

# CONNECT ILLINOIS BROADBAND GRANT APPLICATION PACKET

## Part 1: Selection Criteria and Scoring Categories

### Connect Illinois Broadband Grant Program Round 3 Application Packet | Application Overview

February 2022

The Illinois Office of Broadband (“Office”) recently released the Round 3 Notice of Funding Opportunity (“NOFO”) for its Connect Illinois Broadband Grant Program. The separate Application Packet serves to notify prospective applicants of selection criteria and program information requirements to assist in the application planning process.

The Application Packet consists of two parts:

- Part 1) A detailed overview of the program, including: project categories; grant selection criteria and scoring categories; Connect Illinois Fedcelerator Framework
- Part 2) A completion guide and application template for applicants to ensure standardization and completeness.

*Please refer to the NOFO for additional information regarding the Connect Illinois Grant Program, including key deadlines and other requirements.*

### 1. Project Categories

Applications may be considered on the basis of three project categories. Each category uniquely contributes to the Connect Illinois vision to achieve broadband ubiquity while driving economic development and advances in areas such as distance learning, precision agriculture, and telehealth.

#### Connect Illinois Broadband Infrastructure Categories

- **Broadband Access:** New and/or upgrade broadband networks that connect Illinois homes, businesses, and community anchor institutions in unserved or underserved areas
- **Broadband Innovation:** Projects that deploy broadband networks for social and economic development and related applications
- **Urban Broadband:** Projects that foster access, equity and/or innovation in qualified Illinois cities or metropolitan areas of 75,000 residents or more

### 2. Selection Criteria and Scoring Categories

The Illinois Office of Broadband will award grants to projects that help advance the Connect Illinois vision while demonstrating optimal impact of Connect Illinois funds. Applications will be reviewed and evaluated by a team from the Illinois Office of Broadband.

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## Part 1: Selection Criteria and Scoring Categories

This team will use the following criteria and associated point values to assist in systematically scoring applications and awarding grants. A total of 200 points will be allocated. The selection criteria include seven major areas, and then several sub-categories and consideration factors under each area. These criteria will be applied to information provided by the Applicant in response to the requirements of this NOFO. To ensure that an application receives the highest possible scoring, please provide complete, comprehensive, and clear responses for all information requested.

The team will strive to achieve geographic balance throughout the state in awarding grants. As a result, applications may be considered on a regional basis per the 10 designated state economic development regions of Illinois, available at: [www2.illinois.gov/dceo/ConnectIllinois](http://www2.illinois.gov/dceo/ConnectIllinois).

Selection Criteria	Points
<b><i>Project Impact</i></b>	
• Broadband Impact	36
• Socioeconomic Development Impact	
• Level of Economic Distress in Targeted Communities	
<b><i>Nonstate Match &amp; Demonstration of Need</i></b>	
• Degree of Non-State Match	36
• Demonstration of Financial Need	
• Detailed, Cost Effective Budget	
<b><i>Community Support</i></b>	
• Evidence of Community Support	20
• Verified Financial Commitment from Community	
<b><i>Project Readiness</i></b>	
• Detailed, Reasonable Project Schedule	28
• Detailed Engineering Design and Network Map	
• Leveraging Existing Resources and Operating Assets	
<b><i>Project Viability &amp; Sustainability</i></b>	
• Network Capacity and Scalability	32
• Financial Sustainability	
• Organization Capability and Track Record	
<b><i>Affordability &amp; Adoption Assistance</i></b>	
• Lower Price Service Tier	20
• Programs to Foster Adoption	
<b><i>Open Access, Shared Use &amp; Business Strategy</i></b>	
• Range of Service Packages to Target Variety of Customer Segments	28
• Price Points Comparable to Rates in Competitive, Urban Markets	
• Well Defined Customer Acquisition and Retention Plan	
• Open Access, Wholesale Offerings	

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## Part 1: Selection Criteria and Scoring Categories

### 3. Consideration Factors under Selection Criteria

The following tables list the seven key areas and main sub-categories that represent the selection criteria. For each sub-category, the Office lists the factors for consideration that will be used to assign points. The Application will ask the questions to enable a comprehensive, detailed filing by the Applicant.

#### A. Project Impact (36 points)

A1) Broadband Impact	
Key Areas	Factors for Consideration
<u>Broadband Access Project</u> <ul style="list-style-type: none"> <li>Degree of unserved (or underserved) premises and improvement in broadband speeds</li> </ul>	<ul style="list-style-type: none"> <li>✓ Number of premises passed – including homes, businesses, community institutions, farms, and government facilities</li> <li>✓ Degree of broadband unavailability –unserved (below 25/3 Mbps) or underserved (below 100/20 Mbps)</li> <li>✓ Anticipated improvements in broadband speed offerings from pre-existing broadband service levels to proposed service levels e.g., above 100/20, or 1G/1G+</li> <li>✓ List of businesses and institutions being passed or covered</li> <li>➤ <i>Note: Please see table below for how impact for broadband access will be scored.</i></li> </ul>
<u>Broadband Innovation Project</u> <ul style="list-style-type: none"> <li>Degree of change enabled by the broadband innovation to solve a problem or advance an opportunity</li> </ul>	<ul style="list-style-type: none"> <li>✓ Key metrics regarding the problem or opportunity (case specific)</li> <li>✓ Demonstrable change in how broadband network advances those factors</li> </ul>
<u>Urban Broadband Project</u> <ul style="list-style-type: none"> <li>Degree of advancement in access, equity, or innovation within an urban setting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Clear description of unmet needs in urban area and how this proposal will meet those needs, including but not limited to examples listed above</li> </ul>

**Anticipated Total Passings Scoring Table**

Number of Premises Connected (Wireline) or Covered (Wireless)	Speed Now (Mbps)	≤25/3	25/3	≤25/3	≤100/20	≤100/20	≤100/20
	Minimum Available Speed After Build (Mbps)	>100/20	>100/100	>1G/1G	>100/20	>100/100	>1G/1G
<b>0-50</b>	<b>Points Awarded</b>	12	15	18	8	12	16
<b>51-250</b>		14	17	20	10	14	18
<b>251-499</b>		16	19	22	12	16	20
<b>500+</b>		18	21	24	14	18	22

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## Part 1: Selection Criteria and Scoring Categories

<b>A2) Socioeconomic Development</b>	
Key Areas	Factors for Consideration
<u>Broadband Access Project</u> <ul style="list-style-type: none"> <li>Proposed impact in traditionally hard-to-serve areas where infrastructure is deficient</li> </ul>	<ul style="list-style-type: none"> <li>✓ Residents: ability to telework, remote learning engagement, new housing starts, etc.</li> <li>✓ Businesses: degree of competitiveness, market expansion, workforce development, job creation, attracting new business establishments, etc.</li> <li>✓ Farmers and agricultural use customers: farming efficiency and productivity, new applications for precision agriculture, etc.</li> <li>✓ Connected institutions: enhancement to capabilities to execute mission in more effective and efficient manner (across schools, libraries, hospitals, clinics, social service centers, community gathering centers, etc.)</li> <li>✓ Other: public safety improvements; other complementary infrastructure improvements; etc.</li> <li>✓ Letters of support describing project impact – specific to the target customers’ circumstances</li> </ul>
<u>Broadband Equity</u> <ul style="list-style-type: none"> <li>Proposed impact in areas of challenging project economics or underlying socioeconomic factors</li> </ul>	<ul style="list-style-type: none"> <li>✓ Economic impact: workforce training and development, employment search, and other individual and community economic advances</li> <li>✓ Social impact: improvements in educational, healthcare, and other individual and societal gains</li> </ul>
<u>Broadband Innovation</u> <ul style="list-style-type: none"> <li>Proposed impact via remote learning, telehealth, economic development or precision agriculture</li> </ul>	<ul style="list-style-type: none"> <li>✓ Demonstration of how the innovation enhances the economic or social position of the community and region</li> <li>✓ Sharing of evidence (e.g., case studies) in how other communities have benefitted from the purported innovation</li> </ul>
<u>Urban Broadband</u> <ul style="list-style-type: none"> <li>Proposed impact on urban area</li> </ul>	<ul style="list-style-type: none"> <li>✓ Broadband Access, Equity or Innovation in urban setting</li> <li>✓ Middle-mile institutional network expansion</li> <li>✓ Open access community broadband deployment</li> </ul>

<b>A3) Economic Distress</b>	
Key Areas	Factors for Consideration (applies to all projects)
<ul style="list-style-type: none"> <li>Project targets a community in economic distress</li> </ul>	<ul style="list-style-type: none"> <li>✓ Rates for unemployment, poverty, free/reduced lunch eligibility, or population loss are significantly more adverse than Illinois statewide averages</li> <li>✓ Median household income is significantly lower than statewide average</li> </ul>

\*\*\*\*\* Note: The following sections pertain to ALL project categories. \*\*\*\*\*

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## Part 1: Selection Criteria and Scoring Categories

### *B. Financial Efficiency & Demonstration of Need (36 points)*

<b>B1) Degree of Nonstate Match</b>	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>• Nonstate match above 30% share of total project costs</li> </ul>	<ul style="list-style-type: none"> <li>✓ Greater points will be assigned to degree of nonstate match over 30% - as a greater nonstate match signifies more “skin in the game” and therefore financial risk assumed by Applicant</li> </ul>

**Nonstate Matching Funds Provided Scoring Table**

Percent of eligible project costs covered by nonstate match	Points
55% or more	20
50 – 54.9%	16
45 – 49.9%	12
40 – 44.9%	8
35 – 39.9%	4
30 – 34.9%	2

<b>B2) Demonstration of Financial Need</b>	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>• Demonstration that the project would otherwise not move forward absent grant support and the specific level of grant requested</li> </ul>	<ul style="list-style-type: none"> <li>✓ Financial metrics including rate of return and payback periods with and without the requested grant amount with all supporting details</li> <li>✓ Details that quantitatively equate the specific grant amount to the financial gap in the business plan</li> <li>✓ Demonstration of prior attempts to finance similar project, and explanation/evidence of shortcomings to raising capital</li> </ul>

<b>B3) Detailed, Cost Effective Budget</b>	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>• Submission of a detailed, granular budget where individual cost items are reasonable</li> </ul>	<ul style="list-style-type: none"> <li>✓ Detailed budget itemized for all key cost items</li> <li>✓ Cost metrics (e.g. cost per mile, cost per premise passed, etc.)</li> <li>✓ Narrative regarding the reasonableness of cost metrics</li> <li>✓ Process regarding planned competitive procurement for high-dollar expenditures</li> </ul>

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## Part 1: Selection Criteria and Scoring Categories

### C. Community Support (20 points)

C1) Evidence of Community Support	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Degree of breadth and depth of community support for the project</li> </ul> <p><i>NOTE: Lack of community support for an application is grounds for zero points (of 20)</i></p>	<ul style="list-style-type: none"> <li>✓ Degree of “personalized” letters that reflect a broad spectrum of community members</li> <li>✓ Degree to which project fits into an existing community strategic plan</li> <li>✓ Recent survey that covers broad spectrum of community with statistically meaningful results regarding level of need, gaps, and project support</li> <li>✓ Evidence of community outreach efforts to gauge interest in project</li> <li>✓ Other community feedback that shows compelling need and project support</li> </ul>

C2) Verified Financial Commitment from Community	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Financial investment by community members and organizations</li> </ul>	<ul style="list-style-type: none"> <li>✓ The degree of financial contribution from community-based members and institutions</li> <li>✓ In-kind resource commitments from community-based members and institutions</li> <li>✓ Evidence to support verification of pledge</li> </ul>

### D. Project Readiness (28 points)

D1) Detailed, Reasonable Project Schedule	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Details regarding project schedule</li> </ul>	<ul style="list-style-type: none"> <li>✓ Degree that project schedule is detailed, structured, clear, and consistent with committed deadlines</li> <li>✓ Detailed narrative on project schedule</li> <li>✓ Identification of key execution risks and mitigation plan</li> </ul>

D2) Detailed Engineering Design and Network Map	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Details regarding the technology, design, and network routes</li> </ul>	<ul style="list-style-type: none"> <li>✓ Clear, detailed network route map that is consistent with route miles</li> <li>✓ Technology specifications that clearly indicate purported speeds and network indicators can be met</li> <li>✓ Vendors details (for new technologies)</li> <li>✓ Note: Professional Engineering certification is required as a gating factor</li> </ul>

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<b>D3) Leveraging Existing Resources and Operating Assets</b>	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Degree to which project leverages existing network and non-network resources</li> </ul>	<ul style="list-style-type: none"> <li>✓ Clear identification of network assets being leveraged – e.g., middle-mile, data centers, colocation facilities, towers, etc.</li> <li>✓ Clear description of non-network resources and assets being contributed (e.g. personnel, premises, offices, etc.)</li> </ul>

### *E. Project Viability & Sustainability (32 points)*

<b>E1) Network Capacity and Scalability</b>	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Demonstration that the capital investment today delivers a network that meets demand today and for the long-term</li> </ul>	<ul style="list-style-type: none"> <li>✓ Useful life of technology</li> <li>✓ Process and investment for long-term network scalability</li> </ul>

<b>E2) Financial Sustainability</b>	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Demonstration regarding financing viability to enable deployment today and long-term operations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Audited financial statements and other documentation to demonstrate financial standing</li> <li>✓ Clear identification of match sources and proof of financing being available</li> <li>✓ Detailed financial statements (cash flow, balance sheet, income statement) for project period (deployment and operational sustainability) – enables review of capital deployment stage and recurring revenue and operating expenditures</li> <li>✓ Key metrics regarding the financial targets required by non-State match contributors and how the business plan achieves those objectives</li> <li>✓ Discussion of key financial risks that could impede sustainability (e.g., revenue shortfalls, cost overruns) and mitigation strategy</li> </ul>

<b>E3) Organization Capability and Track Record</b>	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Demonstration that the applicant and partners are strong positioned to deploy and operate network</li> </ul>	<ul style="list-style-type: none"> <li>✓ Details regarding experience and results in having deployed similar networks</li> <li>✓ Details regarding key personnel (e.g., qualifications, resume)</li> <li>✓ Identification of key partners, roles, and letters of project commitment</li> </ul>

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### F. Affordability & Adoption Assistance (20 points)

F1) Lower Price Service Tier	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Low price service tier</li> </ul>	<ul style="list-style-type: none"> <li>✓ An entry-level service tier(s) that provides minimum level of broadband (e.g., 25/3 Mbps) for an affordable rate for new adopters</li> <li>✓ Special discounted rates for small businesses and community institutions</li> <li>✓ Special programs and partnerships that provide significant discounts to economically disadvantaged customers</li> <li>✓ Initiatives to help low-income residents take advantage of the FCC's Affordable Connectivity Program (ACP) and Lifeline Program</li> </ul>

F2) Programs to Foster Adoption	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Program advances broadband adoption rates</li> </ul>	<ul style="list-style-type: none"> <li>✓ Detailed description of broadband adoption activities planned for project – e.g., training, technical support, community networks, etc.</li> <li>✓ Technology strategies to enable adoption to general public (e.g., community networks that provide public Wi-Fi, others)</li> </ul>

### G. Open Access, Shared Use & Business Strategy (28 points)

G1) Range of Service Packages to Target Variety of Customer Segments	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Service packages designed to target broad spectrum of customers</li> </ul>	<ul style="list-style-type: none"> <li>✓ Service offerings and price points reflect variety to meet unique needs of diverse base of customer segments (e.g., household, business, institution) and their affordability levels</li> <li>✓ Upload speeds that reflect unique circumstances of increased teleworking and remote learning</li> <li>✓ Offerings that enable purchase of unbundled Internet at reasonable price points without obligations</li> </ul>

G2) Price Points Comparable to Rates in Competitive, Urban Markets	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>Prices commensurate with rates in competitive, urban markets</li> </ul>	<ul style="list-style-type: none"> <li>✓ Demonstration that price points reflective of prices in competitive markets with similar demographic backgrounds</li> <li>✓ Assessment regarding prices being consistent with FCC's Urban Rate Survey</li> <li>✓ Note: Five-year service commitment is required</li> </ul>



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## Part 1: Selection Criteria and Scoring Categories

G3) Well Defined Customer Acquisition and Retention Plan	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>• Detailed plan to acquire and retain customers</li> </ul>	<ul style="list-style-type: none"> <li>✓ Specific strategy regarding customer segmentation, targeting and positioning</li> <li>✓ Details regarding overall sales strategy to support customer journey - e.g., awareness, evaluation, purchase, service initiation, customer care/billing, retention</li> <li>✓ Details regarding sales organization and relevant partners</li> </ul>

G4) Open Access, Wholesale Offerings	
Key Areas	Factors for Consideration
<ul style="list-style-type: none"> <li>• Policies that enable 3<sup>rd</sup> party ISPs to purchase wholesale services and serve retail customers</li> </ul>	<ul style="list-style-type: none"> <li>✓ Details regarding open access policy</li> <li>✓ Clear description of wholesale services and rates</li> <li>✓ Identification of retail ISP partners and status of contract negotiations (e.g., MoU, signed commitment, etc.)</li> </ul>

#### 4. Fedcelerator Framework

The *Connect Illinois Fedcelerator* federal broadband accelerator framework offers general guidance for Connect Illinois applicants seeking to leverage federal, state, and local funding to deploy fully scalable broadband networks in unserved and underserved areas in Illinois. In particular, the framework seeks to:

- Maximize federal funding for Illinois deployment
- Promote investment in fully scalable broadband infrastructure
- Accelerate federally funded broadband project deployment schedules to ensure completion within three years and meet urgent needs for improved connectivity exposed under COVID-19

For a Connect Illinois grantee to apply federal funding as required nonstate match contribution to the Connect Illinois program, the grantee must expand the project area and number of new locations to homes, businesses, or community anchor institutions included in its federal award.

As general guidance, the Illinois Office of Broadband may contribute up to one-half of total project costs for Connect Illinois projects that include a direct federal broadband award provided:

- Total Connect Illinois nonstate match is 50% or more
- Federal award comprises no more than 80% of Connect Illinois nonstate match
- Expanded project area includes un/underserved contiguous locations/census blocks
- Technology scalable to at least 100/100 Mbps
- Deployment completed within three years

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