

Connect New Mexico Council



Regular Meeting
April 20, 2022

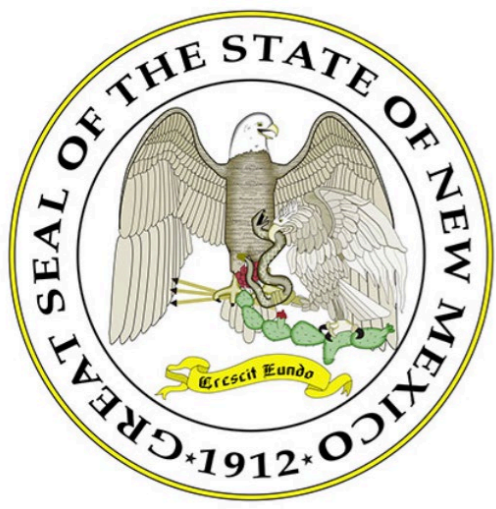
Connect New Mexico Council: Agenda



1. Welcome & Call to Order
2. Approve Agenda & Minutes
3. Chair Remarks & Council Member Updates
4. OMA Resolution
5. Office of Broadband Access & Expansion Update
6. Working Group Reports
 - a. Mapping, data & evaluation
 - b. Regional planning & community engagement
 - c. Digital equity & inclusion
 - d. Connect New Mexico Grant Program
7. Connect New Mexico Pilot Program - Status Update
8. Next Steps
9. Discussion
10. Public Comment
11. Adjourn

Designated Working Groups

- Connect New Mexico Grant Program
- Digital Equity and Inclusion
- Regional Planning and Community Engagement
- Mapping, Data, and Evaluation



Office of Broadband Access and Expansion

Status Report to Council
Notice of Funding Opportunity (NOFO)
Connect New Mexico Pilot Program
April 20, 2022

Topics of Discussion

- Activities Since Last Council Meeting
- NOFO Executive Summary
- Key Updates
- Next Steps
- Questions & Discussion

Activities Since Last Council Meeting

Activities

- Participated in five working sessions with the Grant Working Group.
- Obtained detailed feedback on the NOFO draft from several council members.
 - Policies
 - Guidance to stakeholders
 - Clarifications
 - Scoring rubric
- Engaged in staff discussions on various open topics.
- Incorporated feedback into NOFO.

NOFO: Executive Summary (Draft)

Executive Summary	
Opportunity Name	<ul style="list-style-type: none"> Connect New Mexico Pilot Program
Administering Agency	<ul style="list-style-type: none"> Office of Broadband Access and Expansion; Department of Information Technology
Available Funding	<ul style="list-style-type: none"> \$123,000,000 funding pool; \$10,000,000 (per application)
Matching Share	<ul style="list-style-type: none"> Minimum matching share requirement of 25%; waivers may be considered for extenuating circumstances that justifiably prohibit the minimum contribution
Source of Funding	<ul style="list-style-type: none"> American Rescue Plan Act (ARPA) of 2021, Coronavirus Capital Projects Fund Authorized by New Mexico House Bill 2
Funding Instrument	<ul style="list-style-type: none"> Grant
Program Purpose	<ul style="list-style-type: none"> Foster the deployment of broadband access across unserved and underserved areas in New Mexico through sustainable, scalable networks and financially viable business plans that serve all community members (e.g., residents, businesses, institutions) with high-quality, reasonably priced solutions.
Eligible Service Area	<ul style="list-style-type: none"> Those areas in which 80% of the household locations in the applicant's proposed funded service area are either unserved or underserved. An unserved household lacks access to a wireline-based broadband connection offering at least 25/3 Mbps (download/upload) An underserved household has access to a wireline-based broadband connection offering at least 25/3 Mbps but less than 100/20 Mbps
Eligible Project Types	<ul style="list-style-type: none"> A last-mile wireline or wireless network that provides at least symmetrical download and upload speeds of 100 Mbps Last-mile networks not meeting this symmetrical speed standard may be funded when impracticable to deploy due to geography, topography, or excessive cost barriers. The network must reliably offer at least 100/20Mbps and be scalable to symmetrical 100 Mbps. Network facilities that enable last-mile network(s) in the eligible service areas, including middle-mile networks, colocation facilities, data centers, in-building networks, terrestrial-based components of a satellite network, community Wi-Fi deployments
Eligible Entities	<ul style="list-style-type: none"> All tribal and municipal governments, agencies, political subdivisions, public bodies; state agencies; non-profit entities; for-profit entities; cooperative or mutual organizations Collaborations among multiple eligible entities are eligible. One partner must be identified as the lead Applicant.
Eligible Expenses	<ul style="list-style-type: none"> Expenditures for application preparation; network planning; infrastructure deployment; network equipment; long-term leases; right of way, easement and condemnation; personnel; activities related to environmental, historical and cultural assessment, reviews and mitigation; grants administration

Details

- Removed adoption programs as an eligible expense.
 - House Bill 2 does not mention adoption programs.
 - Specifically identifies these activities: “To plan, design, construct, renovate and equip broadband, including alternative and satellite broadband, statewide.”
 - Rely on funding from the Infrastructure Investment and Jobs Act (IIJA) which provides \$2.75 Billion for Digital Equity and Inclusion.
- Consider waivers to the 25% matching share requirement for extenuating circumstances.
 - Proposed due to high capital and operating costs relative to the limited revenue base for New Mexico’s lowest density communities.
 - Some non-commercial entities may face challenges in raising the 25% match.
 - Receive additional points for a higher match to recognize the cost-sharing and financial risk.
- Conduct two versus three waves.
 - Consolidate waves (or rounds) into two phases (rather than three).
 - Provides more time for applicants to prepare for Wave Two.
 - A third wave could be launched next year if funds remain unallocated.

Key Updates: Clarifications and Guidance

Clarifications

- Open network requirement for middle-mile projects
 - Included details regarding open network requirements for middle-mile projects (e.g., interconnection, wholesale broadband services, dark fiber availability)
- Serving comprehensive community
 - Require that all premises within the PFSA shall be served by the funded network – including all households, businesses, and community institutions.
- Tribal government consent and service status confirmation
 - Included a clarifying paragraph on required Tribal outreach for consent to deploy broadband and unserved/underserved status.

Guidance

- Qualifying service areas map
 - OBAE will issue a map of “potential” qualifying areas based on 477 data and input from service providers. A 3rd party validation firm may be hired in the future.
- Rights of way fees from DOT
 - Coordination with DOT team to find an opportunity to publish rates
- Tax guidance
 - Request applicant to consult a tax specialist to determine if grants are subject to tax
- Award agreement
 - Guidance regarding specific terms and conditions
- Low-cost broadband option
 - Guidance regarding pricing for a low-cost option

Key Updates: Scoring Rubric Discussion

Details

- Local workers/contractors
 - Working Group Member(s) Suggestion: Prioritize and employ local workers and contractors.
 - Response: Added a factor to reward points for developing a comprehensive strategy to hire local firms.
- Consortium-based applications
 - Working Group Member(s) Suggestion: Reward additional points for being part of a consortium – e.g., public-private partnership.
 - Response: This will be a factor embedded within community partnerships.
- Granting additional points for a higher matching contribution
 - Working Group Member(s) Suggestion: Do not offer extra points for higher match
 - Response: Maintaining prior policy
 - OBAE aims to encourage a higher matching contribution serves to: 1) align the matching contribution with the true gap in the business case; 2) reward higher financial risk; 3) extend the limited grant funds to as many communities through private leverage.
 - For a non-commercial entity, we'll review attempts to secure matching fund (e.g., internal budget, bonds, etc.). The idea is when an applicant can make a good faith effort to contribute a match, they should get rewarded. However, if they make a good faith effort to explain why they cannot secure the match, those challenges will also be closely reviewed.
- Two-year buildout (requirement or additional points)
 - Working Group Member(s) Suggestion: Provide additional consideration for fast-tracking deployment or require a two-year buildout.
 - Response: Did not accept.
 - Infrastructure deployment inherently takes time, and project extensions may be granted to recognize challenges and obstacles.
 - Providing additional consideration for a timing target that cannot be enforced and is potentially difficult to achieve should not be a scoring consideration.
 - Capital Projects Fund explicitly asks States to prioritize fiber networks, which often require more than two years to deploy.

Pilot Program: Next Steps

- Several program materials and tools are being developed over the next several weeks.

Activities

- Qualifying service area map
- Application and templates
- Detailed scoring rubric
- Timeline for Waves One & Two
- Application guidance
- Landing page

Q & A



- Next Steps
- Discussion
- Public Comment
- Adjournment