

Broadband Outreach and Aggregation Fund

Program Guidelines | June 2011

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Section I – General

A. Introduction

In order to be a national and global competitor, Pennsylvania must have the capacity to keep pace with growing telecommunications needs. In responding to this challenge, Pennsylvania has become home to one of the country's most aggressive broadband deployment commitments -- by 2015, and as early as 2008, every city, town, and municipality will have access to DSL and other broadband services, even in the most rural areas.

Through Act 183 of 2004, Pennsylvania is working to encourage the provision of telecommunications services as a means to enhancing the quality of life of the residents of Pennsylvania and the vitality of its businesses, to ensure that broadband communications become available to residents in a more equitable and accelerated fashion, to promote and encourage the provision of competitive services by a variety of providers on equal terms throughout all geographical areas of this Commonwealth, to encourage the competitive supply of broadband services in any region where there is market demand, and to provide resources to generate such demand.

The enactment of Act 183 of 2004 created the Broadband Outreach and Aggregation Fund (BOAF), a program which provides grant assistance to qualified applicants to implement outreach programs concerning the benefits, use and procurement of broadband services, as well as providing seed grants to aggregate customer demand in communities with little or no broadband service, so that telecommunications providers can respond to the new demand for services in a more timely fashion.

The ultimate goal of the BOAF is to provide communities with resources to overcome the challenges that are typically associated with low population density and physical remoteness from larger urban centers. By creating a local recognition for the need and the benefits of telecommunications connectivity and aggregating the demand for services, the Commonwealth aims to make broadband availability a reality, particularly for rural and underserved areas of Pennsylvania.

The BOAF program is administered by the Department of Community and Economic Development (DCED) and funded through Public Utility Commission (PUC) assessments on the rate increases of telecommunications providers that did not commit to reaching 100% broadband deployment by the end of 2008. The amount of funding available for BOAF activity varies annually, but is capped at \$5 million per year.

For more information, visit www.broadbandinpa.com.

B. Relevant Definitions

1. **Broadband** – defined in Act 183 of 2004 as "a communication channel using any technology and having a bandwidth equal to or greater than 1.544 megabits per second (mbps) in the downstream direction and equal to or greater than 128 kilobits per second (kbps) in the upstream direction".
2. **Broadband Outreach** – the process of educating, informing, and expanding awareness concerning the benefits of and need for broadband services, targeting communities, businesses, and constituent groups within Pennsylvania that may have little or no broadband connectivity.
3. **Demand Aggregation** – the process of identifying the level of demand for broadband services, both now and in the future, accumulating and organizing constituents with that demand, and negotiating with service providers to meet that demand at a cost-effective price. Demand aggregation is one of the key strategies employed to compel the deployment of broadband service into unserved or underserved communities.

4. **Bona Fide Retail Request (BFRR) Program** – a program established by Act 183 of 2004, which provides a mechanism whereby individuals in communities that do not have DSL broadband services may submit a request to their local telecommunications provider to obtain such service.
5. **Business Attraction and Retention Program (BARP)** – a program established by Act 183 of 2004 which recognizes the importance of telecommunications infrastructure in attracting and retaining businesses within the Commonwealth and creates a mechanism to accelerate deployment for economic development purposes. This program serves as an “economic development trigger,” allowing DCED to request broadband services on behalf of qualifying businesses that are located within Pennsylvania or considering relocating to the state.
6. **Inventory of Services** – DCED maintains and regularly updates an inventory of broadband coverage data, which provides for the collection, compilation, maintenance, and mapping of broadband services throughout the Commonwealth, regardless of the technology used. Access to this information is available to the public in interactive map form depicting accessibility to broadband throughout Pennsylvania.

C. Program Eligibility

Eligible BOAF applicants are political subdivisions, economic development entities, schools, health care facilities, businesses, and residential customers. The Department will not accept grant applications from providers of telecommunications services or from residential customers applying solely on their own behalf.

D. Program Priorities

Preference will be given to applications that demonstrate:

1. Regional or statewide coverage and impact such as job creation/retention, subscriber take-rate, broadband service enhancements and BFRR activities,
2. Strong collaboration with relevant partners, including the Local Development Districts (LDDs), community and economic development organizations, educational institutions, health information exchange (HIE) initiative partners, business and industry members, other BOAF grantees, and additional relevant partners,
3. Close alignment with the Pennsylvania Broadband Plan and coordination with current and prior broadband investments and programs within the state,
4. The leverage of matching funds from federal, local, or other sources, such as the American Recovery and Reinvestment Act (ARRA), Broadband Technology Opportunities Program (BTOP) USDA - Community Connect Program, in support of project activities or program goals. No match is required by this program, but is recommended and preferred,
5. A project model that can be replicated in other regions of the state.

DCED reserves the right to solicit proposals for pre-defined projects that align with the intent and priorities of the BOAF program in an effort to target specific statewide or regional issues. If DCED exercises this option, project specifications will be publicly released and responses will be evaluated in a competitive manner.

E. Funding Limits

Given the competitive nature of this program along with annual funding appropriation fluctuations, the number and dollar amount of grant awards will be dependent upon variables such as the amount of funding allocated to the program each fiscal year, the total number of applications received, the quality of each application, and past performance (where applicable). There is no minimum or maximum award; however, the BOAF budget is capped in accordance with the provisions of Act 183 of 2004.

F. Use of Funds

BOAF funding can be used to support the following activities:

1. Outreach programs for political subdivisions, economic development entities, schools, health care facilities, businesses, and residential customers concerning the benefits, use, and procurement of broadband services; and
2. Demand aggregation for broadband services in communities or political subdivisions with limited access to adequate and cost-effective services in order to compel the deployment of broadband telecommunications solutions.

BOAF funds cannot be used to support:

1. Costs related to the deployment of telecommunications infrastructure
2. Travel outside the country
3. Indirect costs

Section II – The Application Process

A. Application Submission

1. Applications for consideration under the BOAF program shall be submitted no later than **11:59 PM on the third Monday in December**. Applications received after this deadline may be considered subject to the availability of funding.
2. Program-related inquiries should be directed to the DCED Technology Investment Office (TIO) at 717-787-4147 or ra-broadband@state.pa.us.
3. All applications shall be submitted to DCED utilizing the Single Application for Assistance
 - a. The Single Application must be completed online. Visit www.esa.dced.state.pa.us.
 - b. Attach to the online application all required documentation (see “Contents of Application” below).
 - c. The application signature page must be submitted in hard copy to:

PA Department of Community and Economic Development
Technology Investment Office
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

- d. Please reference the Web ID number on any documents sent with the signature page.
- e. All inquiries related to completion and submission of a Single Application, including technical difficulties with the website, shall be directed to the DCED Customer Service Center at 1-800-379-7448, 717-787-3405, or ra-broadband@state.pa.us.

B. Contents of the Application

All applications must include the following components:

1. **Executive Summary** no more than one (1) page in length which includes the following information:
 - a. Applicant name
 - b. Project name
 - c. Listing of relevant partners
 - d. Amount of funding requested (budget outline)
 - e. Proposed project activity period
 - f. Target audience
 - g. Geographic territory (counties) within which BOAF activity will occur
 - h. Statement of need
 - i. Brief description of the proposed project
 - j. Listing of quantitative deliverables that will result from the project.
2. **Project Narrative** of no more than 10 pages in length which discusses in detail how the requested BOAF Program funds will be used to assist in the implementation of outreach and aggregation activities. In this section, the applicant shall:
 - a. Address the following six "C"s:
 - **Capability & Commitment:** Discussion of the interest and capacity of the applicant to undertake and accomplish the tasks of the "community champion," and its ability to provide project management, project delivery, monitoring, and reporting as required by this program.
 - **Community Needs:** Identification of local broadband needs and anticipated demand in order to determine the broadband requirements of the community or region. This section should discuss the identification and engagement of potential local stakeholders (e.g. private sector, schools, health care providers, local government entities, etc) who will participate in the outreach and aggregation process and how this project will be promoted to relevant stakeholders.
 - **Catalyst for Change:** Discussion of the economic, educational, cultural, and social benefits to the community anticipated to result from the implementation of activities funded by BOAF. For instance, the applicant should discuss how broadband availability will help foster the use of broadband applications relevant to its target constituency group(s), such as telemedicine, teleworking/telecommuting, distance learning, e-commerce, e-government, public safety, tourism, entertainment, etc.
 - **Coordination with Act 183 Programs:** Discussion of how the BOAF-funded activity will help to promote the BFRR, BARP, and the collection of data to populate the Inventory of Services.

- **Current Connectivity:** Discussion about the current telecommunications infrastructure in the community for the purpose of assessing the extent and cost of current connectivity. This section should provide the names of local telephone, cable, wireless, and/or other broadband service providers, if any, as well as details as to the location(s) of the nearest broadband service availability, if known. The application should also discuss the efforts which have been undertaken by the applicant or other constituents to secure broadband in the subject area.
 - **Consideration of Other Related Issues** related to outreach and aggregation, such as:
 - Formation of partnerships with neighboring communities,
 - Formation of community-based networks and web sites,
 - Needs analysis, data gathering, surveys, and public meetings,
 - Providing electronic access to community, educational, business, government and healthcare information,
 - Organizing communities of interest that target specific sectors of the community for a specific purpose,
 - Increasing the awareness and participation of community members in technology and the Internet through training, education, and outreach to increase the technology-related skills levels of the participants,
 - Increasing and enhancing the e-readiness potential of a community in order to facilitate long-term business attraction and retention opportunities.
- b. Include a detailed timeline, including benchmarks and milestones for project completion.
- c. Provide quantitative deliverables and performance measures appropriate to the project. Applicants requesting additional funding for a previously funded project shall include data on their performance to date (committed versus actual impact) for the project's previous funding cycle(s).
- d. Include other data, descriptions, or information relevant to the proposal.
3. **Support Letters** from relevant project partners, stakeholders, and sources of matching funds.
4. **Project Budget** – Applicants shall provide a detailed budget as to how the requested grant funds will be utilized, including an itemization and justification of proposed expenses. Indicate here the sources, amount, and uses of any matching funds dedicated to the project.

C. Application Review & Approval Process

1. Upon receipt, applications will be reviewed to ensure that the parameters for eligibility are met and that all required application components are included. Incomplete applications may be excluded from consideration.
2. Eligible applications will be evaluated in a competitive manner by a review committee.
3. Funding decisions are subject to DCED approval and will be based upon a variety of factors including, the amount of funding available each fiscal year, the total number of applications received, the quality of each organization's application, and applicant past performance (where applicable).
4. The applicant may be asked to submit additional background information or materials in support of its proposal. These documents will become part of the applicant's official Single Application for Assistance.
5. Applicants will receive written notification of application status from DCED within 90 days of application submission.

D. Post-Approval Process

1. Following approval, DCED will issue a funding commitment letter to the applicant, which must be signed and returned to DCED as instructed in the commitment letter.
2. Following receipt of the signed commitment letter, TIO staff will initiate a grant contract agreement between DCED and the applicant. This agreement will include the scope of work and budget as approved by DCED and will be subject to any conditions or contingencies dictated by DCED. The grant contract agreement will detail additional requirements with which the applicant must comply, including but not limited to: competitive bidding and subcontracting requirements, project audit or financial grant closeout report, maintenance of records, and investment of grant funds in an interest bearing account.
3. The contract agreement will not be executed until all of the following have been resolved to the satisfaction of TIO staff:
 - a. The applicant must have a valid SAP vendor number and profile on record with Pennsylvania's Central Vendor Management Unit (CVMU), which matches the address used on the application. Applicants can create a new profile in this system or add a new location to an existing profile by registering online at <https://www.vendorregistration.state.pa.us/cvmu/paper/GranteeRegistration.aspx>.
 - b. The applicant must be in compliance with DCED's Audits and Compliance Division relative to the submission of audits and/or financial grant closeout reports on any previous contracts with DCED, regardless of the program or funding source.
 - c. The applicant must be current in payment of all state and local taxes unless it has entered into an agreement satisfactory to the respective taxing authority and is fully in compliance with the terms thereof.
 - d. The applicant must certify to DCED that it will not discriminate against any employee or against any applicant for employment because of race, religion, color, handicap, national origin, age, or sex.
4. DCED will make payments to the grantee through the Pennsylvania Electronic Payment Program (PEPP). Within 10 days following execution of the grant contract, the grantee must submit or must have already submitted a PEPP Enrollment Form. This form is available online at http://www.oit.state.pa.us/bfm/lib/bfm/ACH_Enrollment_Form_05-2007.pdf.
5. Once a contract agreement is fully executed, the applicant may request payment in advance, subject to DCED approval. Specific invoicing procedures will be provided with the contract.
6. TIO staff will monitor the project and will require the submission of semi-annual reports to ensure that the grantee fulfills the conditions of the grant. Upon request and as required by the grant contract agreement, the grantee must furnish TIO staff with all data, reports, contracts, documents, and other information relevant to the project.
7. If there is a failure in performance by the grantee, DCED may engage in any and all activities necessary to ensure that the conditions of the contract are fulfilled, including, but not limited to, appropriate legal action when required.
8. If it is determined that the application contained material misrepresentations or funds were used for activities not permitted under the terms of the grant, the contract will be considered in default and DCED will demand immediate repayment. In addition, the matter may be referred to the appropriate authorities for criminal investigation.
9. All grantee requests for modifications to the executed contract (i.e. budget revisions, time extension requests, etc.) must be received by DCED no later than 60 days prior to the end date of the contract.

E. Reporting Requirements

1. Semi-Annual Reports:

- a. All BOAF recipients are required to provide semi-annual reports quantifying the progress toward accomplishing approved deliverables.
 - i. Reporting periods run from 07/01/20XX to 12/31/20XX and 01/01/20XX to 06/30/20XX.
 - ii. Semi-annual reports are due on or before January 15th and July 15th for the reporting period immediately preceding the due date.
 - iii. An electronic reporting survey template will be provided to the grant recipient by TIO staff. All reports must be submitted directly to DCED's Technology Investment Office (TIO) via e-mail (ra-broadband@state.pa.us) using the template provided.
- b. Performance data provided in the semi-annual reports shall be limited to the impact that occurred as a result of and attributable to the BOAF investment in the project. The reporting metrics for the BOAF program include, but are not limited to the following:
 - i. Quantitative Metrics:
 - Citizens Impacted
 - Businesses Assisted
 - BFRR Communities - In Progress
 - BFRR Communities - Threshold Achieved
 - BARP Requests Initiated
 - Requests for Information (RFIs) Issued
 - Requests for Proposals (RFPs) Issued
 - Jobs Created
 - Jobs Retained
 - Economic Benefits (i.e. cost savings, increased sales, etc.)
 - ii. Narrative Project Updates on the following:
 - Six "C's" (referenced on page 3)
 - Collaborations, Partnerships and Joint Ventures
 - Outreach, Public Relations & Communications Efforts
 - Best Practices
 - Training and Development
 - Success Story/Case Study
 - iii. Budget Update
- c. The grantee may submit any other data, descriptions, or material that documents the accomplishments of the project.

2. Final Report:

- a. A final report is due within 60 days from the contracted end date of project, a template will be provided. The report shall include the metrics of semi-annual report as well as the following:
 - Copies of materials generated by project; flyers, ads, surveys/assessment results, other relevant findings,
 - Inventory of equipment purchased with grant funds,
 - Questionnaire completed,
 - Executive summary of results of project, in both paragraph and bullet point form, not to exceed 2 pages,
 - Best practices found,
 - Success stories.
- b. Final grant payout (20%) will begin processing upon final report approved by DCED. Non-compliance will affect final payout of grant money. Notification of any discrepancies affecting final payout will be provided within 30 days of receipt of final report.

2. Financial Grant Closeout:

- a. All DCED grant recipients will be required to submit financial documentation to close out the project.
 - i. If the grant amount is \$100,000 or greater, the grantee must submit an independent project audit to DCED no later than 120 days after expiration of the contract.
 - ii. If the grant amount is less than \$100,000, the grantee must submit a Grant Closeout Report to DCED no later than 30 days after expiration of the contract.
- b. Non-compliance with this requirement may prevent the applicant from obtaining funding or payment from any DCED-administered grant and/or loan programs.

DCED reserves the right to amend these guidelines without notice.