



MISSOURI BROADBAND GRANT PROGRAM GUIDELINES

APPLICATION PERIOD: December 5, 2019 – January 7, 2020

The Missouri Broadband Grant Program was created in the Revised Statutes of Missouri sections 620.2450 to 620.2458 in 2018. The focus of this grant program is to provide state resources that help providers, communities, counties, and regions invest in building broadband infrastructure in unserved and underserved areas of the state. In the 2019 legislative session, \$5 million was appropriated for the inaugural round of grant funding. The Department of Economic Development will hold one competitive grant round in 2020.

Eligible Applicants

Applicants eligible for grants awarded include:

- (1) Corporations, or their affiliates, registered in this state;
- (2) Incorporated businesses or partnerships in this state;
- (3) Limited liability companies registered in this state;
- (4) Nonprofit organizations registered in this state;
- (5) Political subdivisions; and
- (6) Rural electric cooperatives organized under chapter 394 of the Revised Statutes of Missouri and their broadband affiliates.

Eligible Areas

Grant funding can be used only to pay for costs associated with deployment of broadband to unserved and underserved areas as defined in section 620.2450.

- An unserved area is a project area without access to wireline or fixed wireless broadband internet service with speeds of at least 10 Megabits per second (Mbps) download and 1 Mbps upload.
- An underserved area is a project area that currently has a minimum of 10 Mbps download and 1 Mbps upload, but does not yet achieve 25 Mbps download and 3 Mbps upload (e.g. has speeds between 10/1 and 25/3 Mbps download/upload).
- Proposed service areas are required to be contiguous.
- The most recent available data from the FCC Form 477 will be used to determine existing available broadband service.
- If the applicant believes the available broadband service is overstated and seeks to apply, the applicant is required to provide additional information sufficient to demonstrate that the proposed service area is, in fact, unserved or underserved so as to be eligible for grant funding.

- Applications must include a map file (acceptable formats: .shp, .kml, or .kmz) of the proposed service area.

Ineligible areas:

- Project areas where funding from the Connect America Fund has been awarded, where high-cost support from the federal Universal Service Fund has been received by rate of return carriers, or where any other federal funding has been awarded which did not require any matching-fund component, will not receive grant assistance. Additionally, grant funds shall not be used to serve any retail end user that already has access to wireline or fixed wireless broadband internet service of speeds of at least 25 Mbps download and 3 Mbps upload.

Eligible expenses

Applicants can fund only the acquisition and installation of retail broadband internet service with baseline speeds of 25 Mbps download and 3 Mbps upload in the area proposed to be served.

Examples of generally eligible project costs include:

- Construction of broadband facilities,
- Final engineering and construction plans,
- Permitting,
- Installation, and
- Validation of service.

Examples of ineligible project costs include:

- General broadband planning not associated with the project area,
 - Operational expenses, and
 - Middle-mile infrastructure that is not directly servicing the project area, where no infrastructures exists.
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- The maximum grant request is \$5 million. Projects requesting \$500,000 or less in grant assistance will be given higher priority to ensure the maximum number of projects can be accomplished with the limited funding available.
 - Total government assistance and grant award can cover as much as, but may not exceed, 50% of eligible project expenses.
 - Applicants with additional local match will receive graduated points in the scoring process. Leveraged resources, such as in-kind contributions, will need to be identified on the project budget, but are not considered a part of the match.
 - DED reserves the right to amend the scope of grant awards or partially fund applications. DED requests proposals for phased projects when possible. Applicants will be asked to detail the phasing approach and the approximate cost for each phase of the work plan.

Reimbursement and Accountability

- If debt financing will be obtained, submit letters of commitment to demonstrate the willingness of the financial institution to provide the specified amount to construct the project.
- Prior to the execution of the project agreement, grant recipients will be required to submit a performance bond in the total value of the grant award.
- Grant fund disbursement will be available on a monthly basis for eligible expenses incurred.
- Grant closeout will require certification from a professional engineer, certified in Missouri and not the engineer who originally designed the project or otherwise having a direct pecuniary interest in the project or an affiliation with an entity providing financial support for the project. The validation will determine the project meets the original design, the build has been completed, the design and installation conforms to all applicable federal, state, and local requirements and standard engineering practice, and that the installed infrastructure will provide the service levels stated in the application.
- 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.

Adoption and Community Involvement

Application scoring will include an evaluation of the applicant's broadband adoption plans and community impact, including the following activities:

- The offering of service to economically distressed areas of the state, as measured by indices of unemployment, poverty, or population loss that are significantly greater than the statewide average (e.g., promotion of low income assistance programs for service and equipment).
- The offering of new or substantially upgraded broadband internet service to significant community institutions including, but not limited to, libraries, educational institutions, public safety facilities, and health care facilities.
- The ability to provide technical support and training to residents, businesses, and institutions in the community of the proposed project to utilize broadband internet service (e.g., digital literacy training).
- Plans to actively promote the adoption of the newly available broadband internet service in the community (e.g., marketing campaign and outreach).
- Strong support for the proposed project from citizens, businesses, and institutions in the community.
- Other programs designed to meet the needs of the local community.

Challenge Process

To ensure transparency and best use of taxpayer funds, the application process will include a challenge process, as defined in section 620.2454:

- Within three business days of the close of the grant application period, DED shall publish on its website the proposed projects' unserved and underserved areas, and the proposed broadband internet speeds for each application submitted. Upon request, DED shall provide a copy of any application to an interested party.
- A broadband internet service provider that provides existing service in or adjacent to the proposed project area may submit to DED under section 620.2454, within 45 days of publication, a written

challenge to an application. A challenger must submit its challenge no later than 5:00 p.m. Central Time on the 45th day of the challenge period.

Such challenge shall contain information and documentation demonstrating that:

- (1) The provider currently provides broadband internet service to retail customers within the proposed unserved or underserved area; or
- (2) The provider has begun construction to provide broadband internet service to retail customers within the proposed unserved or underserved area; or
- (3) The provider commits to providing broadband internet service to retail customers within the proposed unserved or underserved areas within the timeframe proposed for the applicant's project.

- Within three business days of the submission of a written challenge, DED shall notify the applicant of such challenge.
- If the department determines that, for the proposed project service area, the challenger:
 - currently provides broadband services meeting baseline speed of 25/3 Mbps,
 - has begun construction to provide such services, or
 - commits to provide broadband internet service at speeds of at least 25/3 Mbps and scalable to higher speeds to the proposed project area within the application proposed timeline,Then the department shall not fund the challenged application and shall notify the applicant and the challenging provider of its decision.
- If the department denies funding to an applicant as a result of a provider challenge, and such challenging provider does not fulfill its commitment to provide broadband internet service in the unserved or underserved area, DED shall not consider another challenge from such broadband internet service provider for the next two grant cycles, unless DED determines the challenging provider's failure to fulfill the commitment was due to unforeseeable and disastrous circumstances beyond that provider's control, including, but not limited to: flood, tornado, earthquake, or civil unrest, and such provider took reasonable steps in light of the circumstances.
- The department will post on its website a list of challenges found to be valid and the project areas affected by those challenges.
- For each challenge found to be valid, the challenger must submit documentation to the department no later than 12 months from the grant award date substantiating that the challenger has fulfilled its commitment made during its challenge.