



Illinois
Department of Commerce
& Economic Opportunity
OFFICE OF BROADBAND
JB Pritzker, Governor



UNIVERSITY OF ILLINOIS SYSTEM

Closing the Digital Divide in Illinois

BEAD Deep-Dive Webinar: BEAD Match Requirement and Low-Cost Service Requirement

September 4, 2024

BEAD Deep Dive Webinar Series:

Context and Goals



Context:

To align with NTIA requirements, BEAD-funded Connect Illinois Round 4 **differs from Connect Illinois Rounds 1-3**

The Illinois Office of Broadband aims to **help all interested applicants get familiar** with these requirements ahead of the subgrantee process



Goals:

Breaking down the BEAD process

- Walk through key elements and requirements of the Connect Illinois Round 4 subgrantee process
- Clarify specific components of the BEAD program requirements ahead of the subgrantee process
- Provide regular updates on Connect Illinois Round 4

Topics for Discussion Today

1

Recap of BEAD and progress to date

2

Overview of BEAD match requirement

3

Overview of BEAD low-cost plan requirement

1

Recap of BEAD and progress to date

BEAD is a \$42B federal grant program that aims to bring high-speed internet to all Americans

\$42.45 billion

Funds provided for BEAD

The Broadband Equity, Access, and Deployment (BEAD) Program is a federal grant program that aims to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where high-speed internet is currently unavailable

Program highlights

Eligible entities

- All 50 States, District of Columbia, and Puerto Rico
- Other Territories: U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands

Example eligible uses of funds

- Planning for the deployment of high-speed Internet, including conducting research, collecting data, outreach, and training
- Deploying or upgrading Internet in un/underserved areas
- Improving service to community anchor organizations
- Installing Internet and Wi-Fi in multi-unit residential buildings
- Workforce development, including Registered Apprenticeships and pre-apprenticeships, community college and/or vocational training for broadband-related occupations to support deployment, maintenance, and upgrades

What are the goals of BEAD?



The BEAD Program awarded Illinois \$1.04 billion to connect all unserved and underserved locations to broadband over the next 5 years



Ensure universal coverage across all un/underserved locations in the state, maximizing deployment of end-to-end fiber, and only using non-fiber where fiber costs are extremely high¹



Prioritize projects providing broadband access to unserved and underserved locations and community anchor institutions, Wi-Fi equipment for Multi-Dwelling Units (MDUs) then other digital equity and inclusion priorities²



Run subgrantee selection process within one year of approval of the Initial Proposal, and complete implementation within four years of receipt of funds³



Focus on improving broadband affordability through a low-cost broadband service option, and a middle-class affordability plan⁴

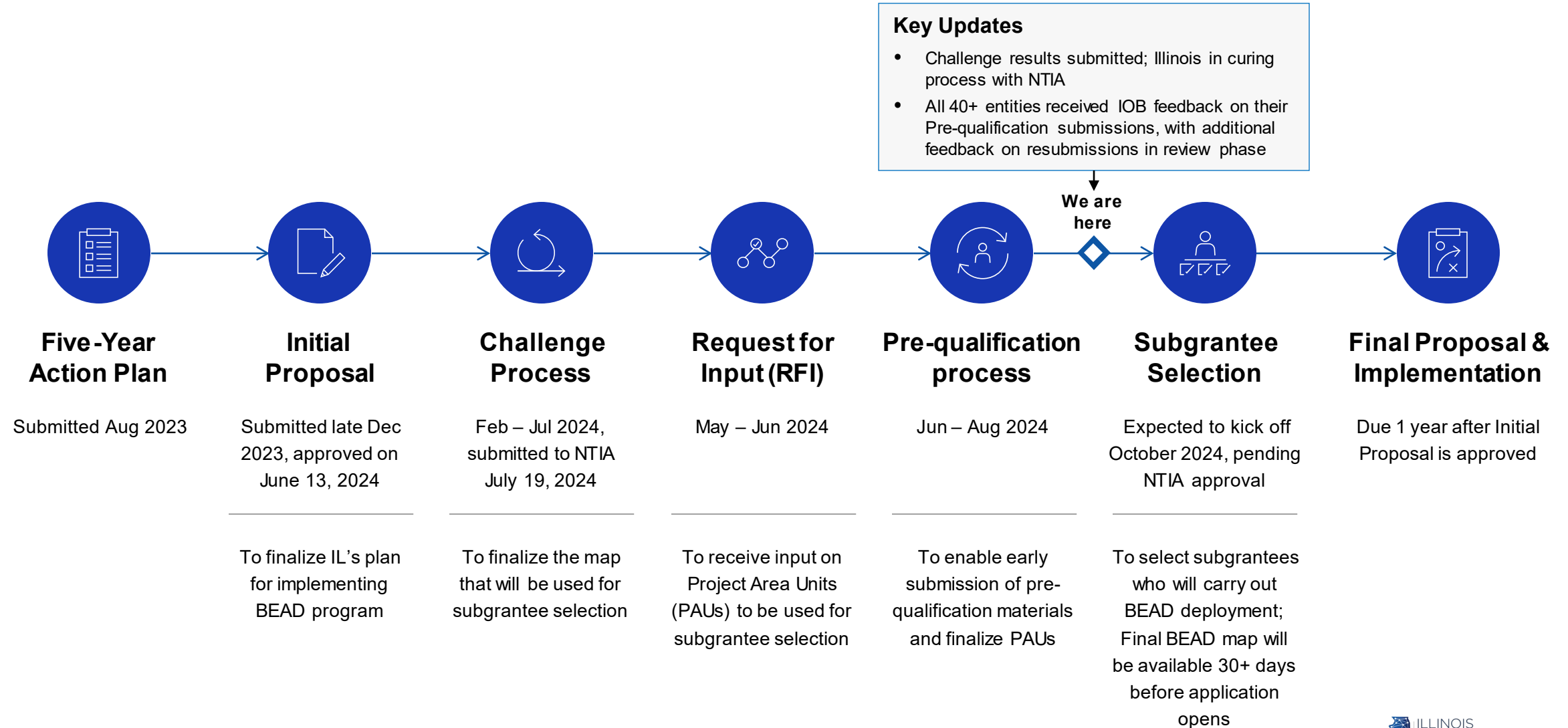
1. Page 14 of BEAD NOFO, on the definition of Priority Broadband Project
2. Page 33 of BEAD NOFO, on the allocation of grant funds
3. Page 65 of BEAD NOFO, on deployment deadlines and benchmarks
4. Page 42-46 of BEAD NOFO, on inclusion of affordability in the BEAD scoring criteria

Source: [BEAD NOFO](#)

Overview of the BEAD-funded Connect Illinois Round 4 timeline

PRELIMINARY TIMELINE - SUBJECT TO CHANGE

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS



2

Overview of BEAD match requirement

Match requirement for BEAD-funded Connect Illinois Round 4

AS OF SEPTEMBER 3, 2024

Context

The BEAD program requires a minimum 25% match of project costs for all BEAD-funded projects, absent a waiver approved by NTIA

The State of Illinois will adopt BEAD requirements on eligible match source and type, and will prioritize applicants with a higher match during the application process through its BEAD-compliant scoring criteria

Discussion topics

- A Overview of BEAD match requirements
- B Eligible match source and types
- C Match scoring and documentation

A. BEAD match requirements

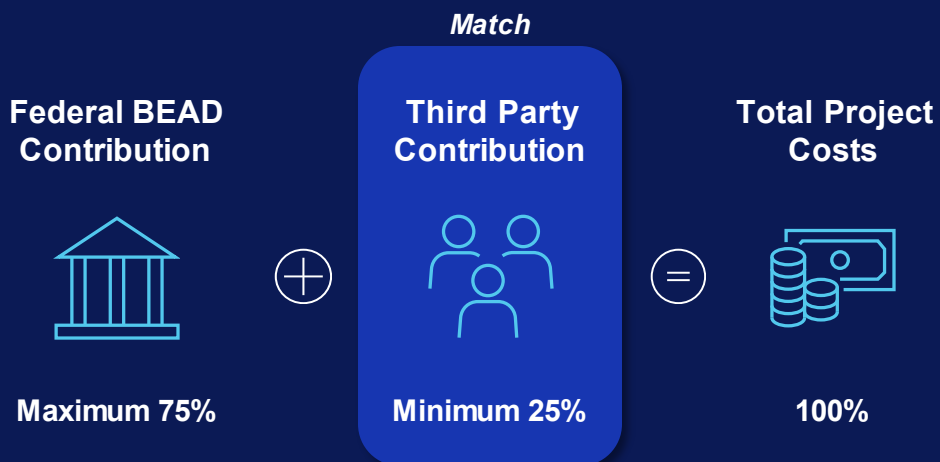
Overview of BEAD match

What is a match?

Match, also known as cost share, is the **portion of a project's cost not paid by federal funds**

BEAD match can be **either cash or in-kind contributions**, as long as they are consistent with 2 C.F.R. Part 200

Deep Dive to Follow



Source: NTIA, "[BEAD Match Primer](#)"; [BEAD NOFO](#); [2 CFR 200.306](#)

Criteria for BEAD matching funds

All matches must adhere to the requirements in **2 CFR 200.306**:

- Verifiable from the non-federal entity's records
 - Not included as contributions for any other federal award
 - Necessary and reasonable to accomplish project or program objectives
 - Allowable under subpart E of CFR 200.306
- Deep Dive on BEAD exceptions to follow*
- Not paid by the federal government under another federal award, except where the federal statute authorizing a program specifically provides that federal funds made available for such program can be applied to matching or cost sharing requirements of other federal programs

Deep Dive on BEAD exceptions to follow

- Provided for in the approved budget when required by the federal awarding agency
- Conform to other provisions of 2 CFR 200.306, as applicable

A. BEAD match requirements

Required amount and waiver for BEAD match

How much match does BEAD require?

BEAD requires a minimum 25% match for deployment projects

However, the match requirement is waived for deployment projects in BEAD-defined High-Cost Areas

In the State of Illinois, this **specifically refers to the following Census Block Groups** (as of August 2024 per NTIA):

- 170230601005 (Clark County)
- 171018808003 (Lawrence County)
- 171030001003 (Lee County)
- 171239613001 (Marshall County)
- 171599779003 (Richland County)
- 171979800001 (Will County)

Is there a waiver for the match requirement?

If an applicant cannot meet the 25% match requirement, the **applicant can petition the State to apply for a match waiver from the NTIA** for their proposed project, which will be subject to the NTIA's approval

The petition must demonstrate:

- The special circumstances underlying the request
- An explanation of how a waiver would serve the public interest and effectuate the purposes of the BEAD Program


The NTIA, at its sole discretion, may choose to deny a full or partial waiver of the match requirement, in which case the applicant must provide the full 25% match

B. Eligible match source and types

Match sources: Eligible match providers

Who can provide a match for Connect Illinois Round 4?

Any combination of:

- 
The subgrantee
- 
Federal regional commission / authority
- 
Philanthropic organization
- 
For-profit company
- 
Unit of local government
- 
Regional planning/ government organization
- 
Utility company
- 
Cooperative
- 
Non-profit organization

Deep dive: Federal program funds as match

While other federal program funds generally may not be used as match, the Infrastructure Investment and Jobs Act expressly allows BEAD matching funds to come from a **federal regional commission or authority**, or from **funds provided to a subgrantee for deploying broadband service to the extent permitted by law under:**

- Families First Coronavirus Response Act of 2020
- CARES Act of 2020
- Consolidated Appropriations Act, 2021
- American Rescue Plan Act of 2021
- Loan funding issued through a federal agency (e.g., USDA ReConnect Program)

Note: When using federal program funds as match, the **original federal program’s requirements** (e.g., “spend-by” dates) **will apply to the project on top of BEAD requirements**



B. Eligible match source and types

Match sources: Eligible match type

What can count as a match?



Cash match (Cash contribution)

Cash spent for project-related costs, from the subgrantee or another eligible third party



In-kind match (In-kind contribution)

Non-cash donations of property, goods, or services which benefit a federally assisted project, and may count toward satisfying the non-federal matching requirement of a project's total budgeted costs when meeting certain criteria

In-kind contributions must be **allowable and allocable project expenses**

In-kind contributions **may come from a third party**

Deep dive: In-kind match

In-kind contributions could include:

- Employee or volunteer services
- Equipment
- Supplies
- Indirect costs
- Computer hardware and software
- Use of facilities (e.g., waiver of fees associated with access to rights of way, pole attachments, conduits, easements, or other types of infrastructure (consistent with federal cost principles))

In-kind contributions of articles, materials, and supplies to a project are subject to the requirements of the Build America, Buy America (BABA) Act and the U.S. Department of Commerce's BABA Limited Waiver for the BEAD program

C. Match scoring and documentation

BEAD match and Connect Illinois Round 4 scoring

Connect Illinois Rd 4 Scoring Criteria		Score %
Primary¹	Minimal BEAD Program outlay: non-state match	20%
	Minimal BEAD Program outlay: financial need with respect to reference cost	30%
	Affordability	15%
	Fair Labor Practices	15%
	80%	
Secondary/ additional²	Speed to deployment	3%
	Speed of network & technical capabilities	4%
	Open access	3%
	Local coordination	10%
20%		
Total		100%

1. BEAD-stipulated criteria that must collectively account for no less than 75% of total points
 2. Other BEAD-stipulated criteria (Speed to Deployment, Speed of Network and Technical Capability), and additional criteria (Open Access, Local Coordination) that are not required but encouraged per the BEAD NOFO

Scoring table for nonstate matching funds provided

Percent of eligible project costs covered by nonstate match	Points
60% or more	20
55-59.9%	17
50-54.9%	14
45-49.9%	11
40-44.9%	8
35-39.9%	5
30-34.9%	2
Less than 30%	0

Documentation of match

Consistent with prior Connect Illinois rounds, documentation to validate match availability is required as part of the application (e.g., letter of credit, bank letter confirming funds, board resolution, loan documentation)

If additional financial partners will contribute, the application must also include the list of partner(s) and documentation of match amount / availability for each partner

C. Match scoring and documentation

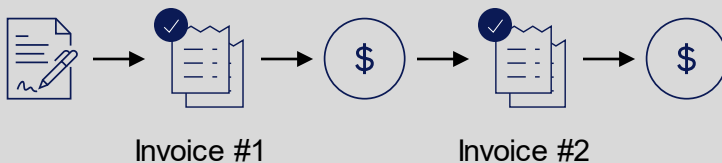
BEAD match and fixed amount subawards

What are fixed amount subawards?

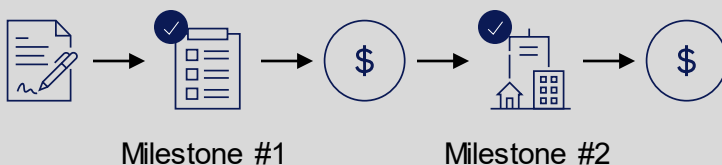
Fixed amount subaward payments are based on **completing milestones** rather than as-incurred reimbursement of costs

Connect Illinois Round 4 will use fixed amount subawards to **streamline BEAD fund disbursements** and **reduce administrative burden to the State and subgrantees**

Traditional
Federal Cost
Principles¹



Fixed Amount
Subawards



1. NTIA also has exempted BEAD subgrants from federal procurement standards, property standards, and program income rules

Source: NTIA "Fixed Amount Subaward Overview"; NTIA "Policy Notice: Tailoring the Application of the Uniform Guidance to the BEAD Program"; NTIA, "BEAD Match Primer"

How would fixed amount subawards impact match requirements?

- 1 Subgrantee award agreements will include confirmation of the project's match requirement and how the subgrantee will provide the match
- 2 Match must be reported to the State at each project milestone and/or unit built, and verified through documentation and subgrantee statements
- 3 The State will report on match and drawdowns to NTIA as part of its grant monitoring requirements and verify match through NTIA Federal Program Officer (FPO) monitoring

3

Overview of BEAD low-cost plan requirement

Introduction to BEAD-required low-cost broadband service option for Illinois

AS OF SEPTEMBER 3, 2024

Context

The Infrastructure Act requires that each subgrantee receiving BEAD funding (to deploy network infrastructure) **offers at least one low-cost broadband service option**

The State has defined a low-cost plan in line with BEAD guidelines that **Connect Illinois Round 4 awardees will be required to provide to eligible subscribers**

Discussion topics

- A Introduction to the State of Illinois's BEAD low-cost service option**
- B Overview of Eligible Subscribers for BEAD low-cost service option**

A. Illinois's BEAD low-cost service option

Introduction to the State of Illinois's BEAD low-cost service option

AS OF SEPTEMBER 3, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

- **Cost to the subscriber**, inclusive of all taxes, fees, and charges, with no additional non-recurring costs/fees:
 - ≤ **\$30 per month** if the subscriber does not reside on Tribal Lands
 - ≤ **\$75 per month** if the subscriber resides on Tribal Lands
- Allows subscriber to **apply the Affordable Connectivity Benefit subsidy** to the service price
 - **Note:** BEAD subgrantees are required to participate in the ACP or any successor program, and Eligible Subscribers can apply the subsidy to the low-cost service
 - Should the ACP or any successor program expire or fail to be established, the low-cost service option will remain as defined here
- **Provides the greater speed** between:
 - Typical speeds of ≥ 100/20Mbps, or fastest speeds capable by the infrastructure if < 100/20Mbps
 - Performance benchmark for fixed terrestrial broadband service established by the FCC pursuant to Section 706(b) of the Communications Act of 1934, as amended
- Provides typical **latency measurements of ≤ 100 milliseconds**
- **Is not subject to data caps, surcharges, or usage-based throttling**, and is subject only to the same acceptable use policies for all other home subscribers for the subgrantee
- If the subgrantee later offers a low-cost plan with higher speeds, **permits Eligible Subscribers who are subscribed to the low-cost broadband service option to upgrade to the new low-cost offering at no cost**

B. Eligible Subscribers for low-cost service option

Criteria for Eligible Subscribers for BEAD low-cost service option

AS OF SEPTEMBER 3, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

The State will apply the **eligibility criteria that was used for the ACP** to define Eligible Subscribers for the BEAD low-cost broadband service option

The low-cost broadband service option requirement will be included in enforceable grant agreements, where the subgrantee must commit to providing low-cost broadband service to subscribers who can confirm that they meet the eligibility criteria that was used for the ACP

Additionally, awardees will be **required to report their full prices** (without discounts and including fees and other charges) and speed levels for all offered speeds to the State **semi-annually**



Per the FCC, a household was eligible for the ACP if **a member of the household meets at least one of the criteria below:**

- Has an income that is at or below 200 percent of the federal poverty guidelines;
- Participates in certain assistance programs, such as SNAP, Medicaid, Federal Public Housing Assistance, SSI, WIC, or Lifeline;
- Participates in Tribal-specific programs, such as the Bureau of Indian Affairs General Assistance, Tribal TANF, or Food Distribution Program on Indian Reservations;
- Is approved to receive benefits under the free and reduced-price school lunch program or the school breakfast program, including through the USDA Community Eligibility Provision in the 2019-2020, 2020-2021, or 2021-2022 school year;
- Received a Federal Pell Grant during the current award year; or
- Meets the eligibility criteria for a participating provider's existing low-income program



Stay informed!

Next Webinar:

September 11, 12-1PM (every Wednesday)

**Sign up to receive updates from the
Illinois Office of Broadband**

<https://bit.ly/IOBPartner>