

Broadband Acceleration Grant Program, Year 3 (BAG 3.0)

6/26/23

Welcome

- Program Overview
- Grant Timeline and Eligibility Criteria
- Applicant Match and Cost Eligibility
- Demonstrating Project Need: Broadband Availability Check
- Public Comment Process
- Application Details





Program Overview



Broadband Acceleration Grant Program, Year 3 (BAG 3.0) provides Kansas access to \$5M in grant funding

- The BAG 3.0 Program provides funding for:
 - Broadband infrastructure enabling end user locations with a minimum of 100/20 Mbps speeds
 - Middle mile if associated with the broadband infrastructure
- A total of \$5 million in funding is available with a maximum individual grant amount of \$1 million per award

"We recognize the urgent need to bridge the digital divide so households and businesses across Kansas can succeed now and in the future. With the wide range of entities that are eligible for these funds, we are encouraging collaboration and innovative approaches to getting more Kansans and communities connected." - Lieutenant Governor and Secretary of the Department of Commerce, David Toland.

Program Overview – Changes From Previous Programs

	Current Program	Previous Programs	
Program Attribute Changes	BAG 3.0	BAG 2.0	LINC
Program Qualifying Broadband Speed	100/20 Mbps	25/3 Mbps	100/20 Mbps
Applicant Match	50%	50%	Sliding Scale
Maximum Grant Amount (in millions)	\$1.0	\$1.0	\$5.0
Minimum Unserved Threshold	80%	None	80%
Preconstruction Planning, Design or Preconstruction Engineering Costs Associated with the Project	Ineligible Cost	Ineligible Cost	Eligible Cost
Reimbursement Schedule	Quarterly	Monthly	Quarterly

Program Overview – Changes From Previous Programs (cont'd)

Program Attribute Changes	Current Program	Previous Programs	
	BAG 3.0	BAG 2.0	LINC
Price Freeze	N/A	3 Years	N/A
Regional Award Distribution	Target Priority	Evaluated	Target Priority
Covered Population	Target Priority	Evaluated	Target priority
Certified RDOF Areas Available for Award	See Determination of the Available Broadband Service section	N/A	See Determination of the Available Broadband Service section
Fiber-Based Focused	Yes + other technologies considered for award	Yes	Yes + other technologies considered for award
FCC Service Availability Database	Broadband Data Collection Fabric and Service Availability Data	Form 477	Broadband Data Collection Fabric and Service Availability Data
Compliance with Uniform Guidance 2 CFR Part 200	Yes	No	Yes



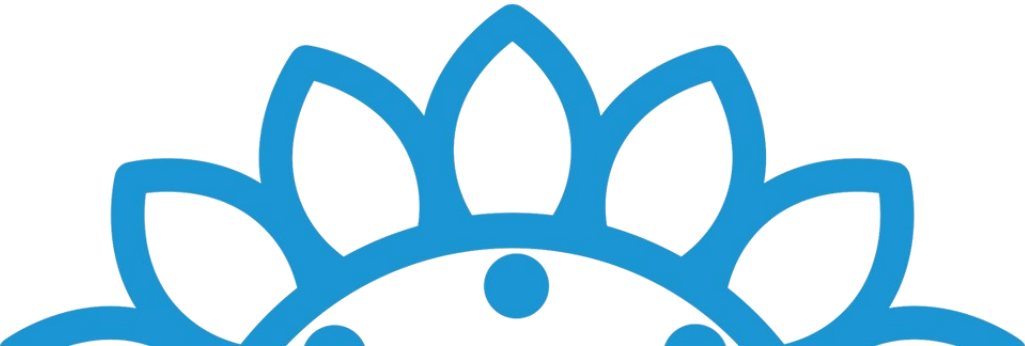
Grant Timeline and Eligibility Criteria



Grant Timeline

Week #																						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21		
Application Window <i>Opens: Jun 27th</i> <i>Closes: Aug 7th</i>							Public Comment Window <i>Opens: Aug 15th</i> <i>Closes: Sep 5th</i>				Applicant Response to PC Window <i>Opens: Sep 13th</i> <i>Closes: Sep 26th</i>			Final Grant Evaluations			Shortlist	Applicant Interviews <i>Opens: Oct 26th</i> <i>Closes: Nov 7th</i>			Final Review	KDC Leadership Review
Preliminary Grant Evaluation Period																						

- Application window opens on June 27, 2023, closes on August 7, 2023
- Includes Public Comment and Applicant Response periods
- Applicant interviews to occur after grant evaluation period
- Award announcements targeted for November 2023



BAG 3.0 Will Fund Projects That:

- Address a critical broadband need of the community to be served
- Contain at least 80% unserved locations within the proposed service area
- Enable access to an affordable and reliable high-speed broadband connection
- Provide a minimum of 100/20 Mbps speed to the end user, with scalability to at least symmetrical 10 Gbps

Eligible Areas

Recipients may use these funds to make critical investments in broadband infrastructure*. Critical investments must be directed to unserved areas and meet the minimum unserved threshold to qualify for grant funding

Unserved

- Unserved: geographic areas with location IDs that are without access to reliable wireline speeds of 100 Mbps download / 20 Mbps upload or greater

Minimum Unserved Threshold

- Minimum Unserved Threshold: applications must have at least 80% of the location IDs unserved in the proposed service area to be considered (or qualify) for grant funding

Recipients must invest in broadband infrastructure that addresses a **critical** need for the community

*Middle-mile expenses are eligible for grant funding within the BAG 3.0 Program only when they are necessary for the provision of last-mile services described in the application.

Rural Digital Opportunity Fund Area Treatment



Areas that have a status of "Winning Bidder/Awarded", "Ready to Authorize" or "Received Authorization of Support Notice" for RDOF awards will be considered ineligible unless:



RDOF deployment timelines do not align with BAG 3.0 requirements within twenty-four (24) months



Certified RDOF award does not align with overall BAG 3.0 program improved service intent



RDOF awardees must confirm they will be building in these areas within two (2) years – otherwise applicant's proposed service areas will be considered for investment in this program

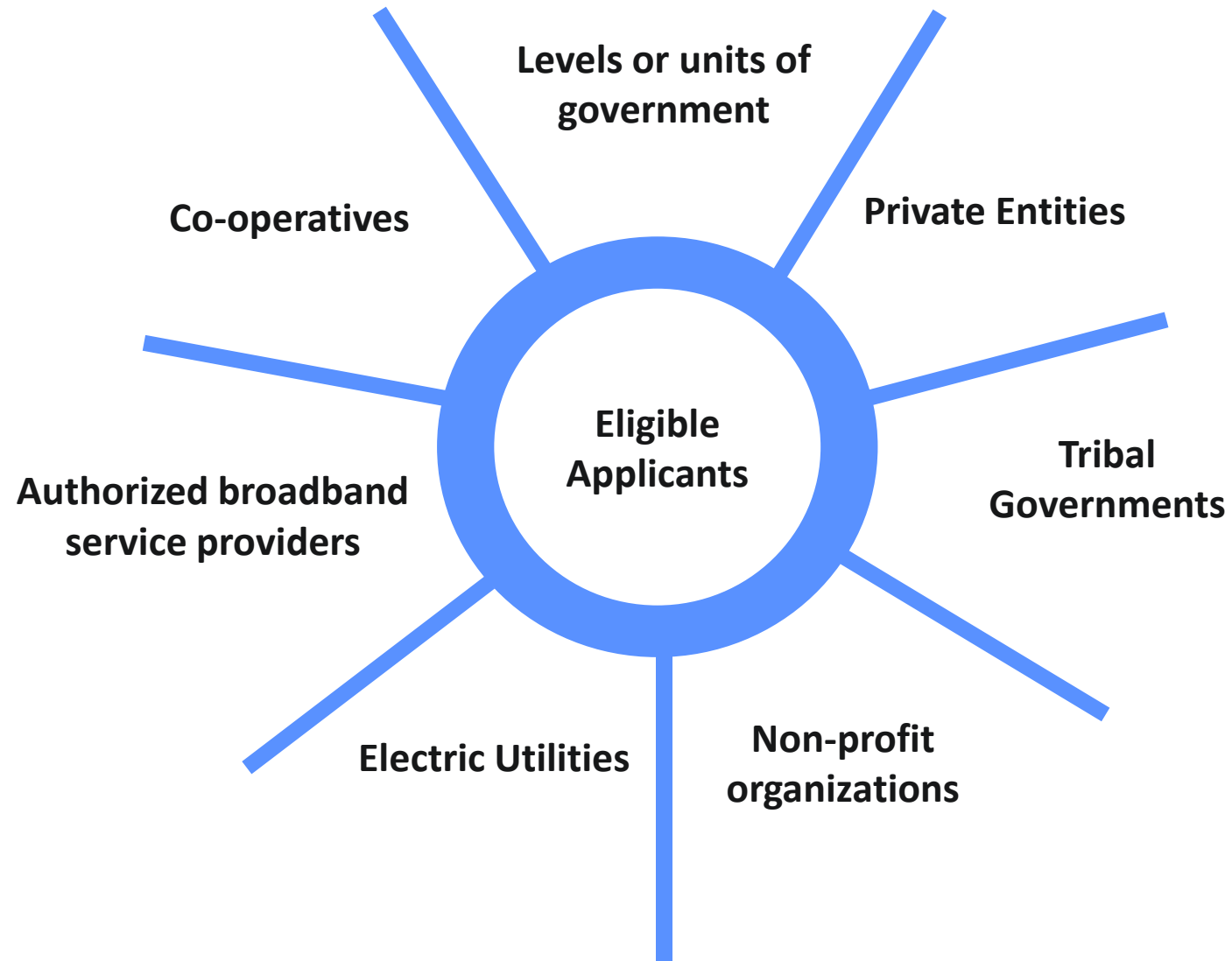


Final determination based on the above criteria, plus if the "Received Authorization of Support Notice" RDOF footprint investment partially, or fully, benefits the community

KOBD will continue to prioritize project areas that have not been awarded funding for service that meets or exceeds 100/20 Mbps.

Projects that target other priority areas such as unserved locations, economically distressed areas and covered populations will be scored more favorably.

Eligible Applicants





Applicant Match and Cost Eligibility

Applicant Match

50%

Applicant match

50%

State of Kansas match

Applicants have the option to provide a greater match at their discretion

Eligible Costs

Capital expenses directly related to the deployment of a qualified broadband project, including:



Costs incurred on or after 3/03/21 are eligible for reimbursement

Ineligible Costs

Obligation / Debt Servicing



- Satisfaction of any obligation
- Payment of interest or principal on outstanding debt instruments

Operational Expenses



- Operating expenses
- Short-term operation leases
- Maintenance expenses related to the project.
- Indirect labor costs (fringe/benefits, travel, meals, lodging, paid time off, etc.)

Capital Assets / Infrastructure



- Acquisition of spectrum licenses
- Infrastructure not directly connected to service provisioning for an end-user in the proposed area
- Long-term capital asset purchases/leases, although cost allocation for use during the project period will be considered on a case-by-case basis

• Preconstruction planning, design or preconstruction engineering associated with the project

Ineligible Items



- Specific items prohibited in 2 CFR Part 200, 2 CFR 200.216, and 2 CFR 200.471 such as:
 - contains prohibitions on the use of grant funds to procure or obtain certain telecommunications and video surveillance services or equipment provided or produced by designated entities
 - provides that certain telecommunications and video surveillance costs associated are unallowable

Economically Distressed Counties

Economically Distressed Counties in Kansas			
Allen	Ellsworth	Lincoln	Riley
Anderson	Finney	Linn	Rooks
Atchison	Ford	Lyon	Russell
Barton	Franklin	Marion	Scott
Bourbon	Geary	Marshall	Seward
Brown	Graham	Mitchell	Smith
Chase	Grant	Montgomery	Stafford
Chautauqua	Greenwood	Morris	Stevens
Cherokee	Hamilton	Morton	Sumner
Clay	Harper	Neosho	Washington
Cloud	Harvey	Norton	Wichita
Cowley	Jackson	Osage	Wilson
Crawford	Jewell	Ottawa	Woodson
Dickinson	Kearny	Pawnee	Wyandotte
Doniphan	Kiowa	Reno	
Edwards	Labette	Republic	
Elk	Leavenworth	Rice	

- 65 economically distressed counties
- Sourced from either the 2020 per capital BEA PCPI or PCMI metric is below the 80% threshold



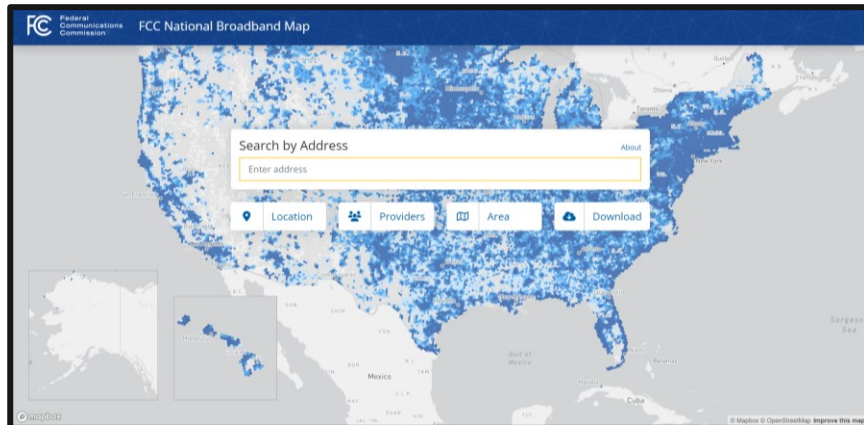
Demonstrating Project Need: Broadband Availability Check

Broadband Availability Check

Checking Location Served Status







**FCC Broadband Data Collection (BDC)
Fabric: Service Availability (Required)**



<https://broadbandmap.fcc.gov/home?version=dec2022>

**Other Acceptable Data
(Optional)**

Speed Tests 	Service Availability 
Consumer Testimonials 	Infrastructure Data 

FCC Broadband Data Collection (BDC)

Fabric: Service Availability

**Applicant Input:
Proposed Service Area
Data**

**Location ID
Template**

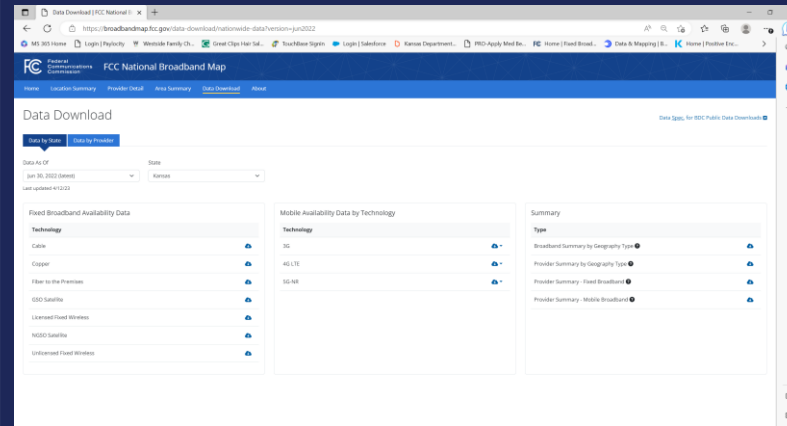
Location ID	State	County	City	Zip	Latitude	Longitude
11111	KS	...	...	...	...	...
11112	KS	...	...	...	...	...
11113	KS	...	...	...	...	...
11114	KS	...	...	...	...	...
11115	KS	...	...	...	...	...
11116	KS	...	...	...	...	...
11117	KS	...	...	...	...	...
11118	KS	...	...	...	...	...
11119	KS	...	...	...	...	...
11120	KS	...	...	...	...	...

**Polygon Template +
Associated Data Files**

Name	Type	proposed	total	unavailable	available	percentage
2022-12-31 BDC Telecom.cpg	CPIG File	50	50	0	100	100%
2022-12-31 BDC Telecom.dbf	DBF File	50	50	0	100	100%
2022-12-31 BDC Telecom.prj	PRJ File	50	50	0	100	100%
2022-12-31 BDC Telecom.shp	SHP File	50	50	0	100	100%
2022-12-31 BDC Telecom.shx	SHX File	50	50	0	100	100%



**Compare with BDC
Service Availability Data
(as of 12/31/22)**



**Compares proposed service area
Location IDs with BDC service
availability data Location ID
attributes**



**Comparison
Output**

- Proposed service area locations served with 100/20 Mbps (served)
- Proposed service area locations not served with 100/20 Mbps (unserved)
- Degree of Unserved %: locations unserved divided by total locations within Proposed Service Area

Location ID and Polygon File Submission

- Data set defined in Broadband Data Collection: Data Specifications for Biannual Submission of Subscription, Availability, and Supporting Data” (dated February 7, 2023)
- Service provided data for applications and public commented accepted in two forms:
 - Location ID List Template
 - Polygon Template and Associated Data Set
- Provides the means by which unserved status can be determined

Data must be provided for both the application and for the applicant’s service area within Kansas

Location ID List Template

provider_id	brand_name	location_id	technology	max_advertised_download_speed	max_advertised_upload_speed	low_latency	business_residential_code
Example	131425 Verizon		50	1000	1000	1 B	
	131425 Verizon		50	1000	1000	1 B	
	131425 Verizon		50	1000	1000	1 B	
	131425 Verizon		50	1000	1000	1 B	
	131425 Verizon		50	1000	1000	1 B	
	131425 Verizon		50	1000	1000	1 B	
	131425 Verizon		50	1000	1000	1 B	
	131425 Verizon		50	1000	1000	1 B	
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	131425 Verizon		50	1000	1000	1 B	
	131425 Verizon		50	1000	1000	1 B	
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	131425 Verizon		50	1000	1000	1 B	
	131425 Verizon		50	1000	1000	1 B	

Polygon Template + Associated Data Files

Name	Type
2022-12-31 BDC Telecom.cpg	CPG File
2022-12-31 BDC Telecom.dbf	DBF File
2022-12-31 BDC Telecom.prj	PRJ File
2022-12-31 BDC Telecom.shp	SHP File
2022-12-31 BDC Telecom.shx	SHX File

	providerid	brandname	technology	maxdown	maxup	lowlatency	bizrescode
Example	131425	Verizon		50	100	10	1 B
	131425	Verizon		50	100	10	1 B
	131425	Verizon		50	100	10	1 B
	131425	Verizon		50	100	10	1 B
	131425	Verizon		50	100	10	1 B
	131425	Verizon		50	100	10	1 B
	131425	Verizon		50	100	10	1 B
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	131425	Verizon		50	100	10	1 B
	131425	Verizon		50	100	10	1 B
	131425	Verizon		50	100	10	1 B
	131425	Verizon		50	100	10	1 B

Degree of Unserved

- Degree of Unserved (DoU) is the percentage of locations within a defined service area without 100/20 Mbps broadband service
- Calculation reflects the ratio between unserved location IDs vs. total locations IDs within a defined service area as listed below:

$$\text{Degree of Unserved (DoU)} = \frac{\text{Number of Locations IDs without 100/20 Mbps services within the proposed service area}}{\text{Number of Location IDs within the proposed service area}} = \%$$

- A higher DoU percentage for an application reflects a greater broadband need within a community
- Applications with 80% or greater DoU will be considered for grant awards

Note: Grant funding will not be used to fund applications to create a competitive environment.

Other Acceptable Data (Optional)

FCC Broadband Data Collect Service Availability data may contain inaccurate or unvalidated information. Other acceptable data to demonstrate that the proposed service area is, in fact, unserved are:



Speed tests



- Survey or date and time stamped speed test data for 10% of consumers in the designated area



Consumer testimonials



- Testimonials collected within twelve months of the application due date from consumers (name and address must be included) in the proposed service area
- A copy of submission(s) to the FCC contesting BDC service availability inaccuracies



Service availability



- Documentation from the website of reported service provider stating service is unavailable in this area or for a specific address



Infrastructure data



- Documentation of a lack of infrastructure in an area



Public Comment Process

Public Comment Period

The public comment period is intended to:

- ensure transparency and best use of taxpayer funds
- provide an opportunity for providers, elected officials, and constituents to express support or concerns with an application or its proposed service area.

Public Comment Categories

Service Areas with Projects Underway



Service Areas with Projects Planned But Not Underway



Service Areas Where Broadband Already Exists



Other

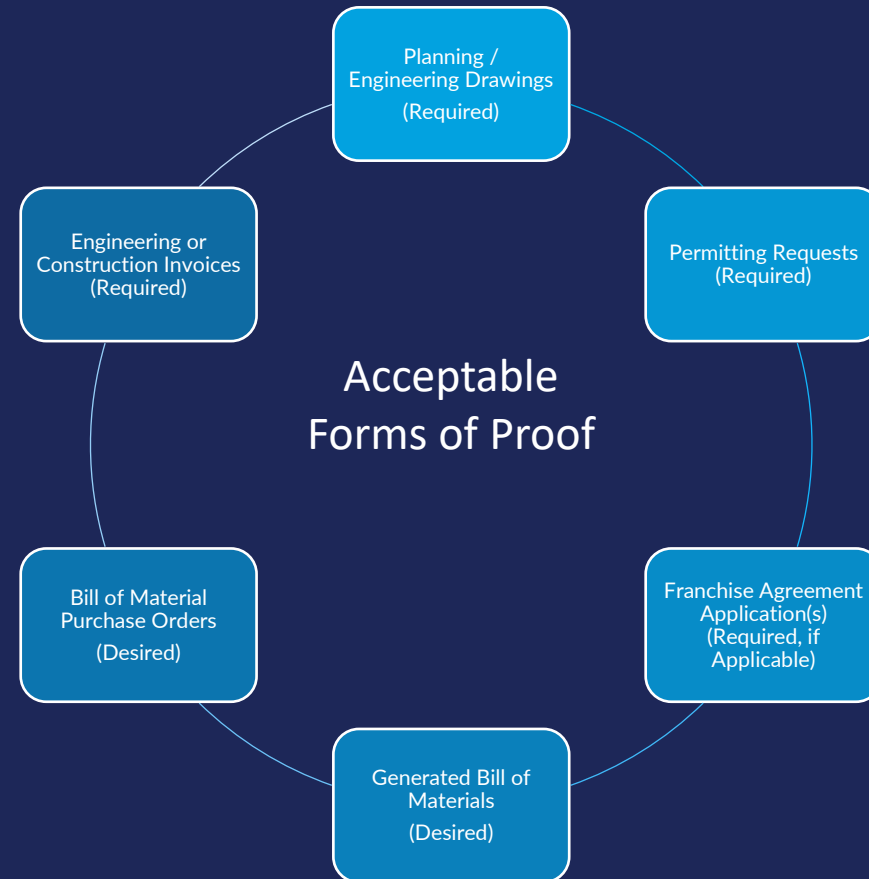


Note: When public comments are accepted against an application, KOBOD will use the “Application Overlap” process to determine further application consideration for funding



Service Areas With Projects Underway

- Public comments shall contain information demonstrating that the provider has begun construction activities.
- The project must provide a minimum of 100/20 Mbps services.
- Challenger must submit proof that work has started on a project to complete broadband infrastructure within applicant's proposed service area.
- Service area and associated Location IDs must be submitted via FCC Broadband Data Collection Service Availability templates



Service Areas With Projects Planned But Not Underway

- The public comment shall contain information demonstrating that the service provider has begun the planning phase of the project.
- If these conditions are met, the KOBD will consider denying the applicant’s proposal.
- If challenge is successful, compliance requirements will be applied.

Challenger Required Data / Commitment

100/20 Mbps minimum speed	Proposed service area map in .kmz format
Complete 18 months after grant awards date	Protested locations identified
Funded by “challenger” service provider	Heat maps included in .kmz file (if applicable)
Service area and associated Location IDs must be submitted via FCC Broadband Data Collection Service Availability templates	





Compliance Requirements

If not complete within 18 months, KOBD reserves the right to:

- ⊘ Prohibit challenger from submitting challenges on any future KOBD administered grant applications for two years
- ⊘ Prohibit challenger from applying for any grant programs administered by KOBD for the following two fiscal years

Service Areas Where Broadband Already Exists

- Requires a provider submitting a challenge to provide speed test results in the proposed project area in which the provider submitting the challenge states that broadband service is currently available at minimum speeds of 100/20 Mbps across entire footprint
- Public comment from challenger must include the following information for consideration:

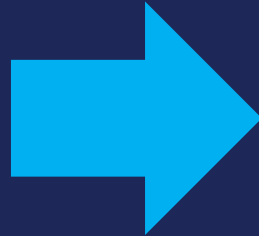
Proof Required	Speed Tests	Consumer Testimonials
Requested Data Set	 <ul style="list-style-type: none"> • Speed test provider • Downstream speed • Upstream speed • Latency • Physical address • 5% of locations within overlapping area 	 <ul style="list-style-type: none"> • Name(s) • Physical Address • Consumers in proposed service area
Data Set Attributes	<ul style="list-style-type: none"> • Data source and methodology used to develop • Data collected from July, 2022 or later - (opportunity to re-use from CPF and LINC program) • Raw data available 	

Other

Any other feedback that providers, elected officials, and constituents wish to express in support of or to document concerns regarding an application or its proposed service area

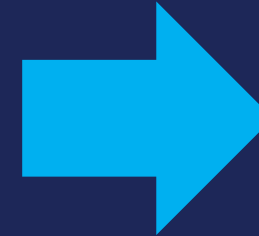
Input Examples

- Effective use of taxpayer funds
 - Cost
 - Procedural
- Project area adjustment
- Legal



Claim(s) Assessment

- Evidence examined
- Conduct interview(s) as needed
- Evidence viability determined



Determination

- Public comment evidence substantiates an application change or not
- Application modification required or not

Degree of impact to previous programs: All “Other” public comments were not accepted in BAG 2.0 and CPF Infrastructure programs – all because of lack of sufficient evidence

Applicant Response

An applicant response to a public comment is helpful to:

- Acknowledge that the public comment was seen by the applicant
- Enable the applicant to refute the public comment information
- Bring to bear additional information regarding the proposed service area or existing service availability information that was not provided at the time of application



- If there is no applicant response to the public comment:
 - Lends credence to the public comment, high likelihood that contested service area would be de-selected from the application
 - KOBD will only rely on the public comment content to resolve the public comment



- If there is an applicant response, KOBD will use the applicant feedback when resolving the public comment

Public Commenter's Responsibilities



- Validated public comments in the “Planned But Not Started” and “Construction Underway” will cause KOBD to re-direct funding away from those areas targeted to receive qualifying broadband services
-



- Validated public comments prevent part, or all, of an application from moving forward - KOBD requires that organizations submitting public comments in these categories provide quarterly project updates, at KOBD’s prompting, regarding their “in-progress” project until the project is completed
-



- A “No Response” for quarterly update requests will assume there is no progress to report, and, as a result, the ability to submit public comments and applications for other grant programs will be considered for suspension starting from when KOBD’s first due date is missed



Application Details

Application Submission Structure

Project Proposal

- Executive Summary of the Project
- Community Partners, Roles & Letters of Commitment
- Justification for the Project and Economically Distressed
- Adoption, Affordability, and Digital Inclusion Efforts (ACP participation required)

Technical

- Technical Project Summary
- Degree of Unserved
- Network Architecture
- Public and Proprietary Detailed Map of the Proposed Area
- List of Location IDs (application and service provider footprint)
- Project Plan and Milestones
- Long Term Investment Viability

Financials

- Budget Narrative
- Project Budget Spreadsheet
- Bill of Materials
- Income Statements



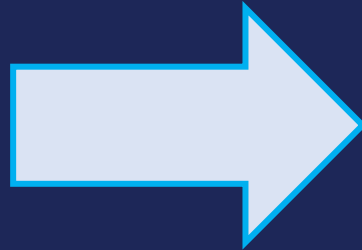
Application Evaluation

<u>Application Section</u>	<u>Sub-Categories</u>	<u>Approximate Weighting</u>
Project Proposal	<ul style="list-style-type: none">• Project justification• Community benefits• Adoption / Affordability* / Dig. Equity• Partnerships	35%
Technical Project Plan	<ul style="list-style-type: none">• Delivered speed• Future proofing / scalability• Proposed service area validation• Degree of Unserved	50%
Financials	<ul style="list-style-type: none">• Financial standing of company• Confirming financing is available to support match• Confirming project costs and budget• Applicant Match + Co-Investment	15%

* - Affordability comparison baseline is \$60 per month for 100 Mbps service

Project Priorities

Projects that address critical broadband needs focusing on unserved areas:



Application Overlap

What happens when two or more applications have overlapping proposed service areas?

Evaluate each application on its own merit



In the event of overlapping proposed service areas, the highest scoring application becomes the primary candidate for funding



If a scoring tie, the best solution is selected based on overall benefit to the community – speeds available, price points, locations passed, etc.



The lower scoring application is evaluated against remaining application pool, if applicant agrees that the application remains viable after extracting the overlapping location IDs

Note:

- Overlapping applications may not be the highest scoring proposals in their peer group
- As such, applicants may never be contacted when an overlapping condition occurs



General Attestations

- **The LINC Program general attestations will be carried forward to the BAG 3.0 Program:**
 - **The grant applicant is in good financial standing with the State of Kansas**
 - **The grant applicant is not currently involved in pending litigation in association with previous Kansas-sponsored broadband infrastructure grant projects**
 - **The grant applicant is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any federal department or agency**



General Attestations (cont'd)

- **If a private entity, the grant applicant has been operating in the State of Kansas for no fewer than three (3) years.**
- **The grant applicant has not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property**



General Attestations (cont'd)

- The grant applicant is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local)
- The grant applicant has not within a three-year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default
- The grant applicant is participating in subsidy programs to optimize digital inclusivity. (i.e., Lifeline, Affordable Connectivity Program, Emergency Connectivity Fund etc.)

Program Specific Attestations

- **BAG 3.0 Program specific attestations are the following:**
 - **If selected for interview:**
 - **Applicants will receive a copy of the grant agreement for review**
 - **Applicant has 10 business days to review and agree “in principle” with the grant agreement to proceed further in the application selection process**
 - **The grant applicant agrees that if awarded funds through the BAG 3.0 program, the grant agreement will be executed within 60 calendar days of receipt from Department of Commerce. If the agreement is not executed within 60 calendar days, the Kansas Department of Commerce reserves the right to reallocate funds**
 - **All grantees will be required to sign the Department of Commerce Confidentiality Agreement**
 - **Submitted providers service area data sets were uploaded into the FCC’s BDC data fabric tool and passed all the accuracy tests prior to submitting to KOBD**

Post Award Compliance

Compliance

Monthly Report:

- A narrative update on the status of the project, including notification of any delays.
- A monthly budget expenditure report of the project
- A monthly .pdf containing supporting project expenditure documentation for reimbursement requested (i.e., Invoices/receipts)
- **Quarterly fund disbursement will be made on expenditure report and supporting documentation**



Closeout Report:

- Validation of broadband infrastructure project
- Location ID data, .kmz maps, speed tests, latency, and network performance validation
- 3rd party location enablement validation potential
- Expenditure report and supporting documentation for reimbursement requested (i.e., Invoices/receipts)
- Highlights/Hurdles

Best Practices: Program Applications

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





Let's Chat.