MISSOURI BROADBAND GRANT PROGRAM

Updated 3/3/2020

FREQUENTLY ASKED QUESTIONS

General Questions

1. **What areas are eligible for grant funding?**
   1. High priority will be given to 'unserved' areas that lack a wireline or fixed wireless of at least ten (10) Megabits per-second (Mbps) download speed and one (1) Mbps upload speed (also referred to as "10/1 speeds").
   2. Projects with graduated match levels will be given second priority, and
   3. 'Underserved' areas will be granted third priority. Underserved is defined as a project area without access to wireline or fixed wireless broadband internet service of speeds of at least twenty-five (25) Mbps download and three (3) Mbps (also referred to as "25/3 speeds").

2. **Can federal grant dollars be used as a match?**
   Yes, with limitations. Federal programs offering financial assistance to expand broadband infrastructure and requiring no match of funds (e.g. USDA-RD, EDA, DRA, etc.) will disqualify entirely a project from receiving any grant assistance from Missouri's program. However, federal programs that do require a local match are eligible to be coupled with Missouri's program. In addition, when federal programs are allowed to serve as a match, the applicant will need to complete Phase I Environmental Impact, State Historic Preservation Office (SHPO) review and approval, and the applicable prevailing wage requirements to construct the project.

3. **How will other broadband funding programs be factored into the application process?**
   Revised 11/8/2019

   As required by state statute, any **proposed project area already** receiving support from the Federal Communications Commission's Connect America Fund, A-CAM, or assistance from the Universal Service Fund for citizens participating in the lifeline program within high cost areas, is prohibited from receiving grant funding. Additional programs, such as USDA's broadband programs, Delta Regional Authority, or other federal support for broadband infrastructure expansion can be used as matching funds, except for those programs with no required match on the part of the applicant (i.e. 100% grant programs requiring no match from the applicant).

4. **What level of detail is required for the application in terms of the network design?**
   A preliminary technical evaluation of the project is required. It must include a summary of the project and a description of network architecture. It should demonstrate that the applicant has completed a planning phase of the project. The evaluation is intended to understand why the applicant chose the proposed service area and what project success looks like for the applicant. The evaluation must clearly demonstrate the applicant's complete understanding of the project and ability to provide the proposed solution. It should be certified by a Missouri Professional Engineer (PE).

5. **What does "scalability" mean in the application?**
   While 25/3 speeds are the minimum required speeds that must be provided to submit a grant application, statutory criteria prioritize both higher speeds and the scalability of the technology. The application process will score for both the initial speeds of offerings and the capability of the technology to support higher speeds in the near future. Applicants must provide a certification by a Missouri Professional Engineer (PE) that the network's infrastructure can be expanded to higher speeds.

6. **Can an applicant apply for multiple grants in the same year?**
   Yes. If an applicant would like to submit multiple eligible projects for a single application cycle, the applicant may submit a separate application for each project. The inaugural application cycle has a total appropriation of $5 million, and every effort will be made to fund as many geographically dispersed projects as possible.

7. **Can you clarify the definition of "last mile" and "middle-mile," as used in the application?**
   The "last mile" refers to network infrastructure that carries signals from the network to and from a home, business, or other end user. 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" 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 dollars can only be used for middle-mile related costs if necessary to provide last-mile service as part of the grant-funded project.

Project Service Area

8. **Does the project area need to be contiguous?**
   Yes, the project service area should be contiguous. Contiguous means the entire project area is within one continuous boundary.

9. **Will service provided by mobile or satellite carriers be considered in determining areas eligible for this grant program?**
   No. Only wireline and fixed wireless connections will be used to determine the areas that are unserved, underserved, and served areas for evaluating eligibility.

10. What is the guidance around pole attachments and proximity to locations serviceable for them?
In order to be included as a served location, the infrastructure must be close enough so that it is "available" to that location. This means that service could be provided within a reasonable time and at a reasonable cost when the service is requested. For instance, if it is customary for the service to take a couple of weeks to be connected and for an of installation fee to be charged, then utilize the same standard in reaching unserved customers.

11. Can the grant fund middle-mile only projects?
No. The purpose of the grant is to provide new retail broadband access to additional residential and business locations. 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 and do not overbuild an existing middle-mile carrier.

12. Does the presence of broadband infrastructure capable of supporting 10/1 speeds automatically exclude an area from eligibility?
Not necessarily. The presence of infrastructure alone does not disqualify an area from the grant process. An area is excluded if service of at least 25/3 speeds is available. For example, there are a number of reasons why broadband infrastructure may exist in close proximity in an area, but may not be available for services along that route (e.g. servicing a cell tower, dedicated back haul).

13. If an application is submitted and a portion of the project area is not eligible, is the entire application denied?
Not necessarily. The remaining eligible portions of application could still receive funding. At least 50% of the original project scope must be eligible and contiguous for the delivery model to be viable in order for the project to be considered for funding. In addition to any other related adjustments, the grant amount would be adjusted downward by the average connection cost per new connection.

FCC Data

14. Which FCC Form 477 data release will be used to determine area eligibility for the grant?
The most recently available [FCC Form 477](#) data.

15. What can I do if the data for my project area appears overstated?
Although the FCC Form 477 data will be the starting point in determining eligibility, applicants may apply for areas deemed underserved or served if the data they include provides additional evidence to prove the area's lack of service. This could include a survey of the residents in the proposed area, the location of infrastructure assets, or other information.

16. Can a survey be used to demonstrate that an area is eligible for grant funding? How many people or entities does an applicant need to survey?
Yes. There is not a specific number of people or entities that need to be surveyed. Considerations as to whether an area is unserved or underserved may include reliable information about the number of people or entities in a given location and their response rate. The need for grant funding is a significant portion of the grant scoring, and the more certainty any supplemental information provides, the greater the likelihood that it will establish a stronger case for receiving grant funding.

17. **Can a map of existing passings (i.e. homes, businesses, or other institutions or entities near enough to a network to be considered "served") be used to demonstrate eligibility for a portion of a census block designated served by Form 477 data?**
Yes, however, the map and accompanying information must clearly demonstrate that the proposed portion of the census block does not have service available. Specificity in terms of proximity is required to determine whether service could be provided in a reasonable time and at a reasonable cost to a specific customer. Locations that are served in that census block must be excluded from the applicant's maps.

Community Impact

18. **What types of activities could increase the adoption of broadband in the proposed grant area?**
Efforts to increase adoption can be tailored to meet the needs of the local community, but may include: hosting community events promoting broadband; conducting digital literacy and online security trainings; providing low-income access programs; partnering with local libraries, workforce development centers, economic developers, and other community anchor institutions in support of broadband expansion; marketing the benefits of broadband; and sponsoring other broadband-related outreach opportunities.

19. **What are some examples of community support that an applicant can provide?**
The types of community support are flexible depending on the impact an applicant's project would have on the community located in the proposed grant area. Examples might include supportive letters from: educational institutions in which the applicant might demonstrate ways its project would close an existing digital homework gap; healthcare facilities with anticipated increased access to telehealth options; elected (local, municipal, county) or other officials; and future potential customers in the grant area explaining their need for broadband connectivity. Because community support comprises a significant portion of the scoring, an applicant might benefit from collecting this information as early as possible.

Project Budget/Financials

20. **What is required to demonstrate the financial strength of the applicant? What kinds of documents are required?**
    1. Each applicant shall provide its most current audited financial statements and the most recent quarter's financial statements.
    2. Applicants shall submit a signed affidavit/resolution authorizing the submission of the grant and the financial commitment for the local match.
    3. If the grant application includes other partners to fund the match, include a signed letter from each partner indicating the partner's support and financial commitment authorized as the local match.
    4. 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.
    5. 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.

6. If applicable for a subsidiary, the applicant may include a letter demonstrating the parent entity's financial standing.

7. If an entity plans to fully fund the project with existing assets (e.g. cash reserves), the signed affidavit/resolution will suffice.

21. What are considered to be match funds and in-kind contributions?

Match funds are considered to be any source of financial commitment from the applicant from private sources. This could include commitments from a company, foundation, non-profit, or any other source not considered a government entity. Financial commitment from public partners will be counted towards the government sources of the project.

In-kind contributions will not be counted toward a match, but could be used to assist an applicant with accelerating or lessening the administrative/financial burden of the construction project, and could be denoted as part of the leveraged effort to expand broadband in the project area.

22. What are the eligible project costs?

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

Examples of generally eligible project costs include:
1. Construction of broadband facilities,
2. Final engineering and construction plans,
3. Permitting,
4. Installation, and
5. Validation of service.

Examples of ineligible project costs include:
6. General broadband planning not associated with the project area,
7. Operational expenses, and
8. Middle-mile infrastructure that is not directly servicing the project area, where no infrastructures exists.

23. What types of planning costs are eligible for grant funding?

Costs related to project planning generally are eligible. This would include costs specific to planning for the project's network final design and engineering. Feasibility studies, general business plans, and general broadband planning are ineligible costs. Cost incurred prior to the start date of the grant agreement will not be reimbursed.

24. Would costs incurred by a provider to maintain new infrastructure be considered an eligible expense or a cash match?

No. The program generally will pay for capital expenses related to the infrastructure but not for operating expenses related to maintaining the infrastructure, and the latter cannot qualify as a required match.

25. Can an applicant propose using its own employees to build the proposed project and include that cost toward the grant amount?
Yes. An applicant may propose using its own employees and requesting reimbursement for those hours under an appropriate line item. For example, following approval of its application, if the grantee's employee did construction related to the project, the grantee would request reimbursement under the construction budget line item for this work.

26. What type of information should be submitted in the work plan?
It is important that public funds be awarded to applicants who can construct and sustain the broadband network after the grant project is completed, so the work plan should explain how the applicant plans to do so. Document activities, timelines, and major milestones before, during, and post construction. Please denote the projected adoption rate (percentage of subscribers to the total number of connections) for the proposed area.

27. Can materials/equipment in the broadband provider's current inventory and whether or not they can be submitted for reimbursement?

Yes. Materials and equipment currently in stock by a broadband provider can be utilized for the project and be invoiced to the department for reimbursement. The invoice needs to detail the precise items, quantity, and costs associated with the funded project area. The department will only consider actual costs to the provider from the original vendor, grantee must produce the original vendor/supplier invoice denoting the cost to the company for the materials/equipment being reimbursed. If the materials/equipment are held in possession by a related entity, paperwork must still be submitted documenting the original source and vendor the items were purchased from and at what costs. The department will **not** reimburse for any fees associated with storing or other carrying costs associated with the company's inventory controls.

Challenge Process

28. How will the challenge process work?
Within three business days of the close of the grant application process, for each application submitted, the department of economic development shall publish on its website the proposed unserved and underserved areas and proposed broadband internet speeds. Upon request, the department 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 the department of economic development, within forty-five (45) days of publication, a written challenge to an application. Such challenge shall contain information 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 by the applicant.

Within three business days of the submission of a written challenge, the department shall notify the applicant of such challenge.

The department shall evaluate each challenge submitted. If the department determines that the challenging provider currently provides, has begun construction to provide, or commits to provide broadband internet service at speeds of at least 25 Megabits per-second download and 3 Megabits per-second upload, but scalable to higher speeds, in the proposed project area, the department shall not fund the challenged project.

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 the department determines the challenging provider's failure to fulfill the commitment was due to 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.

All comments collected during the challenge process period may be subject to public disclosure, except as required or allowed by law. 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.

Additional guidance to submit a challenge (added 1/30/20): Challengers may submit a letter and supporting information, including for example documentation of the company's current broadband offerings and speeds, general overview of the customer base within the project area, and background of the company, depending on what type of challenge is stated (currently provides, immediate plans to provide, or will commit to provide within the applicant's timeframe). Every challenge should be supported by competent and substantial evidence. Challengers can send their challenges to broadband@ded.mo.gov on or before the close of business Monday, February 24, 2020.

29. **What happens if the challenger doesn't follow through on builds described in the challenge process period that negatively impacted an application?**
The applicant may resubmit an application for a new proposed area in a subsequent round if the provider who challenged does not meet the timeframe stipulated in the original application or in the commitment made during its challenge.

In subsequent grant rounds, the record of the providers in following through with previous commitments will be taken into consideration when evaluating the likelihood that an area will be served without grant funding. If a challenger is found to have submitted inaccurate information or does not follow through on its commitments, the department will not consider any new challenges submitted by that challenger for the next two grant cycles. Challengers committing to broadband expansion being proposed by the applicant must comply with any documented timelines within the application. A challenger's timeline begins when the broadband grant awards are made public and an official notification is sent to the challenger by the Office of Broadband Development.

30. **Will an applicant be given an opportunity to respond to challenges received on its grant application?**

Yes. The Office of Broadband Development will notify the applicant of a challenge and provide an opportunity for the applicant to submit a response. The applicant will have three (3) business days following the date the notification is sent to respond and will be required to submit its response electronically to the Office of Broadband Development. The department will evaluate the challenge and issue a written determination with respect to the challenged funding.

Grant Process

31. **Are there technologies that are given preference over others in the application process?**

No. The application process is technology neutral. However, the technology being proposed has to meet or exceed the baseline of 25/3 speeds, and projects must demonstrate their technology can be scalable to a higher speed.

32. **Will an applicant receive confirmation that its application has been received by the Office of Broadband Development and be notified if its application is incomplete?**

Applicants will receive a confirmation of receipt, but will not be notified of an incomplete application. The department anticipates a large volume of requests and may need significant time to ascertain whether each application is complete. Applicants will not be allowed to submit missing attachments or other application information after the deadline, unless additional information is requested by the department during the challenge process (as described in FAQs 28-30).

33. **What happens once a grantee is selected? How are the grant funds disbursed?**

Following selection, the grantee will be required to enter into a grant agreement with the department. The grantee will then expend funds or incur expenses, submit completed documentation on commitments or an invoice template with proof of payment to the Office of Broadband Development, and will be reimbursed the amounts on those purchase orders or invoices based on the grant award. Only costs incurred during the grant agreement period will be reimbursed. Requests for reimbursement with appropriate documents will be accepted on a monthly basis. **Applicants will be responsible for any cost overruns.**

34. **Are applicants that previously received broadband infrastructure grants eligible to apply for funds in subsequent rounds?**

Yes. Having previously received grant funds does not preclude an applicant from applying and being awarded another grant in subsequent years for a different project or a subsequent phase of a preceding project.

35. **Will affordability and speed be taken into account in the scoring?**

Revised 12/4/2019

Applicants will be asked to provide pricing within the narrative, but it will not be scored as such. Speed, however, will be scored during the review process.

36. **Who makes the final decision on recipients?**

Final approval of a grant award is made by the department director upon recommendation from the broadband scoring team and satisfactory completion of the due diligence process.

37. **What advice or best practices would help when completing the grant application?**
   - Partnerships are critical in expanding broadband in Missouri, for example, engaging multiple stakeholders in project development.
   - Thoroughly complete every piece of information requested and make sure the budget and narrative match.
   - Ensure the narrative tells the story of the project and its service area. Fully define the need for the project, outline the work plan to address the need, and then build a budget that connects to the work plan.
   - Keep in mind the reviewer(s) rating the proposal are unfamiliar with the project and include all the details in the proposal.
   - Ensure that any match is secured and documented.
   - Check and double check that all required attachments and appendices are present with the application when submitting it. Applicants will <u>not</u> be given an opportunity to submit missing items.
   - Do not overpromise; be realistic in the project's proposed scope, budget, and timelines.
   - Letters of support that are shell documents used by multiple partners are less convincing than authentic letters to demonstrate strong community support.

Questions Received from Broadband Webinar *Added 11/26/2019*

38. **Could you describe the intent of validation of service as an eligible expense?**
   Validation refers to the grant closeout, which will require certification from a professional engineer. 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.

39. **Are areas that received funding for broadband through the American Recovery and Reinvestment Act prohibited from participation in the grant award process?**
   Yes. The Broadband Initiatives Program (BIP) did not require a match of the recipients and therefore these project areas are ineligible.

40. **If an area received Connect American Fund (CAF II) support, but was only built out to 10/1 service, is it still ineligible for this program?**
   Yes. The statute prohibits state grant resources going to Connect American Fund (CAF) areas.

41. **What if the Form 477 areas are found to be outdated in some of a carrier's territory? Can they protest that it is actually served now?**
   No. Existing broadband providers will have the opportunity to challenge any applicants seeking to expand services within a proposed project area. Grant applicants will be posted on the broadband grant webpage on Friday, January 10, 2020.

42. **Under the eligible expenses section of the Program Guidelines it states that projects requesting $500,000 or less in assistance will be given higher priority, can you describe this in more detail?**
   The $500,000 or less recommendation is reflected within the scoring of the total amount of match denoted in the application. More local (or other privately sourced) match can result in a higher score by minimizing the state grant request.

43. **What portions of the application will be made available to the general public upon request? Do applicants have the ability to classify portions of the application as confidential?**
Company specific and sensitive, trade secret information will be kept confidential in accordance with Chapter 610, RSMo so long as an applicant specifically identifies such portions and provides adequate justification. Please describe the rationale behind the three-year consumer pricing commitment from the grantees? *Revised 12/4/2019*
Recipients of the grant decide their own pricing, but the department determined this is an appropriate consumer protection measure as warranted by the amount of public investment (up to 50% of total project) being provided. This mechanism will also help limit any bait-and-switch financing proposals post grant close-out. DED will consider waiving or modifying such pricing commitment requirement if an applicant can demonstrate either objective, internal pricing controls that will ensure a comparable consumer benefit, or other significant extenuating circumstances that make such a pricing commitment commercially insurmountable for an applicant.

44. **The Department requests proposals for phased projects when possible. Do you prefer a single application or separate applications?**
The preference would be one application denoting two (or more) phases of a project area along with the corresponding budget resources needed to complete each of the phases.

45. **During the presentation regarding community participation it was indicated that financial and non-financial support would be considered. Will those projects that receive financial support be scored higher than those that don't?**
Both of these items are addressed in the Community Participation section of the Selection Criteria (up to 15 points of the 130 points available). If an applicant is able to provide documentation showing financial and non-financial support, the score will reflect that accordingly in the review process.

46. **Will a shapefile of the eligible areas be made available?**
No. A revised Excel document denoting coverage levels (served, underserved, unserved) of Missouri census blocks is available on the broadband grant webpage.

47. **Is it accurate that the state will expect a project to be completed within a year?**
The department desires all awarded projects to be completed as expediently as possible and will track progress based on the submitted work plan and timeline. The department also understands the construction of infrastructure is at the mercy of weather, available materials, and contractors.

48. **Can the same engineering firm who completed the Preliminary Engineering Report (PER) also do the post-construction validation of service?**
Yes, but it has to be a different Professional Engineer (PE) within the firm and not the one who originally designed and sealed the PER.

49. **Are you open to different kinds of matching resources? Or is it only a cash match?**
See FAQ #21.

50. **Is a provider required to bring ALL households to 25/3 or just a certain portion? Put another way, can a project area be for just a portion of a census block?**
The applicant determines the project area, how many connections, type of technology, and speed levels.

51. **There are a number of priorities set by statute, how will those statutory prioritizations be handled as you indicate projects will be ranked by score?**
Each section of the criteria is weighted by the number of points available. The high priorities stipulated in the statute are reflected by more potential points allotted, thus creating a weighted score based on priority.

52. **The grant money is tax-free, or not taxable?**
Applicants will need to consult with a Certified Public Accountant (CPA) to determine whether its receipt of the grant will be taxable income or not.

53. **Is an interested entity required to have a local presence in Missouri? Is there a minimum time-in-business requirement?**
Applicants must be authorized to operate within the State of Missouri, including by any necessary filings with the Missouri Secretary of State. The program will be assessing applicants' ability to construct, operate, and maintain the project. Applicants will also be asked to show previous success, financial wherewithal, and ability to expand the service in the future. There is not a minimum number years of experience stipulated, but applicants will need to be prepared to demonstrate capacity and ability to sustain the project.

54. **How is the project tracked after completion for compliance?**
The validation of service at project close-out will determine technology and build-out compliance, the Office of Broadband Development will seek quarterly briefing reports from awarded project areas to ascertain adoption rates, the awareness events denoted in the application will be reviewed, and usage of any low-income programs offered by the applicant will be recorded.

55. **Can a company submit more than one grant application?**
Yes, if you are proposing multiple project areas. Each will be separately evaluated and scored.

56. **How does a small community determine if they area a 10/1 or 25/3 served community?**
The program documents section of the broadband grant webpage (bottom left-hand corner) contains an Excel file of the census blocks in Missouri. The community in question can search by census blocks to determine if it is deemed unserved, underserved, or served.

57. **If I am an A-CAM recipient, are my areas ineligible to other entities applying for grant funds in my A-CAM areas?**
Existing broadband providers will have the opportunity to challenge any applicants seeking to expand services within a proposed project area. Grant applicants will be posted on the broadband grant webpage on Friday, January 10, 2020.

58. **Is this a 100% grant or do you have to have a minimum match?**
The program is designed as a 50/50 program, therefore total private sources (non-government entities) must total 50% (or more) of total project costs.

59. **If we are working on a project that would allow for expanding into a contiguous qualifying area but it has not begun, could that be included?**
   If the applicant is proposing a project area that is **not** currently under construction and funded by the applicant (either internally or externally, for example by utilizing other broadband financing programs), then yes. We encourage the applicant to delineate the new contiguous project area within the Preliminary Engineering Report (PER) and reference the efforts being undertaken nearby in their narrative, to lessen any confusion of what the State grant will be supporting.

60. **Will an environmental assessment be required for any grant award?**
   No, if the project is only supported by state resources. If your project is supported by other federal programs, the applicant must comply with applicable environmental requirements (including assessments).

61. **Can the grants be used to help pay for a feasibility study to bring broadband into an area?**
   No. The program was established to support the physical installation or acquisition of broadband.

62. **If a community has a school that has 25/3 service, but the rest of the community does not, does that disqualify the rest of the area?**
   No, it does not.

63. **Do we have to wait for approval of our application and funds to be dispersed before beginning a project?**
   Grantees may expend funds or incur expenses, submit documentation to the Office of Broadband Development, and will be reimbursed properly documented and eligible amounts based on the grant award. Only costs incurred during the grant agreement period will be reimbursed. Requests for reimbursement will be accepted on a monthly basis. **Applicants will be responsible for any cost overruns.**