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
  o Assist governmental agencies and private sector entities to construct infrastructure for the deployment of broadband service to underserved or unserved areas of the Commonwealth.
  o 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
  o Mostly consistent with Kentucky statutes and recent legislation
  o Focuses on unserved and underserved areas
    o Same definition for underserved 25 Mbps downstream/3 Mbps upstream
    o Kentucky’s unserved definition is no more than 10 Mbps downstream/1 Mbps upstream
  o Sets a minimum download and upload speed requirement of 100 Mbps
    o Different than Kentucky statutory definition of 25 Mbps downstream/3 Mbps upstream
    o Some exceptions allowed due to geography, topography, or excessive costs
    o 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
  o Release RFP for Long Application and Updated Eligible Unserved Areas Map
  o Receipt of Applications
  o Receipt of Application Challenge Requests
  o Determination of Challenges and Communication of Determinations
  o Evaluation and Scoring of Responsive Applications
  o Award Offers-KIA Conditional Commitment Letter
  o Final Award
How Will the Projects Be Selected?

• Comply with HB 320 and KRS 224A.1121
  o 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)
  o Projects that reach the customers that are the least economical to serve (designating the first $50 million to unserved areas)
  o May provide incentive for timely completion
  o 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