



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

BROM STIBITZ
DIRECTOR

Connecting Michigan Communities 2.0 Grant Frequently Asked Questions

Revised November 2, 2020

How do I submit a comment or objection?

Completed application and supporting documentation must be received by the Department of Technology, Management, and Budget (DTMB), Center for Shared Solutions by 4:00 PM EST on January 4, 2021, to be considered. Anyone interested in submitting a comment or objection is required to email their completed form and all attachments to DTMB-CMICGrant@michigan.gov.

How will I know if my application is received?

Applicants will receive an email confirmation in receipt of their submission. It is the applicant's responsibility to ensure their submission is received by DTMB prior to the submission deadline. Submissions sent to the wrong email address or received after the deadline will be rejected. Official submission date and time will be determined by the time stamp accompanying the email. Submissions dated and time stamped in any other way will be rejected. If a confirmation receipt is not received within two business days, Submitters must contact the CMIC Grant Program Office at (517) 335-3727.

What if my attachment(s) is too large?

Emails coming into the State of Michigan are limited to 35Mb in size. Applicants may submit zipped files or in multiple emails to accommodate larger attachments. Multiple emails should be noted in the subject line (i.e. Company Name, Attachment Name, email 1 of 4). If you will be submitting a file(s) larger than 35Mb, please contact Pamela Matelski at (517) 335-3727 or DTMB-CMICGrant@michigan.gov to establish an uploadable link at least 10 days prior to the submission deadline.

What areas are eligible for grant funding?

The State of Michigan is not designating geographic areas of the State as officially eligible or ineligible for the grant. It would not be possible for the State to have

comprehensive data on all existing and proposed broadband deployment. Applicants are to use information available to them (e.g. federal or state broadband maps, local surveys, speed tests, etc.) to identify areas of the state for which they are proposing service and demonstrate their unserved nature. The legislation defines an “unserved area” as either a census block without at least one (1) provider providing broadband service within the census block, an area lacking access to broadband service from at least one (1) provider according to the most accurate and granular data on the broadband map created by the FCC, or an area delineated through the process established in the enabling legislation without at least one (1) provider providing broadband service.

Areas not eligible for the CMIC Grant include:

- Areas that are served by at least one (1) broadband provider offering service with a speed of at least 25 Mbps downstream and 3 Mbps upstream;
- Areas where construction of a network to provide broadband service is underway, and the construction is scheduled to be completed within 1 year of the date of the application;
- Areas where the planned construction of a network to provide broadband service is to be completed no later than 2 years after the date of an application; or
- Areas that have been selected to receive, provisionally or otherwise, funding through the United States Department of Agriculture or the Federal Communications Commission programs specifically for the expansion of broadband service. This subparagraph does not apply to an area once either of the following has occurred:
 - The ISP does not complete the requirements for obtaining the funding; or
 - The time period for the ISP to receive the funding has expired.

Will service provided by mobile wireless carriers be considered in determining eligible areas for this grant program?

“Broadband service” is defined as a retail terrestrial service capable of delivering high-speed internet access at speeds of at least 25 Mbps downstream and 3 Mbps upstream. All areas identified as already being served must meet speeds of at least 25 Mbps download and 3 Mbps upload at the network’s edge (both outdoor and indoor), measured from stationary user equipment at three feet from ground level with a 95 percent confidence margin for the network area with a uniform network load of 50 percent for the download and upload.

If an application is considered for funding, but the applicant is requesting \$500,000 and only \$400,000 is available after all higher scoring applications are funded, does DTMB negotiate with that applicant?

Yes. The Department will work with applicants to amend the application, project scope, and/or partially fund applications. Similarly, if a portion of a preliminary grant recommendation is successfully objected, the Department will work with the applicant to amend the scope and/or partially fund the application.

Are grant preparation costs eligible costs?

Costs incurred prior to the grant award date are not reimbursable. Since the costs to prepare the grant will be incurred prior to the award date, they are not reimbursable.

Can you give some examples of why applications may not be competitive or not funded?

We encourage applicants to keep in mind the scoring criteria as they complete their application. The scoring is based on the contents of the application and the accompanying attachments, so if the questions are answered completely and the attachments are present, the scoring should follow. Applications that are credibly objected will also not be funded.

Does the project area need to be contiguous?

No. Proposed service areas are not required to be contiguous, however, the outermost address within a contiguous area must fall within a ten (10) mile range of the outermost address of the adjacent contiguous area in the propose service area. Projects that impact addresses in areas outside of this range should be submitted as separate and complete applications.

Can grant funding be used to support fixed wireless broadband if the signal enters into a census block that already has limited service?

The CMIC Grant is a technology-neutral grant program. The state recognizes that fixed wireless connections often work well in rural areas where low household density makes wired internet service less feasible. Due to the nature of the technology, wireless signals cannot be contained to individual addresses or census blocks, and wireless equipment constructed in an unserved area as a result of this grant may extend into areas already served by broadband. The grant can only support connections to homes that are currently unserved by broadband at 25/3 Mbps, and grant applicants proposing a fixed

wireless connectivity solution should take care to minimize the wireless signal "bleed" into already served areas of the state.

The CMIC Grant Steering Committee will make preliminary grant recommendations following the close of the grant application period. These preliminary recommendations will then be subject to a 60-day comment/objection period during which anyone with an interest in the proposed grant project may provide a comment on or object to the preliminary recommendation. If a fixed-wireless-based preliminary grant recommendation "bleeds" into an area already served by broadband and a credible objection is filed and verified by the department pertaining to this "bleed," the preliminary grant recommendation may be adjusted or eliminated from consideration.

Are local governments eligible to participate in this grant?

The enabling legislation states that DTMB shall not, directly or indirectly, award grant money to a governmental entity or educational institution or an affiliate, to own, purchase, construct, operate, or maintain a communications network, or to provide service to any residential or commercial premises.

Local governments may participate as informal partners with an internet service provider to demonstrate the community's ability to leverage broadband for community and economic development, such as rural development, tourism, new investment, or business attraction or retention. Priority shall be given to projects that demonstrate collaboration to achieve community investment and economic development goals of the area impacted.

How many points are earned for various thresholds of increased matching funds.

The Grant to Project Cost scoring criteria section is worth 20 points of the total application score. Applicants are required to provide a minimum of 10% match to project cost to be considered for funding. Applicants proposing a 50% grant to project cost will receive the maximum points in this section.

Match Total	Points
50% or greater	20
36 – 49%	15
21 – 35%	10
11 – 20%	5
10% minimum requirement	0

Can the grant be used for feasibility studies?

Feasibility studies are not eligible under this grant program. Eligible program costs include: “Broadband deployment costs” or “costs” for the acquisition and installation of middle-mile and last-mile infrastructure that support broadband service with a minimum speed of 25 Mbps downstream and 3 Mbps upstream. Last mile infrastructure is broadband infrastructure that serves as the final leg connecting the broadband service provider’s network to the end-use customer’s on-premise telecommunications equipment. Middle mile infrastructure is broadband infrastructure that links a broadband service provider’s core network infrastructure to last-mile infrastructure. Construction of broadband infrastructure may include any of the following: project planning; obtaining construction permits; construction of facilities, including construction of both “middle mile” and “last mile” infrastructure; equipment; and installation and testing of the broadband service.

Can I apply for a federal grant from the FCC or USDA grant or loan programs and the CMIC Grant funding for the same service area? If so, could I accept both awards?

You may apply for funding for the same service area if the award has not been made prior to submitting the CMIC grant application. If funding is granted prior to the CMIC grant award, that area would then become ineligible to receive CMIC funding. A provider could apply for CMIC funds for areas that are geographically adjacent to, but not part of, their federally funded deployment obligations that are CMIC-eligible in order to more fully leverage their federal funding into additional unserved areas of the state.

What are some examples of acceptable financial documentation?

Applicants should demonstrate their financial viability by providing relevant financial information for the previous three years of business operations. Relevant financial information may include, but is not limited to, annual reports, balance sheets, Form 10-K, Form 10-Q, income statements, and/or audited financial statements. Confidential information may be submitted and should be so marked.

Can a subsidiary submit financial documentation from its parent company?

An applicant may provide relevant financial information for the parent company or another entity if the applicant is a wholly owned subsidiary of the parent company or entity.

What is an acceptable GIS-compatible file format?

GIS files can be submitted in .shp, .kml, or .kmz file types.

Is the maximum grant award of \$5 million per grant application or per entity? As an example, could an entity submit two \$5 million funding applications for a total of \$10 million in funding?

The maximum grant amount is \$5 million to any one project or any one applicant.

Question #24 requires a five-year, stand-alone project financial plan/forecast. Does this mean the cost and revenue in the model addresses only the funded project area or do you want the company financials with the project overlaid on top?

The response to Question #24 should address only the cost and revenue model for the proposed project area. Company financial information should be submitted under Question #23 / Attachment 7.

If we were to receive the grant we would get 25% of the funds up front, do we have to spend all of that money before we receive more funds?

Grantees are required to spend down the initial 25% lump sum payment before drawing down from the subsequent funds and are required to submit invoices and proof of payment to the department on a quarterly basis following the successful execution of the grant agreement.

Grant payments are made as follows: Upon the execution of a grant agreement, the State will provide 25% of the grant award to the grantee as a lump sum payment. Following this initial payment, 60% of the remaining grant award will be reimbursed quarterly following the validation of invoices and evidence of payment from grantees. The remaining 15% of grant funds will be available at grant closeout and submission of a final grant report upon project completion.

Are farms considered businesses under Question 37?

Farms may be counted as a business. If multiple dwellings/housing units are located on the property, they may also be included in the household count.

Are applicants required to submit all of the attachments or just one for the Locations Passed and Proposed Service (Attachments 1-3)?

Applicants are required to submit all three attachments for this section.

- Attachment 1: Map of proposed service area in PDF format (including both last mile coverage and middle mile routes)
- Attachment 2: Map of proposed service area in a GIS-compatible file format (including both last mile coverage and middle mile routes)
- Attachment 3: Spreadsheet of street addresses that are part of the proposed service area in .xlsx format

If the applicant submits a reviewed financial report, would that be acceptable on its own or would they need to include any other types of documents?

An audited financial statement is the preferred form of documentation. The burden is on the applicant to provide the necessary financial information for the committee to make an accurate determination of their financial wherewithal. If an applicant submits another form of documentation, such as a “reviewed” financial report, they should indicate who reviewed them, name, title, and organization, and if that review was done in-house or by a third party. This will help interpret the validity of the financial statements.