

Broadband Deployment Fund Update

June 2, 2021



How Much Money Do We Have?

- \$300M appropriated in the 2021 Regular Session of the General Assembly
 - Funded by the American Rescue Plan Act of 2021 Coronavirus State Fiscal Recovery Fund as appropriated by the General Assembly
 - \$250M for unserved / underserved broadband areas (HB 320)
 - HB 320 limits awards to \$50M before April 1, 2022
 - The first \$50 million will be targeted to unserved areas
 - \$50M for securing economic development opportunities for commercial and industrial customers (added in HB 382)



What is the Program?

- **Broadband Deployment Fund**
 - Assist governmental agencies and private sector entities to construct infrastructure for the deployment of broadband service to underserved or unserved areas of the Commonwealth.
 - Provide broadband service to residential, commercial, and industrial customers to secure a sound economy & promote the general welfare of the Commonwealth

What is the Program?

- KRS 224A.011, 112 and 1121 – 2020 Session, modified in 2021
 - Established the Broadband Deployment Fund
 - Set definitions of unserved and underserved areas
 - Defined broadband as any wireline, fixed wireless or fixed terrestrial technology with a capacity to transmit data at a minimum speed of 25 Mbps downstream/3 upstream
 - Set out a grant application process with specific requirements
 - Requires at least a 50% applicant match for projects
 - Allows other federal funds to be used to match projects funded from the appropriation



What is the Program?

- Federal Guidance on Broadband Projects – issued May 10, 2021
 - Mostly consistent with Kentucky statutes and recent legislation
 - Focuses on unserved and underserved areas
 - Same definition for underserved 25 Mbps downstream/3 Mbps upstream
 - Kentucky's unserved definition is no more than 10 Mbps downstream/1 Mbps upstream
 - Sets a minimum download and upload speed requirement of 100 Mbps
 - Different than Kentucky statutory definition of 25 Mbps downstream/3 Mbps upstream
 - Some exceptions allowed due to geography, topography, or excessive costs
 - Those exceptions must meet minimum of 100 Mbps downstream/20 Mbps upstream and scalable to 100 Mbps upstream



What is the Process Sequence?

- Stage 1
 - Release RFP for Notice of Intent to Apply/Initial Eligible Unserved Areas Map
 - Receipt of Notice of Intent to Apply/Challenge Process
 - Make Notice of Intent to Apply & Project Areas available publicly
 - Receipt of Challenge Requests (challenge of unserved areas)
 - Determination of Challenges and Communication of Determinations

What is the Process Sequence?

- Stage 2
 - Release RFP for Long Application and Updated Eligible Unserved Areas Map
 - Receipt of Applications
 - Receipt of Application Challenge Requests
 - Determination of Challenges and Communication of Determinations
 - Evaluation and Scoring of Responsive Applications
 - Award Offers-KIA Conditional Commitment Letter
 - Final Award

How Will the Projects Be Selected?

- Comply with HB 320 and KRS 224A.1121
 - Projects in unserved areas where local, state, or federal funds are not currently designated or are inadequate (expect most applications to meet these two requirements)
 - Projects that reach the customers that are the least economical to serve (designating the first \$50 million to unserved areas)
 - May provide incentive for timely completion
 - Most effectively provide service to greatest number at lowest cost
- Other Project Attributes under consideration

Timelines

- Timelines are still under consideration
- Expect Stage I application to be released in June/July

What is Left to Do Before RFP?

- Submission of emergency regulations that comply with recent state legislation and new federal guidance
- Finalize initial eligible unserved area map
- Complete the application development



Questions

- Director John Hicks, Office of the State Budget Director
- Dep. Exec. Director Sandy Williams, KY Infrastructure Authority

