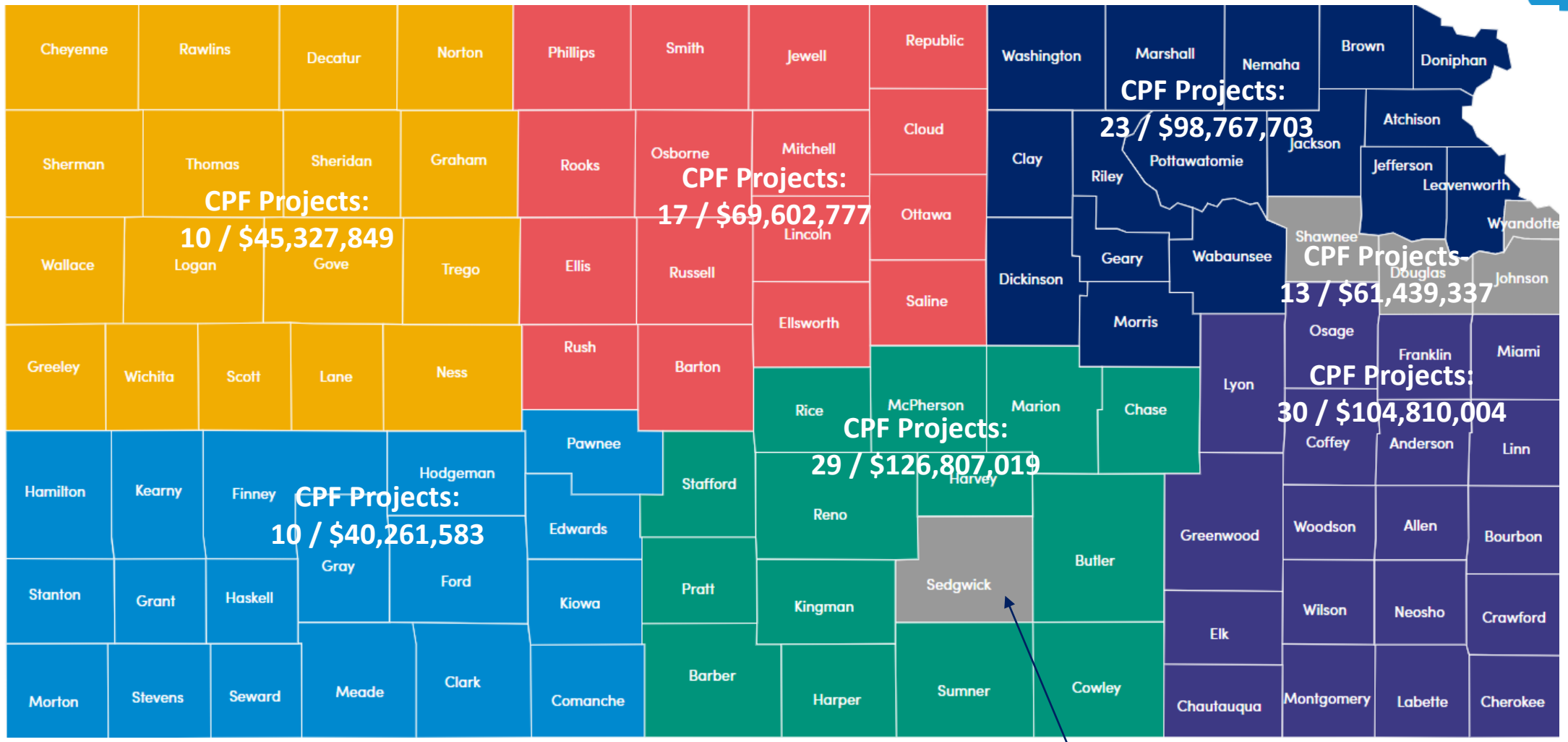
Applications by Department of Commerce Region: Projects and Total Funding Requests



Wichita Metro Projects:
8 / $45,049,548

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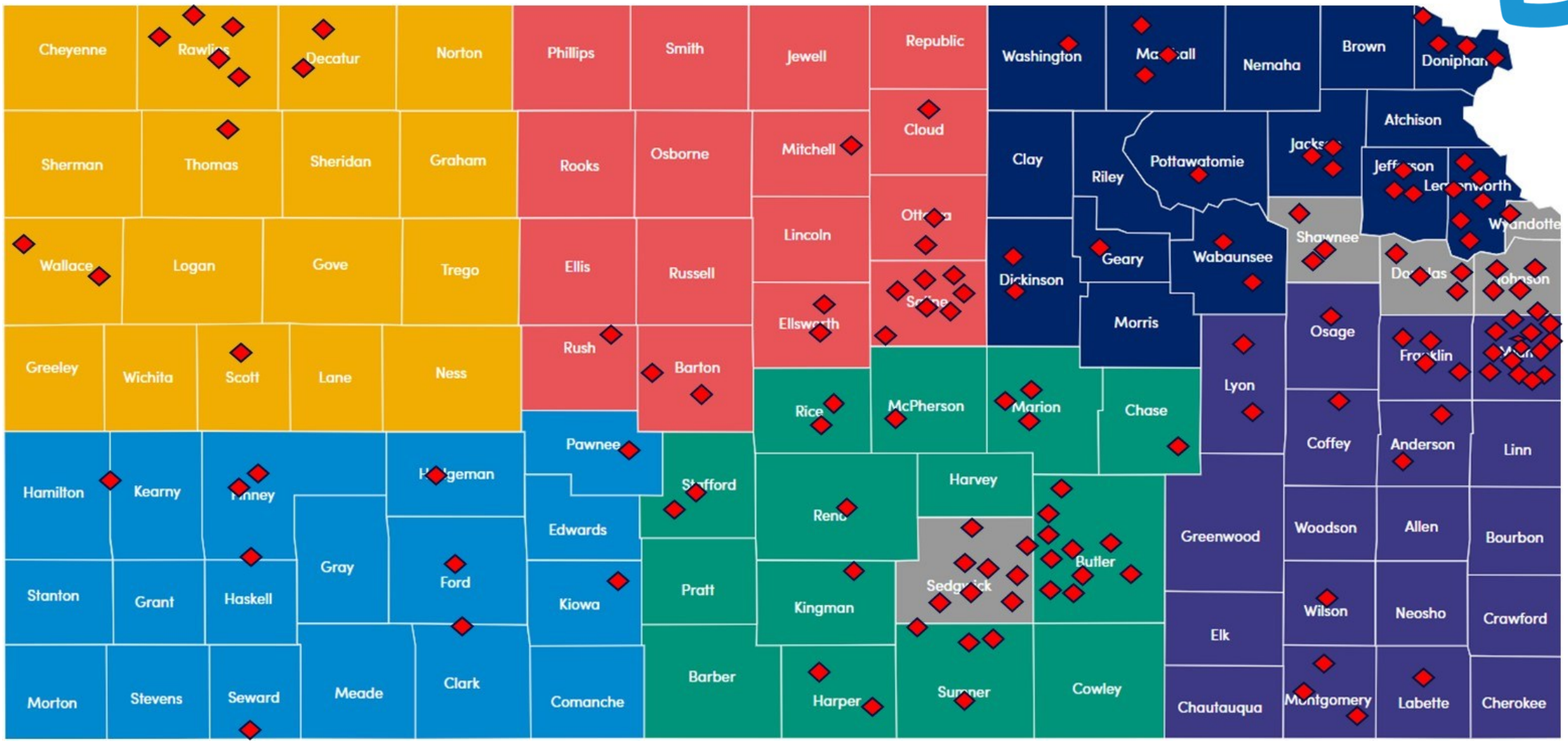
CPF Applications – 141 Geo Centered



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CPF Award Factoids

Public Comments
Total: 43
Positive: 19
Negative: 24

Avg. Project
Total Cost: $5.22M
Funding Requested: $3.47M
Locations Passed: 1,024
Cost Per Locations Passed: $5,100
Kansas Net Cost Per Locations Passed: $3,396
Degree of Unserved: 96%

Financial
Avg. Applicant Match: 33.4%
Avg. Applicant Incremental Match: 13.9%
Avg. Co-Investment: $196k

CPF Awards
Applications: 24
Total Project Costs: $125.3M
Total Requested Funding: $83.46M
Total Locations Passed: 24,567

Application
Co-Investments: 9
Incremental Match: 15
Economically Distressed: 16
Multi-County: 7
RDOF Impacted: 7

Region
Counties Impacted by an Application: 33
Region with Most Applications: Southeast (7)
Region with Fewest Applications:
Wichita Metro (1), Southcentral (1),
Northcentral (1)

Application Sources
Service Providers: 20
Service Providers
w/ > 1 Application: 3

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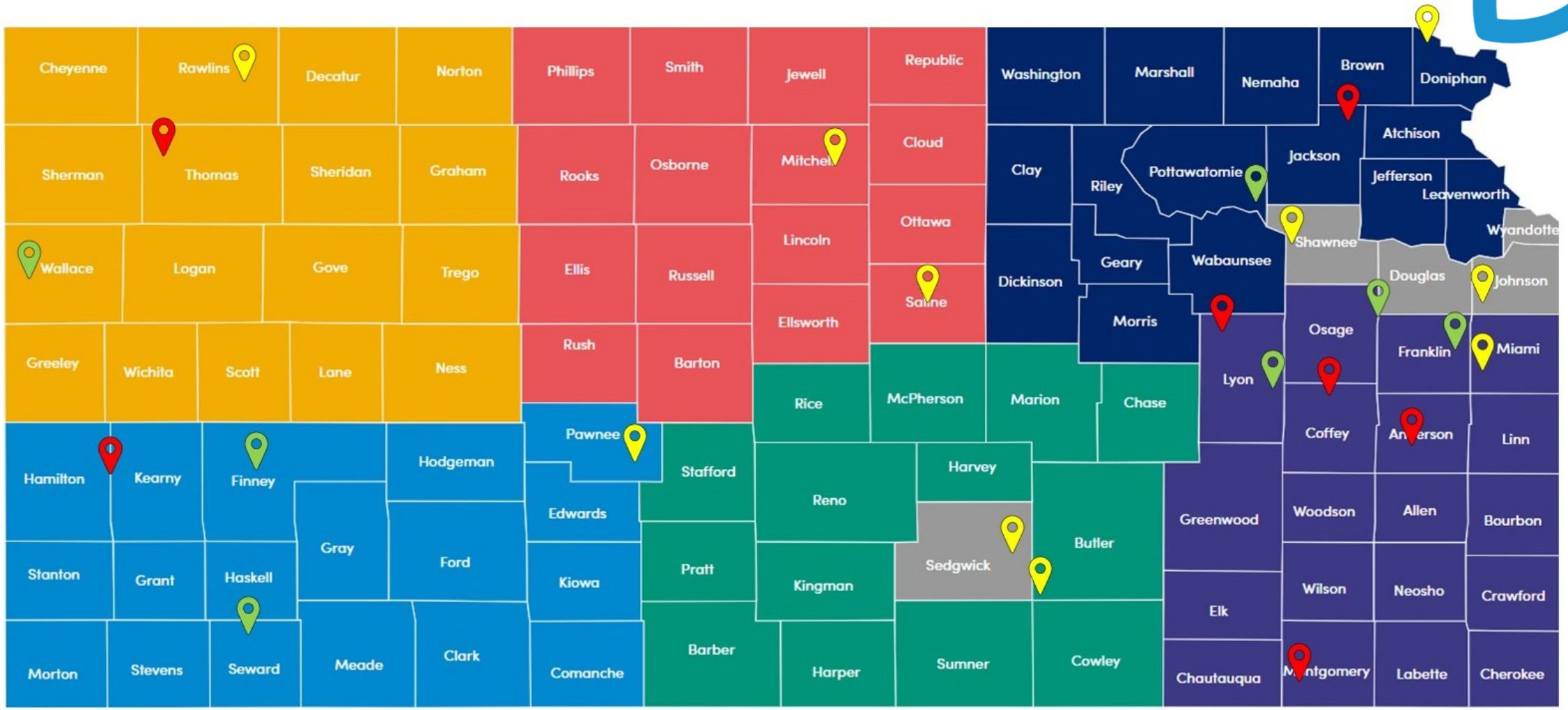
CPF Phase 1, 2 and 3 Projects



- Phase 1 project locations
- Phase 2 project locations
- Phase 3 project locations

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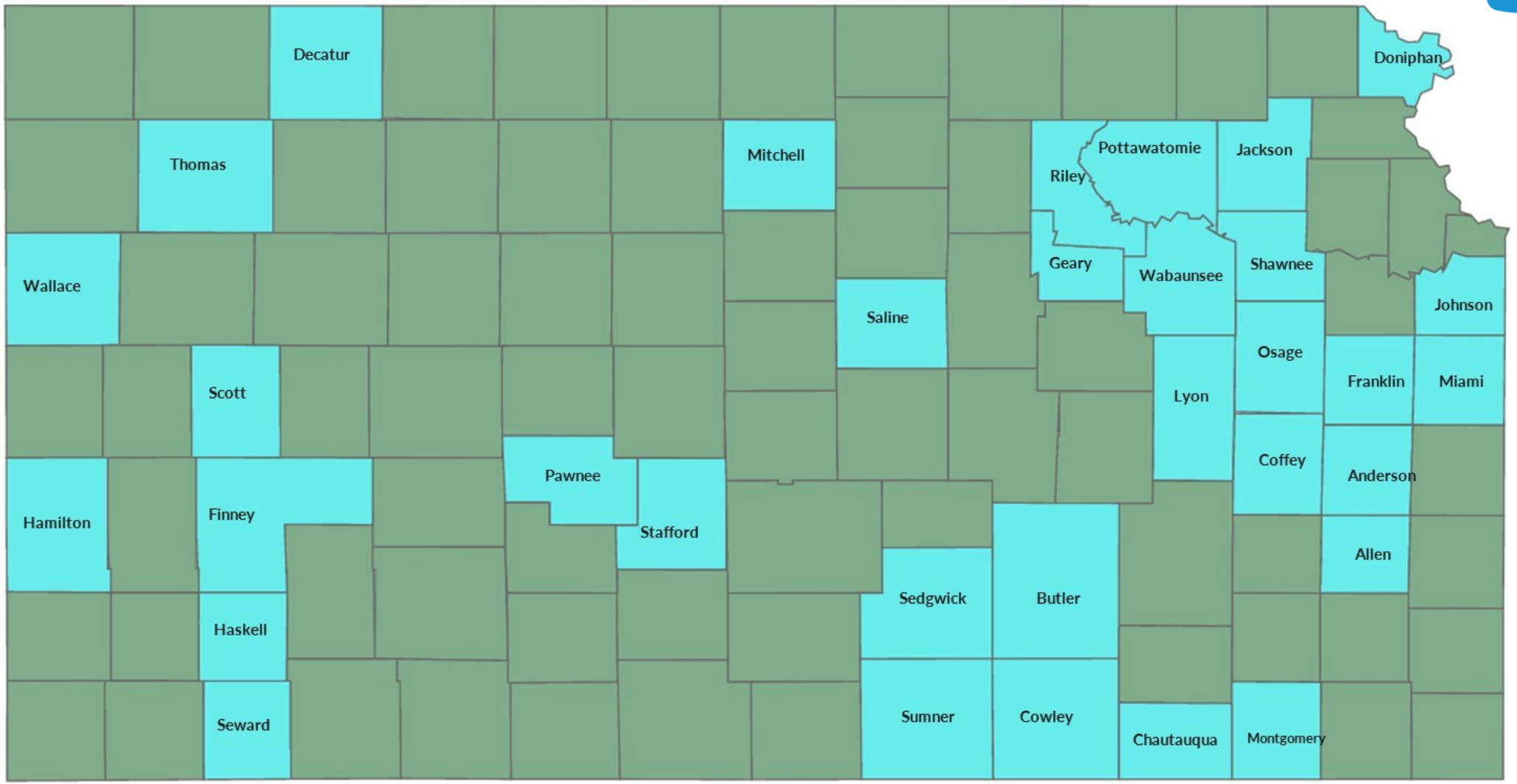
Capital Project Fund Phase 1, 2 and 3 County Impact



CPF Investments: 33 Counties

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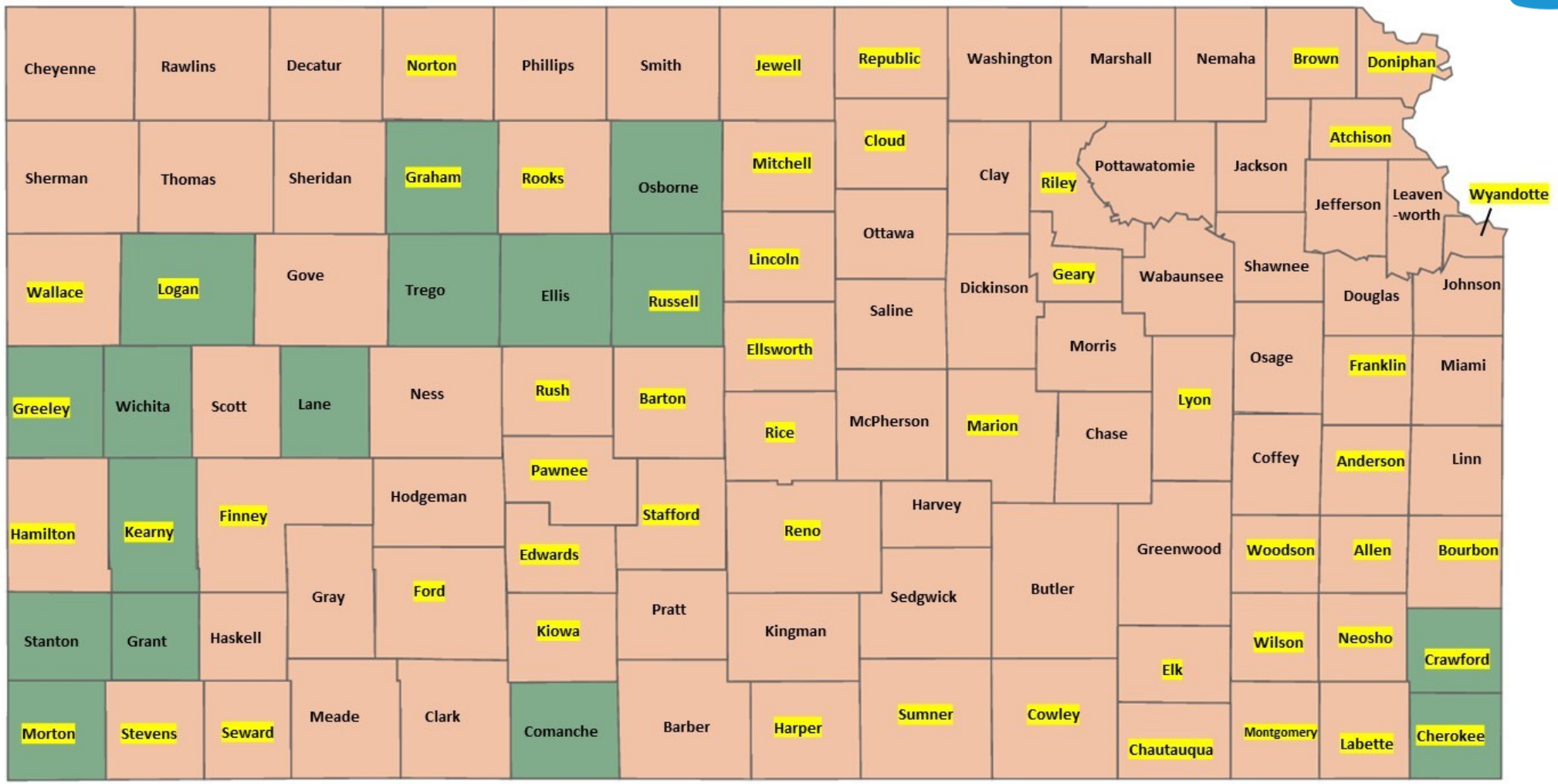
All KOBD Grant Program Investments Since 2020*



All KOBD Applications: 89 Counties

Economically Disadvantaged: 52

No KOBD Applications: 16

* - CERG, BAG 1.0, BAG 2.0 and CPF Programs

Application Evaluation Approach

Phase 1, 2 and 3 Process Flow

13 Applications

Phase 1

Awarded

Applications: 7
Project Amount: $19.7M
Funding Requested: $15.8M
Locations Passed: 1,913

Criteria:
- Early application submission
- No negative public comments

Projects Amount: $27.0M
Funding Requested: $22.2M
Locations Passed: 5,336
No Public Comments

14 Applications

Phase 2

Awarded

Applications: 7
Project Amount: $30.1M
Funding Requested: $23.1M
Locations Passed: 4,186

Criteria:
- Later application submission
- No negative public comments

Projects Amount: $77.8M
Funding Requested: $55.5M
Locations Passed: 10,449
No Public Comments

120 Applications

Phase 3

Awarded

Applications: 10
Project Amount: $75.5M
Funding Requested: $44.5M
Locations Passed: 18,468

Criteria:
- All remaining applications

Projects Amount: $805.9M
Funding Requested: $517.7M
Locations Passed: 175,695
Public Comments: 214

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Application Evaluation

Every application was evaluated using criteria as stated in the CPF kick-off webinar

Application Section	Sub-Categories	Approximate Weighting
Project Proposal	• Project justification • Community benefits • Adoption / Affordability / Dig. Equity • Partnerships	35%
Technical Project Plan	• Delivered speed • Future proofing / scalability • Proposed service area validation • Locations passed	50%
Financials	• Financial standing of company • Confirming financing is available to support match • Confirming project costs and budget • Applicant Match + Co-Investment	15%

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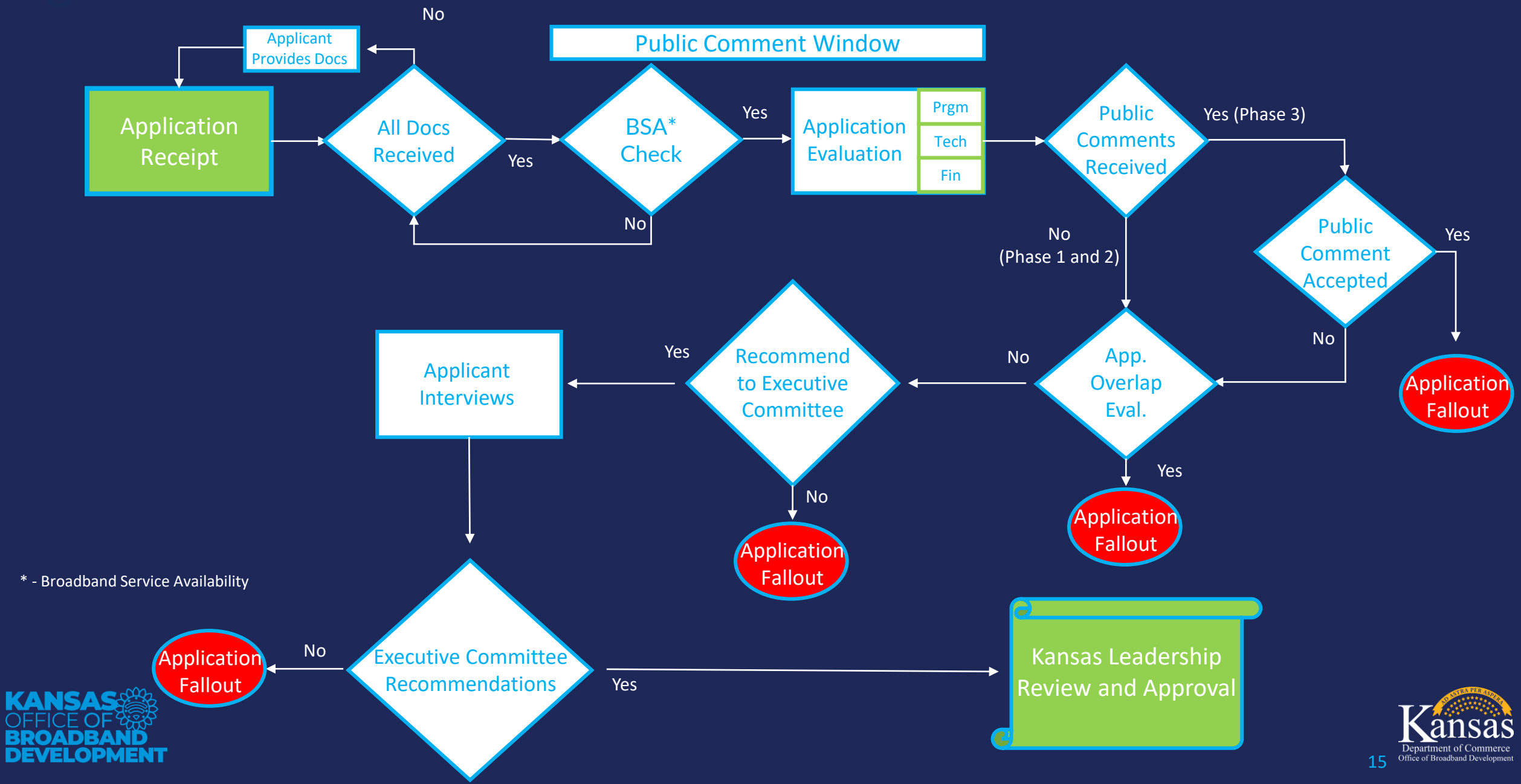
Criteria for Evaluating Applications in Certified RDOF Award Areas

7/26/22	**Original Program Guidelines**	• "…..Service areas with certified awards through the FCC with more than 100/20 Mbps wireline/fiber will be considered ineligible for grant award."
8/31/22	**RDOF Awards Announced**	• Award included provider in Kansas
9/29/22	**RDOF Footprint Guidance Received From Treasury**	• If additional public benefit could be shown in terms of improved service or timeliness, the Department of Treasury CPF guidance encouraged focusing funding in areas that lacked wireline service that delivered a minimum of 100/20 Mbps.
10/7/22	**Amended Program Guidelines**	• Evaluate wireline / fiber-based applications in certified RDOF award areas which demonstrated improved service or timeliness to enable additional public benefit on a project-by-project basis.

High Level Application Process



* - Broadband Service Availability

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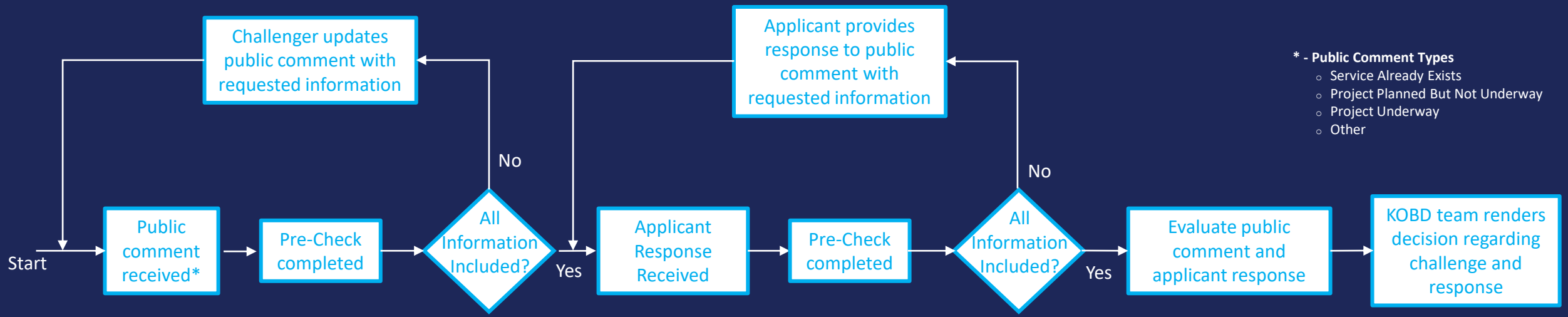
Negative Public Comment Process and Results

Negative Public Comments Process



Applications Receiving Negative Public Comments - 107

- **Negative Public Comments***
  - Received: 214
  - Applicant Responses: 168
  - Public Comments Accepted: 120
  - Public Comments Denied: 94

  * - Some applications received more than one negative public comment

- **Negative Public Comment Results**
  - Applications Advanced: 53
  - Applications Stopped: 54

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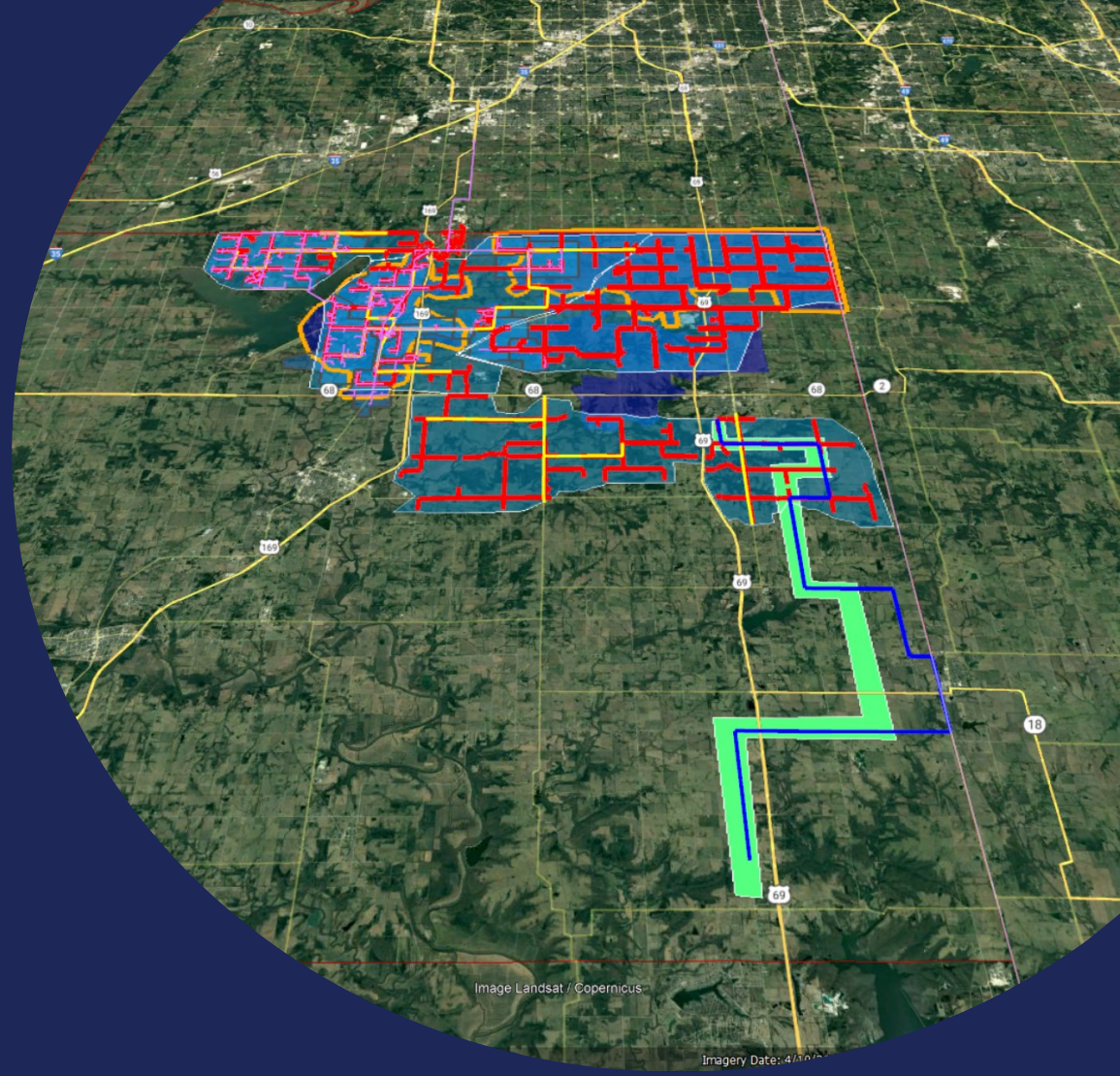
Overlapping Applications

- All applications were evaluated to determine if there was any overlap with other applications – 98 (70%) applications had some degree of overlap
- The following process was used to evaluate overlapping applications:

Map Eval for Each Application by Region and County → Determine Overlap and Magnitude → Compare Key Application Attributes → Best Solution (Split or Prioritize) Based on Overall Value

- 18 key application attributes were compared across overlapping applications, some of which were:
  - Speeds
  - Offer / Pricing
  - Degree of Unserved
  - Co-Investment
  - Locations passed
  - Incremental match %
  - Scalability
  - Overall Scope

- Based on application attributes, scale and scope, the review team recommended whether the original or amended (carve out) application moved forward or not



- Example:
  - Miami County: 16 applications total
  - View shown: 10 application overlap

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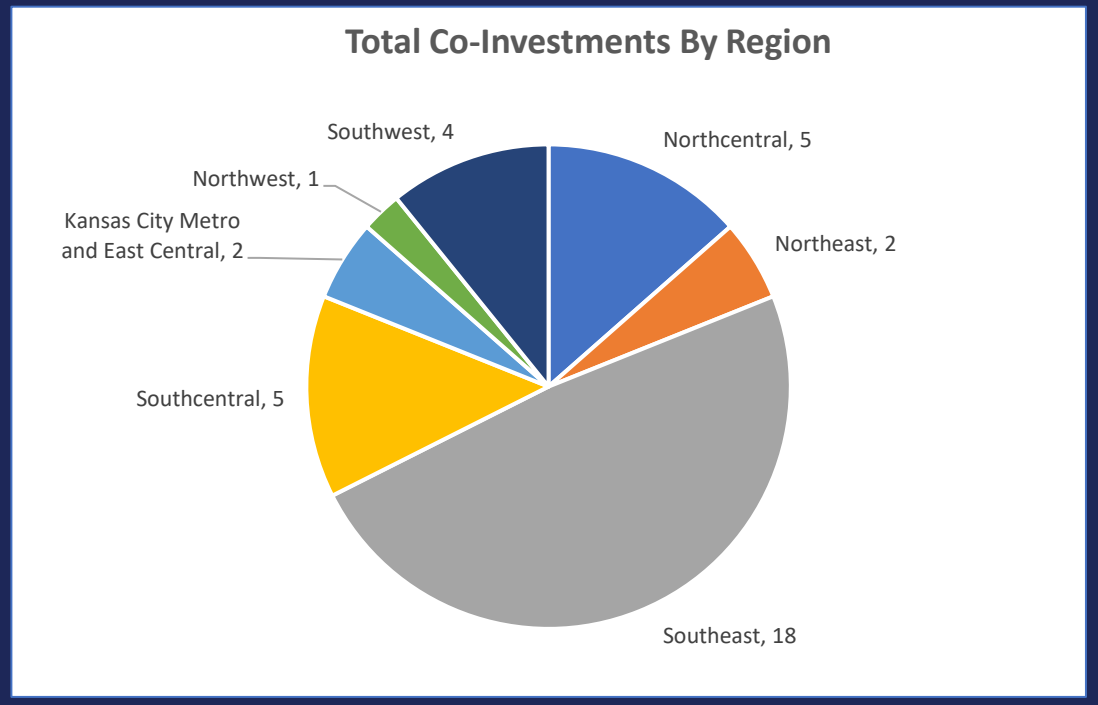
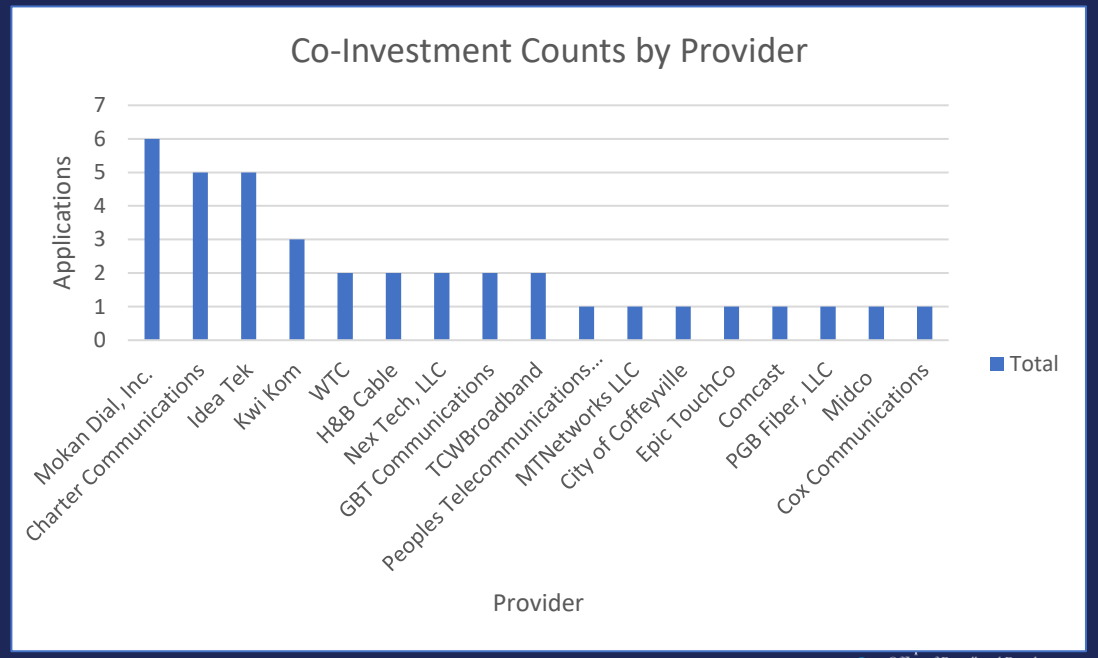
Co-Investment Details

- 37 applications provided a co-investment - Southeast accounted for 18 (48.6%) of co-investments
- Co-investment amounts ranged from $1,000 to $997,375 with an average of $94,924
- Extracting largest co-investment, the average was $69,856
- Most common co-investment - $10,000
- Most co-investments secured by a provider - 6
- Co-investment partners are encouraged to engage with providers who best service the area and address community needs





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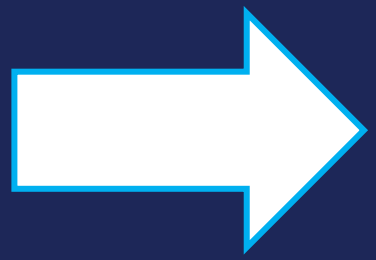
CPF Program Feedback

Program Priorities

Projects that address a critical need that resulted from, was made apparent, or exacerbated by the COVID-19 public health emergency focusing on:



General Feedback For Unfunded Applications

- **Unserved vs. Underserved**
  - Focused on highly unserved areas
  - 32% of all applications were < 80% unserved
  - Other service providers provided qualifying broadband speeds in proposed service area

- **Missing Mapping Requirements**
  - Public: polygon defined service area
  - Private: polygon defined service area with fiber routes and locations identified
  - Format

- **Meeting Minimum Program Speeds**
  - Both downstream and upstream, not just one of the requirements
  - Not providing justification on why 100/100M cannot be achieved

- **Scalability**
  - Many applications did not scale beyond 1G capability
  - Symmetric speed solutions were preferred – asymmetric speeds were proposed

- **Establishing Critical Needs Addressed By Application**
  - Enabling work, education, and healthcare monitoring
  - Address a critical need due to COVID
  - Critical need within the community

- **Pricing**
  - Affordability translates to adoption
  - Greatest success was when 100M symmetric services were < $60/month and at least 1G symmetric speeds were available

- **Community Engagement / Co-Investment**
  - Some community support letters were non-existent
  - Co-investment / endorsement from local government not as prevalent
  - Community partners missing from Executive Committee interviews

- **Missing Documentation**
  - Budget
  - Bill of Materials
  - Maps (private or public)

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Public Comments and Applicant Responses Feedback

	Public Comments	Applicant Responses
Did Well	○ Providing clarity on where existing qualifying services are available ○ Using FCC Form 477 data	○ Disputing public comments ○ Providing greater insight into application purpose and overall goals ○ Some speed tests, testimonials, outreach and surveys were very impactful to support application
Opportunity to Improve	○ Missing documentation ○ Providing required supporting evidence – .kmz maps, speed tests, proof of projects underway ○ Providing required supporting evidence at the time of submission ○ Refrain from using public comments to justify one application over another application	○ Be prepared to defend application from the public comment at the time of application submission ○ Missing documentation - .kmz maps, surveys, speed tests ○ Responding to the public comments against application

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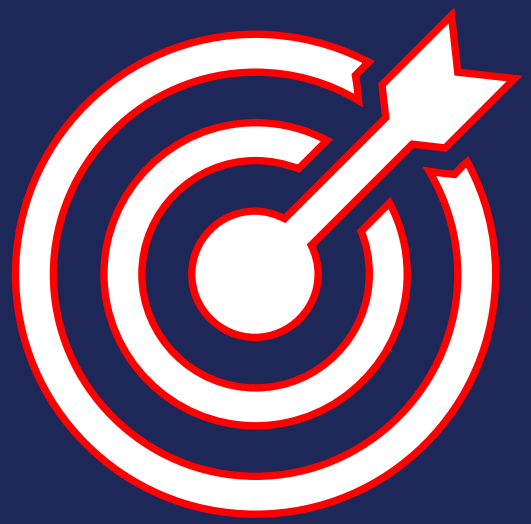
Best Practices For Future Program Applications

- **Target Unserved Areas**
  - Unserved vs. Underserved – unserved is the priority
  - Trend to continue for the foreseeable future

- **Advance Preparation:** Get prepared with projects in hand

- **Supporting Documentation Preparation** – surveys, testimonials, speed tests to support proposed service area.

- **Continued Focus on Economically Distressed Areas**



- **Ensure Application Information Is Provided**
  - Mapping (public and private)
  - Budget and BOM is filled out

- **Speeds:** Meet Minimum Program Speeds

- **Scalability**
  - Fiber based (if required)
  - Capable of 10G or higher
  - Service offerings reflecting symmetric capability

- **Align Application Deliverables With Program Priorities**

- **Pricing**
  - Affordability translates to adoption
  - Adoption is the key focus of building the broadband infrastructure

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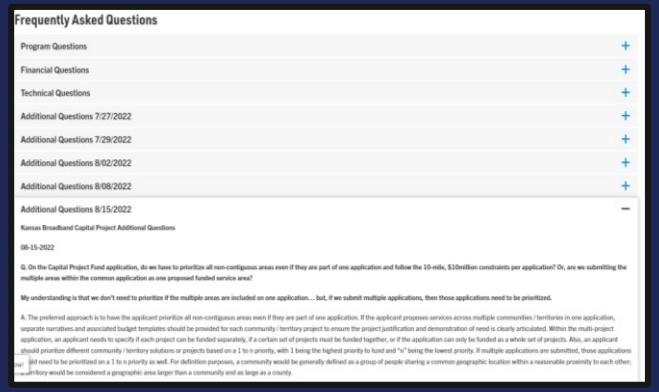
CPF Program Lessons Learned

Short Application Window

25-Jul	1-Aug	8-Aug	15-Aug
Week 1	*Week 2*	*Week 3*	*Week 4*
Phase 1 Application Window		Phase 1 Public Comment Window & Grant Evaluation	
		Phase 2 Application Window	

FAQ and Q&A Process



Capture Program Guideline Feedback Prior To Release

CAPITAL PROJECTS FUND FOR
BROADBAND INFRASTRUCTURE PROGRAM GUIDELINES

BACKGROUND

The Kansas Office of Broadband Development at the Kansas Department of Commerce 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, reliable and affordable broadband.

The United States (U.S.) Treasury launched the Coronavirus Capital Projects Fund in 2021 and is funded by the American Rescue Plan that provides $10 billion for eligible governments to carry out critical capital projects that directly enable work, education, and health monitoring including remote options, in response to the public health emergency. The State of Kansas was awarded $143.3M from the United States Treasury Coronavirus Capital Projects Fund, to be divided between up to three programs as defined in the United States Treasury guidance: Broadband Infrastructure, Digital Connectivity Technology, and Multi-Purpose Community Facility Projects. The Capital Projects Fund for Broadband Infrastructure Program (CPF), through the Kansas Office of Broadband Development, is poised to invest an estimated $83.5M toward expanding digital connectivity in Kansas. Funding amounts for the two remaining programs will be finalized with the United States Treasury in the near future. This is a critical program in Kansas' plan to build operational robust broadband internet services into areas where service providers have not substantially invested in broadband before.

The CPF Program will be focusing on the deployment of broadband infrastructure to bring access to high-quality internet service to Kansas homes, businesses, and communities in areas of critical need that are not currently served by a wireline connection. The program goal is to

Sliding Scale Match

Sliding Scale Match Table	
Cost Per Location Passed	Applicant Match Percentage
$ 750	86.7%
$ 1,000	70.0%
$ 1,500	50.0%
$ 2,000	40.0%
$ 2,500	34.0%
$ 3,000	30.0%
$ 3,500	28.6%
$ 4,000	25.0%
$ 4,500	22.2%

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Next Steps

- **If additional information or follow up is needed, send an email to kdc_broadband@ks.gov and provide the following information:**
  - Contact information and organization
  - The application in question
  - Describe the additional information requested or question to be answered (three paragraph maximum)
  - **Requests must be provided by February 24, 2023**

- **Next Steps**
  - Additional information requests or questions will be reviewed within the following two weeks
  - Feedback will be provided to designated contact

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Questions