Connecting Michigan Communities Grant Scoring Criteria

As stated in legislation, the goal of the Connecting Michigan Communities (CMIC) Grant is to, "award grants for projects that exclusively extend broadband service into unserved areas in Michigan."

Applications are to be received through a competitive grant process that is technology neutral and results in awards based on objective and efficient procedures. Each application received will be validated for its completeness and eligibility, and scored using the following criteria.

A successful CMIC Grant application and project should include the following;

- Project expands broadband service into currently unserved areas of the state and is able to scale to meet future connectivity needs of the community. Unserved areas are those without broadband service at a speed of at least 10/1 Mbps and that are not designated for funding from the Federal Communications Commission Connect America Fund;
- Grant applicant is ready to build the proposed network, (e.g. financially, operationally, organizationally, etc.) and has a strong history of successful broadband projects;
- Applicants and partners bring matching funds to the program and plan to leverage potential CMIC funding to obtain additional project support from other sources, (e.g. federal, philanthropic, etc.);
- The project is supported by one or more partnerships with other organizations in the community;
- Broadband improvement is already incorporated into a long-term local or regional community or economic development plan;
- Applicants can demonstrate grant funds will positively impact economic development in the proposed service area and local businesses and residents will directly benefit from the project;
- The project includes a plan for long-term sustainability;
- The needs of vulnerable populations and community anchor institutions are included in the project; and
- Efforts to improve broadband adoption are included alongside those to improve broadband infrastructure or access.
- Awarded projects must be completed by September 30, 2023.

1. **Experience, financial wherewithal, long-term viability of the project (30 points):**
   a. Financial wherewithal and sustainability (10 points): Examples include identification of eligible costs, leveraging existing broadband, financing is secured, additional costs identified, need for funding clearly identified, financial plan, financial strength demonstrated, and a resolution/applicant affidavit. Applicants should also indicate whether they have outstanding broadband loans or grants from any other organization. Additionally, applications will be reviewed for the long-term sustainability of the network to provide service to the proposed unserved area.
   b. Organizational capacity (5 points): Examples include quality/experience of partners and project manager, organizational charts, company history and resumes. (5 points)
   c. Technical demonstration (10 points): Examples include a clear and concise project description, commitment to offering service for a minimum of five years, a realistic project schedule that syncs with broadband infrastructure to be provided and the project budget, clear documentation of areas to be served, and provision of MI vendor ID number, MI identification number, federal employer identification number (EIN), Service Provider Identification Number (SPIN), and FCC Registration Number

(FRN). Applicants should also provide evidence of experience with similar infrastructure deployments and service offerings.

   d. <u>Scalability (5 points):</u> Evidence that the proposed network can scale to meet the future connectivity needs of the community and the homes, businesses, and institutions to be served.

2. **Readiness to build, operate, and maintain the project (25 points):**
   a. <u>Demonstration of project readiness (15 points):</u> Examples include a solid engineering and design plan, financing secured, other approvals secured or in process (e.g. environmental, historic or architectural, etc.), project schedule thorough and complete, and evidence of readiness to build, manage, and operate the project, and financial plan described.
   b. <u>Comprehensive proposal (10 points):</u> partners in place, application complete and well prepared, budget complete.

3. **Community and Economic Development (20 points):** Demonstrating collaboration to achieve economic development goals in the community
   a. <u>Evidence of community support (10 points):</u> including project partners and demonstration of customer interest such as potential/current customer surveys and/or canvasses as to desire/need for improved service; letters of support, and take-rate estimates.
   b. <u>Benefits to community anchor institutions (5 points):</u> Provide a list of significant community institutions and how they will benefit. Examples of specific types of community institutions would include libraries, fire halls, government & community centers, township halls; hospitals and nursing homes; state facilities; and educational institutions, and similar. Provide some examples of how broadband will be incorporated into specific community programs. Applicants should submit letters of support from impacted CAIs that describe the benefits to be gained from the proposed connectivity. Evidence of experience with the Federal Communications Commission/Universal Service Administrative Company E-rate program, or evidence of application for SPIN, should be provided if the applicant intends to provide connectivity to schools or libraries.
   c. <u>Economic development impact (5 points):</u> Does the project demonstrate economic development impacts and how? This might include documenting via specific impact statements from businesses as to business retention, expansion, and attraction impact, including home-based businesses and telecommuting. Also evidence of education, health and public safety benefits and general quality of life improvement. Additionally, evidence should be presented that shows that broadband is included in a local, county, or regional economic development plan, master plan, or similar, or that the community in which the proposed service is to be deployed has a specific broadband or technology plan. The proposed project, if awarded, should further the community's economic development objectives.

4. **Locations Passed (30 points):** The number of actual homes, businesses, and community anchor institutions to be passed by the resulting network and the connection speed offered to those locations. Vacant lots passed by the proposed network will not be counted as locations passed unless those vacant lots are planned for growth in the next five years.

5. **Grant to Project Costs (10 points):** The ratio of requested grant funds to the total cost of the project. The CMIC grant will provide no more than 90% of the total project cost.

Applications will be awarded points for this section based on the grant request to project cost ratio in combination with other cost determinations such as cost per location passed and demonstrated need for the grant. Additional points will be awarded if the applicant plans to use CMIC grant funds as match to bring additional investment to the state.

6. **Affordability and Service Limitation (20 points):** The ability of the homes passed to afford and use the service to be offered.
   a. Monthly cost of service (5 points): Applications will be awarded points based on the proposed monthly cost of service compared to the most recent and available median household income for the community to be served, (median household income data can be found using data from the US Census Bureau).

   b. Data caps (5 points): Data caps limit the amount of data to be accessed via an internet connection, usually refreshed monthly. Points will be awarded based on the data restrictions, or lack thereof, placed on connections funded by the grant.

   c. Lifeline and low-cost service offerings (5 points): The federal Lifeline program provides a monthly discount for home broadband service for qualifying households. Applicants should demonstrate that they have been approved by the FCC to offer Lifeline and receive subsidies (if applicable) or demonstrate that they have applied for approval. Additionally, some internet service providers offer discounted internet service for low-income or other qualifying homes passed by their network. Points will be awarded based on the applicants indicated participation in Lifeline and/or their implementation of a subscription plan for low-income or vulnerable populations. Applicants proposing to implement a low-cost service offering must provide eligible customers with a similar level of service to that which is provided to non-eligible customers.

   d. Distressed community (5 points): Distressed Areas are those cities, villages and townships which exhibit higher than statewide average levels of economic distress. The Michigan State Housing Development Authority maintains a list of eligible distressed areas/communities that can be found online here: https://www.michigan.gov/mshda/0,4641,7-141-48987_75951-181277--,00.html. Applications will be awarded points if the proposed service area is wholly or partially contains an eligible distressed community.

7. **Adoption Strategy (10 points)**: Broadband adoption efforts ensure that once a connection is available, residents and businesses are able to afford and use the connection and are aware of the benefits of being connected to high-speed internet service.
   a. Training (5 points): Applicant proposes to provide digital literacy training materials and resources to residents and businesses in the proposed service area or applicant proposes to work with and support local training organizations (e.g. libraries, non-profit organizations, etc.) to provide digital literacy training in the community.

   b. Awareness (5 points): Applicant proposes to provide information to homes, businesses, and institutions passed by the network promoting the use of an internet connection for improving quality of life, access to resources, economic opportunity, etc.