

State of Michigan,  
Department of Labor and Economic Opportunity,  
Michigan High-Speed Internet Office

## **Performance Report**

Capital Projects Fund  
2023 Report

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## Executive Summary

The Michigan Department of Labor and Economic Opportunity (LEO), home to the Michigan High-Speed Internet Office (MIHI), is directed under state law to operate a broadband grant program consistent with the Coronavirus Capital Projects Fund. The Realizing Opportunity with Broadband Infrastructure Networks (ROBIN) Program is designed to support the deployment of broadband infrastructure to locations currently without 100/20 megabits per second (Mbps) service. Areas without 100/20 Mbps are the focus of the program, but proposed networks delivering at least 100/100 Mbps will be prioritized.

To date, the MIHI office has successfully onboarded eight full-time staff. An additional seven full-time staff are projected to be added by October 1, 2023. While developing the ROBIN program, MIHI staff have engaged with a broad range of community and regional stakeholders to seek their guidance on the development of the ROBIN program criteria and rubric. This engagement provided stakeholders an opportunity to: 1) define the critical need of their communities for additional broadband investment, allowing LEO to help potential applicants identify geographies that are interested in partnerships or have greater need; 2) provide input on program design for ROBIN; and 3) establish communications channels for ongoing engagement during the implementation of the program.

MIHI successfully developed the ROBIN Program Guidance and ROBIN Standard Operating Procedures outlining program eligibility and application requirements. MIHI developed the scoring rubric for ROBIN and established an online application submission portal through the Electronic Grant Administration & Management System (EGrAMS). The ROBIN application window opened on January 13, 2023, and closed on March 14, 2023. An astounding 154 applications from 40 different applicants were received. Project totals for all applications were more than \$2.3 billion with grant request amounts reaching \$1.3 billion. A steering committee of representatives from various state agencies reviewed and scored each application. Teams of four or five reviewers scored the applications reviewed individually and an average score was then taken. Applications were also reviewed and scored by MIHI staff and MIHI's technical team. The steering committee then reviewed all applications that were identified to move forward as Initial Grant Recommendations.

On June 12, 2023, the ROBIN Initial Grant Recommendations were published, and the comment/objection period began. Comments and objections will be accepted until August 4, 2023. MIHI will consider all reasonable comments or objections received, and investigate them as needed, in deciding whether a location included in an application is eligible for a grant. MIHI will utilize multiple forms of objective data to evaluate the existence of broadband service throughout the state, including, but not limited to, any granular state or federal broadband maps, community input, speed tests, and surveys.

One challenge MIHI has dealt with for the ROBIN program was the extraordinary number of applications received (154), which far exceeded expectations and resulted in grant reviewers

having to read many more applications than anticipated. Given the size of each application, the grant application review period was subsequently extended to accommodate the reviewers. This then delayed the initial grant recommendations announcement and the start of the comment/objection period.

Another challenge specific to Michigan that has been identified multiple times by applicants is the relatively short timeline given for the expenditure of funds. Michigan's construction season is relatively short and varies significantly depending on where the build area is located. All of our state, but particularly the Upper Peninsula, is greatly impacted by snowfall, temperatures, and frozen ground. Given our relatively short construction season, projects are not likely to start going into the ground until spring of 2024 and there is concern about getting builds done in time.

### Uses of Funds

To date, MIHI's actual use of funds have been expended as intended to facilitate the development and deployment of the ROBIN grant program. Funds have been utilized for staffing/payroll, travel, advertising, contractual and professional fees, and information technology. Because the ROBIN grant program is still in the initial stages, and final grant recommendations have not yet been made, specific performance data is not yet available or reportable. It is anticipated that in the next quarterly report period all comments and objections will be reviewed and acted upon, final grant recommendations will be made, and grant agreements will be executed and signed by subgrantees.

Although ROBIN is in the midst of the comment/objection period and final grant recommendations have not yet been made, it is evident by the sheer number of applications received (154), grant amounts requested (\$1.3 billion), and matching funds brought to the table (\$1 billion), that the need for broadband is significant in the State of Michigan. Equally encouraging is the fact that attendance and participation at community events has been positive and substantial data has been collected to assist in developing and managing the ROBIN grant program.

In order to monitor the positive impact ROBIN will have on individuals, businesses, and households, MIHI has required all program applicants to provide addresses for all proposed locations to be served. These subgrantees will then identify total locations completed and total program completion on a quarterly basis. MIHI will utilize field validation to ensure subgrantees are reporting accurate information.

MIHI is participating in the Broadband Equity, Access, and Deployment (BEAD) program under the Infrastructure Investment and Jobs Act. MIHI's 5-Year Action Plan is nearly complete and is anticipated to be submitted in the upcoming weeks. MIHI has strategically developed its BEAD program to complement the ROBIN program. Information gathered in developing both programs has been shared interchangeably to maximize the use of all federal funds. Most applicants that were

not successful in moving forward as ROBIN grantees have indicated their intention to apply for BEAD funds once able to do so.

### Promoting Equitable Outcomes

MIHI recognizes that access to affordable, reliable high-speed internet service is a necessity for every resident in the State of Michigan. At present, nearly 30% of Michigan households do not have an internet connection that meets their needs. Through work MIHI has done to develop the State Digital Equity Plan and Five-Year Action Plan required by the Infrastructure Investment and Jobs Act, we have documented what has long been understood to be true: this digital divide falls unequally on our state's residents: low-income households, households in rural areas, households that include aging individuals, households that include members of racial and ethnic minorities are among those that are disproportionately likely to struggle with making use of the myriad resources that are available online. <https://www.michigan.gov/leo/bureaus-agencies/mihi/michigan-digital-inclusion-resources>

To address the critical broadband needs in our state, and address the challenges and barriers residents face, in 2021 MIHI issued an update to the Michigan Broadband Roadmap. This document defines MIHI's mission, vision, and values; establishes MIHI's goals; identifies the strategies and objectives the office will implement to achieve them; and provides state agencies and public, private, and nonprofit stakeholders with the coordination, guidance, and strategy on how the State of Michigan is working to ensure connectivity for all. The Update to the Michigan Broadband Roadmap can be viewed using the following link: <https://www.michigan.gov/leo/-/media/Project/Websites/leo/Documents/MIHI/2021-Update-to-the-Michigan-Broadband-Roadmap.pdf?rev=fd849b8901b6490788b3de5cfe47a5d4>

The State of Michigan defines unserved locations as lacking access to internet service of at least 100 Mbps downstream and 20 Mbps upstream from at least one internet service provider according to the Federal Communications Commission's Broadband Data Collection program or state-level granular maps completed by the Michigan Department of Labor and Economic Opportunity. As in most states, residents in rural and low-income locations have been identified as communities of critical need in Michigan. Additionally, Michigan's low- and lower-middle income households struggle with affording home internet service.

The ROBIN grant program was designed to specifically address these identified needs and prioritize digital inclusion. The scoring rubric created to evaluate ROBIN applications was designed to incentivize project applications that propose builds into unserved areas, projects with minimal federal investment, and those impacting the most locations. ROBIN also provided higher point opportunities in scoring for projects that kept the monthly cost of service below the FCC's Broadband Reasonable Comparability Benchmark and further points were available for projects with a low-cost service

offering. In addition, points were available for projects that deployed services without data caps. Applicants that proposed building service to federal Qualified Opportunity Zones were also able to earn higher point values.

The Michigan High-Speed Internet Office launched a statewide listening tour, the MI Connected Future (MiCF) tour, open to residents, businesses, and community groups. On January 11th, 2023, MIHI kicked-off the MiCF community listening tour in Detroit. The MiCF listening tour continued through an additional 30 community meetings for the purpose of gathering data regarding affordability, ability, digital skills, and device access/use directly from the citizens of Michigan. Surveys are completed by those in attendance in order to gather the data MIHI is using to develop the ROBIN and BEAD programs to meet the specific needs of Michigan's citizens. Meeting locations were selected to ensure data was collected from a vast range of age groups, income levels, races, ethnicities, rural and urban areas, disability status, sexual/gender orientation, veteran status and more. As of the submission of this report, the second phase of the MiCF tour -- which will include an additional 10 community meetings in communities across Michigan to provide information about what is included in the Digital Equity Plan and 5-Year Action Plan and to take public comment on them -- is underway. More information on MiCF can be found here along with planned and future event locations: [LEO - MI Connected Future \(michigan.gov\)](https://www.michigan.gov/leo/bureaus-agencies/mihi/funding-opportunities/robin-grant).

In an effort to engage prospective ROBIN applicants, MIHI consistently updated our public facing webpage to include program requirements, updates, application development details, FAQs, links to webinars, application instructions, and information pertaining to the web-based application platform (EGrAMS). <https://www.michigan.gov/leo/bureaus-agencies/mihi/funding-opportunities/robin-grant>

MIHI hosted two webinars to provide specific grant information, and application requirement details and suggestions for creating a strong application. MIHI provided a map identifying likely eligible locations to assist prospective applicants in determining service areas. The map has since been updated to reflect the service locations identified by applicants that have successfully advanced to the initial grant recommended phase. <https://robin.sanborn.com/maps>

Throughout the development of the ROBIN program, MIHI has consistently sought feedback from all members of the community to ensure any and all barriers to accessibility and affordability have been addressed. Links are provided on our public facing page for individuals to send questions or comments directly to MIHI staff. <https://forms.leo.state.mi.us/miosha/mihi-public-comment-form/>

## Labor

The ROBIN program is currently in the midst of the comment/objection period; therefore, final grants have not yet been selected and projects have not yet started. However, the ROBIN program

guidance specifically addressed labor requirements for all projects. ROBIN requires subrecipients of federal funds to comply with federal labor standards, including but not limited to:

A. Labor Standards Provisions of 29 C.F.R. 5

B. Contract Work Hours and Safety Standards Act of 1962, as amended (40 U.S.C. 3701- 3708)

C. Federal Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201-219)

D. Copeland "Anti-Kickback" Act (18 U.S.C. 874)

ROBIN program guidance states that for projects over \$5 million (based on expected total cost) subrecipients may provide a certification that all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon Act"), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the state in which the work is to be performed, or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law.

If such certification is not provided, a subrecipient must provide a project employment and local impact report. A subrecipient may provide a certification that a project includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act 29 U.S.C. 158(f). If the subrecipient does not provide such certification, the subrecipient must provide a project workforce continuity plan. MIHI reiterated in the ROBIN program guidance the importance that all projects produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency.

Applicants were advised to ensure that projects incorporate strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality infrastructure projects but also to support the economic recovery through strong employment opportunities for workers. Among other requirements contained in 2 C.F.R. 200, Appendix II, all contracts made by MIHI in excess of \$100,000 that involve employment of mechanics or laborers must include a provision for compliance with certain provisions of the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

MIHI utilized the ROBIN scoring rubric to emphasize the importance of strong labor practices for all ROBIN projects. Within the rubric, a scoring section devoted strictly to *Community Support and Economic Impact* was included. Applicants were encouraged to provide documentation, and received higher point scores, for projects that created public-private partnerships and included letters of support from community members, organizations, and businesses. Applicants were required to

provide evidence of the positive economic impact their projects would have on the community, whether directly or indirectly. Applicants were instructed to provide evidence showing direct job creation, or commitments of job creation, from local businesses or others.

## Community Engagement

As previously addressed, MIHI has completed more than 30 in-person community meetings in which any resident, business, or organization has been invited to provide feedback on the proposed ROBIN program and applicable projects. Webinars, partnership roundtables, surveys, and public comments have been utilized to gather feedback and then incorporate into the ROBIN program. MIHI attended and presented at the United Tribes of Michigan meeting. This unique opportunity allowed for MIHI to engage with Michigan's tribal leaders and obtain valuable feedback on their unique broadband needs. On June 12, 2023, MIHI published on its public facing website each of the ROBIN Initial Grant Award applications for public review and comment. On this same webpage, links are available to the ROBIN comment and objection form and the form instructions. MIHI will accept comments and objections until August 4, 2023. At that time, the same steering committee that scored the initial grants will review the comments and objections filed.

<https://www.michigan.gov/leo/bureaus-agencies/mihi/funding-opportunities/robin-grant>

MIHI has ten additional community meetings scheduled through mid-August. Another partnership roundtable is scheduled for late July, and it is anticipated that additional roundtables will be scheduled to continue stakeholder engagement after final grant recommendations have been made and grant agreements have been signed. MIHI will continue to have an actively monitored email address available for public comment throughout the entirety of the ROBIN projects. Additionally, as MIHI continues to meet with constituents, organizations, internet service providers, businesses, and community anchor institutions while developing the BEAD program, these individuals will have the opportunity to address any comments or concerns they may have pertaining to ROBIN with MIHI staff.

CPF funds awarded to MIHI have been utilized to complete all aspects of community outreach as described in this report. Through the relationships and partnerships that have subsequently been developed in the tribes and communities across the State of Michigan, MIHI has built the foundation to build the capacity of the communities most in need and at risk. MIHI developed and implemented a "Community Meeting in a Box" in order to obtain feedback from community members in areas where MIHI was unable to hold an in-person event.

In the upcoming reporting period, MIHI will be utilizing CPF funds to grow the size of the office and double the number of staff working to bring broadband to all of Michigan's residents. Staff positions have been added to include analyst positions with staff positioned in several different areas of the state. These staff will be utilized to continue building relationships with various communities and will



be able to go directly to the traditionally unserved and underserved groups to assist in removing the barriers to obtaining broadband service.