BAG 4.0

BROADBAND ACCELERATION GRANT

KANSAS

COMMERCE

AGENDA

KANSAS BROADBAND PLANNING

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

Program Overview

Broadband Acceleration Grant Program, Year 4 (BAG 4.0): Providing Kansas Access to $10M in Grant Funding

- The BAG 4.0 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 $10 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

Program Attribute Changes	Current Program	Previous Programs	
	BAG 4.0	BAG 3.0	LINC
Total Funding Available	$10 Million	$5 Million	$30 Million
Program Qualifying Broadband Speed	100/20 Mbps	100/20 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%	80%	80%
Preconstruction Planning, Design or Preconstruction Engineering Costs Associated with the Project	Ineligible Cost	Ineligible Cost	Eligible Cost
Reimbursement Schedule	Monthly	Monthly	Monthly
Co-investment	Required	Not required	Not required

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

Program Attribute Changes	Current Program	Previous Programs	
	BAG 4.0	BAG 3.0	LINC
Price Freeze	N/A	N/A	N/A
Regional Award Distribution	Target Priority	Target Priority	Target Priority
Covered Population	Target Priority	Target Priority	Target priority
Certified RDOF Areas Available for Award	See Determination of the Available Broadband Service section	See Determination of the Available Broadband Service section	See Determination of the Available Broadband Service section
Fiber-Based Focused	Yes + other technologies considered for award	Yes + other technologies considered for award	Yes + other technologies considered for award
FCC Service Availability Database	Broadband Data Collection Fabric and Service Availability Data	Broadband Data Collection Fabric and Service Availability Data	Broadband Data Collection Fabric and Service Availability Data
2019 National Defense Authorization Act (NDAA)	Yes	No*	No*

* - Formerly used 2 CFR 200.216 / 471 for telecommunications equipment requirements

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	22	23	24

| Application Window | | | | | | | Public Comment Window | | | | Applicant Response to Public Comment Window | | Grant Evaluations | | | | | Applicant Interviews | | | Final Deliberations | | Leadership Review |

| | Preliminary Grant Evaluation Period | | | | | | | | | | | | | | | | | | | | | | |

- Application window opens on January 29, 2024, closes on March 11, 2024
- Includes three (3) week Public Comment and two (2) week Applicant Response periods
- Applicant interviews targeted to occur approximately June 11, 2024 after grant evaluation period
- Award announcements targeted for July, 2024

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BAG 4.0 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*

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 4.0 requirements within twenty-four (24) months

Certified RDOF award does not align with overall BAG 4.0 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
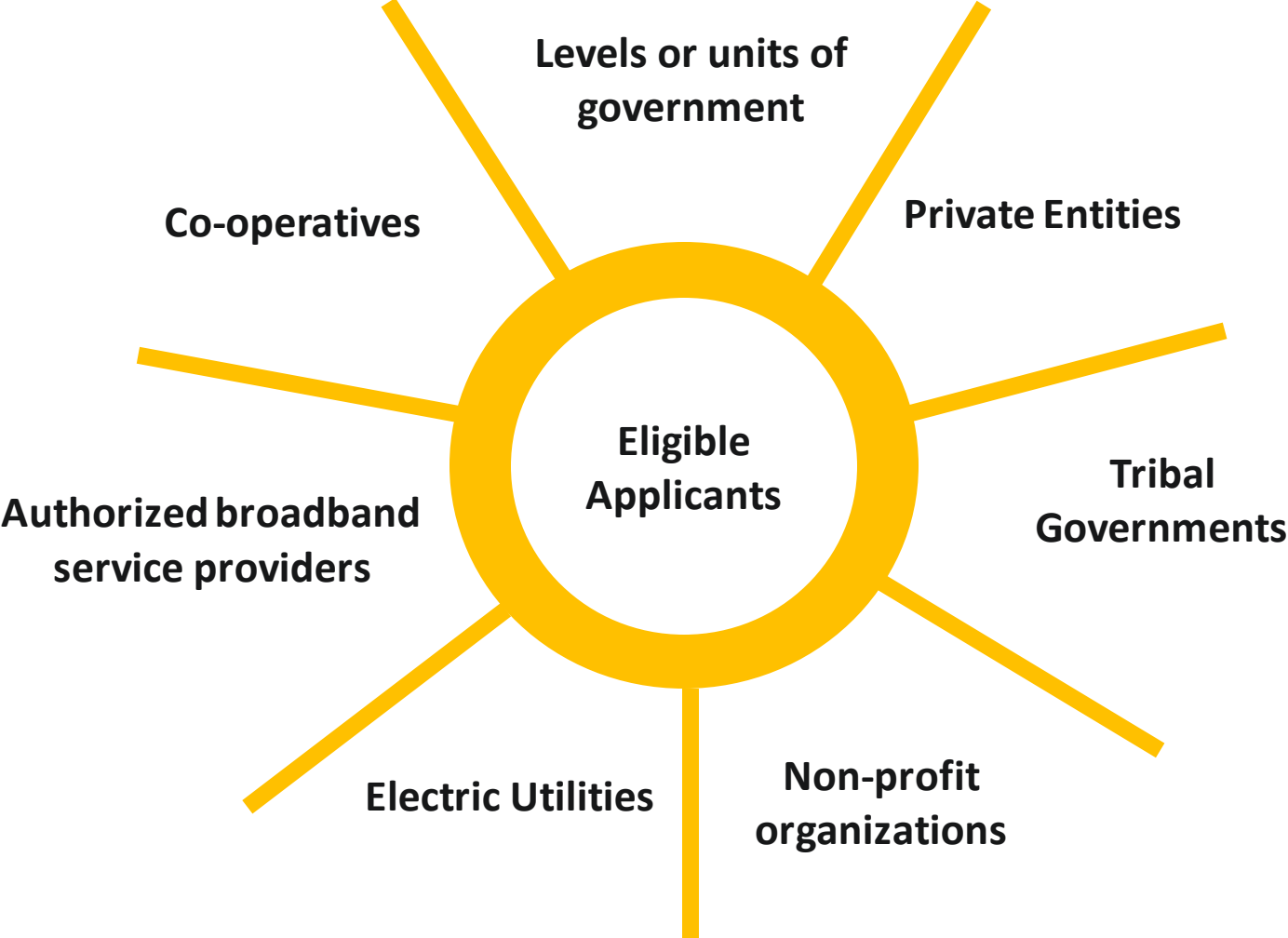
Final determination based on the above criteria, plus if the "Received Authorization of Support Notice" RDOF footprint investment partially, or fully, benefits the community

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

Levels or units of government

Private Entities

Co-operatives

Eligible Applicants

Tribal Governments

Authorized broadband service providers

Electric Utilities

Non-profit organizations

Applicant Match and Cost Eligibility

Updated Applicant Match Solution

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:

Construction Costs

Project and Facilities Construction
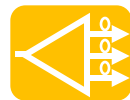
Construction Related Engineering

Direct Labor

Installation and Test: Network and End User
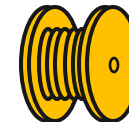
Construction Permitting

Equipment

Supplies

Materials

Costs incurred after 07/29/23 are eligible for reimbursement

Ineligible Costs

Obligation / Debt Servicing

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

Administrative Operational Expenses

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

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 Telecommunication Items

- Items prohibited in the 2019 National Defense Authorization Act (NDAA)
- Applies to recipients and sub-contractors

Economically Distressed Counties

- 73 economically distressed counties
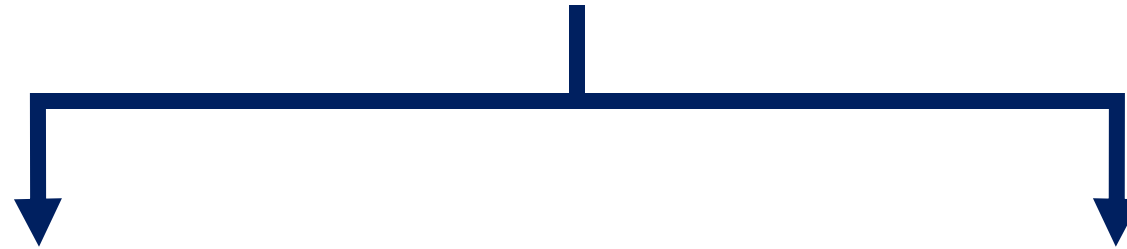- Sourced from either the 2022 per capital BEA PCPI or PCMI metric is below the 80% threshold

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

Demonstrating Project Need:
Broadband Availability Check

Broadband Availability Check

Checking Location Served Status

FCC Broadband Data Collection (BDC) Fabric: Service Availability

https://broadbandmap.fcc.gov/home?version=june30
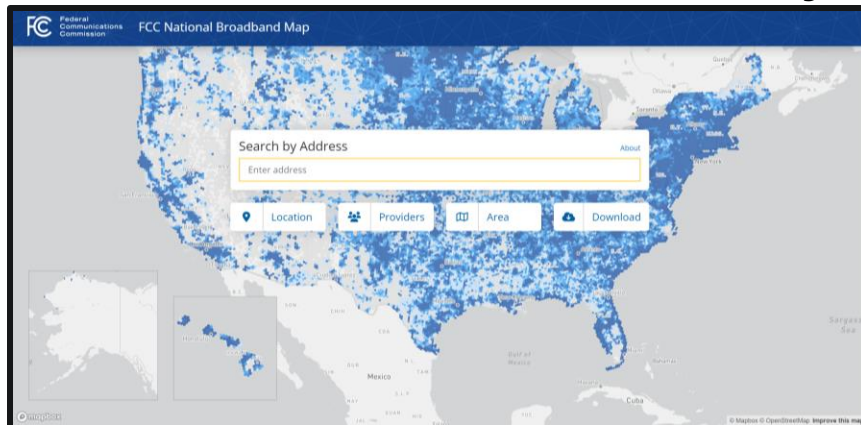
Other Acceptable Data

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

Polygon Template + Associated Data Files

Compare with BDC Service Availability Data (as of 06/30/23)

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 March, 2023)**

- **Service provided data for applications and public commented accepted in two forms:**
  - **Location ID List Template**
  - **Polygon Template and Associated Data Set**

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

- **Provides the means by which unserved status can be determined**

Location ID List Template

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
	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

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

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Note: Grant funding will not be used to fund applications to overbuild existing qualifying services or create a competitive environment.

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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

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

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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

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

Service Areas with Projects Underway

Service Areas with Projects Planned But Not Underway
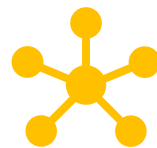
Service Areas Where Broadband Already Exists

Other

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

Acceptable Forms of Proof

- Planning / Engineering Drawings (Required)
- Permitting Requests (Required)
- Franchise Agreement Application(s) (If Applicable)
- Generated Bill of Materials (Desired)
- Bill of Material Purchase Orders (Desired)
- Engineering or Construction Invoices (Required)
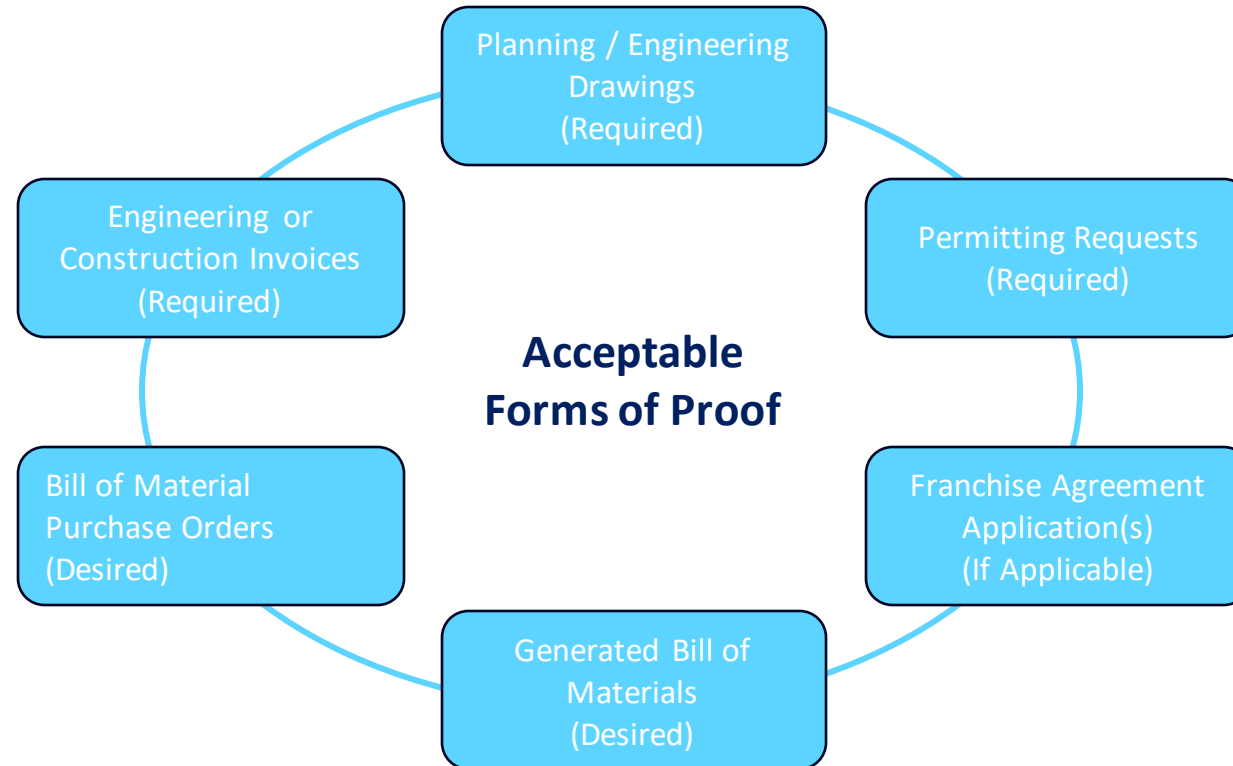
Service Areas With Projects Planned But Not Underway

- 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

If applicant's proposal denied, challenger subject to compliance
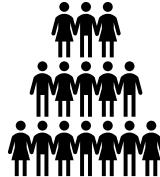
Compliance Requirements

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

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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:

	Speed Tests	Consumer Testimonials
Proof Required		
Requested Data Set	- Speed test provider - Downstream speed - Upstream speed - Latency - Physical address 5% of locations within overlapping area	- Name(s) - Physical Address - Consumers in proposed service area
Data Set Attributes	- Data source and methodology used to develop - Data collected from January 29, 2024 or later - 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
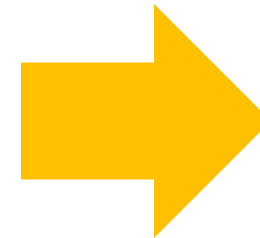
Input Examples

- Effective use of taxpayer funds
- Cost
- Procedural
- Project area adjustment
- Legal
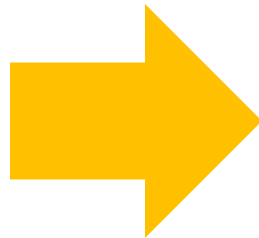
Claim(s) Assessment

- 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 previous 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

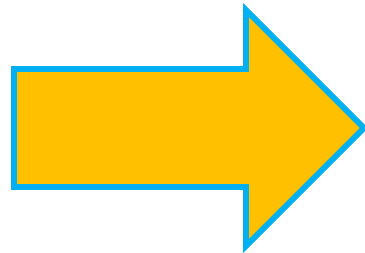| Application Section	Sub-Categories	Approximate Weighting
Project Proposal	• Project justification • Community benefits • Adoption / Affordability* / Dig. Equity • Partnerships	35%
Technical Project Plan	• Delivered speed • Future proofing / scalability • Proposed service area validation • Degree of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

Project Priorities

Projects that address critical broadband needs focusing on unserved areas:

- Co-Investment and Applicant Match
- Degree of Unserved
- Geographic Distribution
- Fiber-Optic Infrastructure
- Economically Distressed / Covered Population
- Affordability, Adoption and Digital Inclusion
- Project Plan and Bill of Materials
- Mapping
- Speed, Architecture and Scalability
- Community Partnerships

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.

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

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

General Attestations

- 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 – this is also applicable to grant applicant's contractors

General Attestations (cont'd)

o   If a private entity, the grant applicant has been operating in the State of Kansas for no fewer than three (3) years.

o   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)

o The grant applicant is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local)

o 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

o 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 4.0 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 4.0 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

Monthly and Closeout Reporting

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)
- Monthly funds disbursement will be made based on expenditure report and supporting documentation
- Disbursements requests submitted by the 5th of the month will be reimbursed by the end of the month

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

Material Project Change Process

| Material Project Change | → | Notify KOBD | → | KOBD Reviews Changes | → | KOBD Approves or Disapproves | → | Change Implemented |

- Material project changes must be disclosed to KOBD immediately and reported on the monthly report, prior to implementation.

- The changes must be approved by KOBD prior to awardee implementing changes.

- Changes to the implementation plan without advanced KOBD notification and approval may result in a reduced budget and/or clawback actions.

- If there is any doubt to materiality of the potential project changes, awardees must engage KOBD to determine materiality.

- Failure to engage KOBD to determine materiality prior to change implementations may also result in a reduced budget and / or clawback actions.

- Expenditures incurred without prior approval of KOBD may be deemed unallowable and will not be reimbursed.

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What Are Material Project Changes?
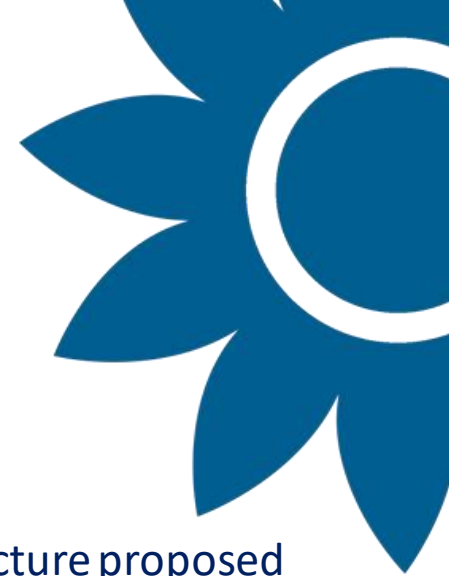
Examples of material changes include, but are not limited to, the following:

- Any deviation from the original fiber route in terms of fiber segment placement

- Fiber segments being added or removed from original plan

- Any fiber / facilities placement extending outside the defined project area

- Changes to original locations to be enabled

- Changes to overall architecture proposed in the application

- Electronics manufacturer and model number changes from original bill of material

- Changing fiber placement approach (i.e. – from buried to aerial fiber placement)

- Total project budget variances greater than 10% of original budget

Best Practices: Program Applications

- **Continued Focus on Economically Distressed Areas**

- **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.

- **Align Application Deliverables With Program Priorities**

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

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

- **Scalability**
  - Fiber solution encouraged
  - Capable of 10G or higher
  - Service offerings reflecting symmetric capability

- **Speeds:** Meet Minimum Program Speeds

Thank You!

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