

DEED - OFFICE OF BROADBAND DEVELOPMENT

PROCEDURE: BORDER-TO-BORDER BROADBAND GRANT MODIFICATION REQUEST PROCEDURE

SUMMARY:

Broadband construction projects operate in fluid markets, face unpredictable natural environments, and may encounter unforeseen new information. DEED's Office of Broadband Development will review project change requests that respond to these real world variables on a case by case basis.

Anticipated types of change requests include:

1. Requests to modify budget categories only
2. Requests that have no financial impact to the state and modify deliverables provided by grant funding within the original physical footprint of the grant proposal
3. Requests that have no financial impact to the state, but involve areas adjacent to an existing grant project
4. Requests for additional funds that are within the original physical footprint
5. Requests for additional funds and are physically adjacent to the existing grant area
6. Any other request will be considered on a case by case basis.

REQUEST CATEGORIES:

Each request is handled on a case-by-case basis.

- A. **Budget category adjustments** – If a grantee submits an OBD-DEED Grant Adjustment Notice (GAN) request to shift awarded funds from one category to another based on the budget that was included in the original grant agreement, the grantee must provide justification for the change and supporting documentation of category under/overages. OBD will review the request on a case-by-case basis. (Going forward in grant round three and beyond, grantees will have this provision written into the grant agreement, for up to a 10% cumulative shift of funds across budget categories once per grant period year. Above that amount triggers a grant amendment process.)
- B. **Deliverable adjustments** – If a grantee requests to add and subtract addresses from the original grant agreement, which are generated from new information discovered in the field, typically during construction, the request must include the specific information that led to the change request and a clear and detailed justification for why the change does not entail any financial changes to the grant agreement. OBD staff will review these requests on a case-by-case basis.
- C. **Footprint adjustments without a financial impact** – If a grantee requests to expand the footprint of a project to accommodate requests from unserved households or businesses adjacent to the grant project area. Due to cost savings during construction, a grantee has determined they can bring service to additional adjacent homes or businesses under the existing financial agreement with the state. Because this request involves potentially serving households that were not subject to the provider challenge process during the initial application process, the review process outlined below will be used to determine the eligibility of the new homes under the current grant parameters. See below for the details of the review process.
- D. **Funding adjustment within original grant area** – If a grantee requests a modification that is within the area of the original published grant area footprint, but the specific addresses were not contemplated in

the original build plan, a full-fledged contract amendment request process would take place to evaluate the merits of granting such a request. A request of this nature is only ever able to be considered if there are unallocated funds remaining from the current or previous grant funding round. This might happen if a grantee receives requests to serve the new addresses but does not have the funding within the original budget to cover the expenses to serve these homes. Because this request involves potentially serving households that were not subject to the provider challenge process during the initial application process, a process will be used to determine the eligibility of the new homes under the current grant parameters. See below for the details of the review process.

- E. **Funding adjustment to support service to adjacent homes/businesses** – If a grantee requests a modification to respond to requests from unserved families adjacent to the grant project area, the grantee may make a request for additional funding and authorization to serve additional households. This may occur if the grantee believes they can realize construction and cost efficiencies while still in the field during the primary grant project, but not enough to fully cover the costs of adding the new homes/businesses. Because this type of request involves potentially serving households that were not subject to the provider challenge process during the initial application process, the review process set forth below will be used to determine the eligibility of the new homes under the current grant parameters. See below for the details of the review process. Because this represents a measurable financial change, a full-fledged contract amendment request process would take place to evaluate the merits of granting such a request. A request of this nature is only ever able to be considered if there are unallocated funds remaining from the current or previous grant funding round.

GRANT MODIFICATION REVIEW PROCESS:

As part of evaluating requests that go outside the boundaries of the initial grant project proposals, OBD will supplement its review process with the grant modification review outlined below:

1. OBD will identify all wireline providers that offer service in the areas of the change request.
2. OBD will contact each of those providers and request their plans to serve each home contained in the request area with service that meets or exceeds the criteria as outlined in law.
3. For those addresses where a wireline provider confirms they either serve now, or will have constructed service within 18 months that meets the requirements of the law, the expansion request will be denied. For those homes or businesses where the answer is either that there are no plans to upgrade, or adequate information is not given to determine what service a home will have within 18 months, the request will proceed and be evaluated for consistency with the original grant proposal.
4. A case by case review will be done of all of the information provided as part of the application and review process.