

**Combined Five Year Broadband Planning and Two Year Mapping Budget, Federal funds and Match**

	<b>Applicant</b>	<b>Federal</b>	<b>Total</b>	<b>Notes</b>
	<b>Share</b>	<b>Share</b>		
Personnel Salaries	167,847	434,675	602,523	
Personnel Fringe Benefits	88,392	93,239	181,631	
Travel	-	91,234	91,234	
Equipment	-	81,003	81,003	
Materials/Supplies	-	18,475	18,475	
Subcontracts	74,997	487,002	562,000	
Construction	-	-	-	
Other	45,400	30,400	75,800	
<b>Total Direct Costs</b>	<b>\$ 376,636</b>	<b>\$ 1,236,028</b>	<b>\$ 1,612,665</b>	
<b>Total Indirect Costs</b>	<b>154,987</b>	<b>529,726</b>	<b>684,714</b>	
<b>Total Costs</b>	<b><u>\$ 531,624</u></b>	<b><u>\$ 1,765,754</u></b>	<b><u>\$ 2,297,378</u></b>	

Detailed Mapping Budget

Cost	YEAR 1			YEAR 2			Total	Notes
	Applicant Share	Federal Share	Total	Applicant Share	Federal Share	Total		
Personnel Salaries								
<b>Total</b>	<b>54,187</b>	<b>129,535</b>	<b>183,722</b>	<b>54,187</b>	<b>134,714</b>	<b>188,901</b>	<b>372,623</b>	
Personnel Fringe Benefits								
Employer's FICA Tax		9,909	9,909		10,306	10,306	20,215	
Unemployment Tax		648	648		674	674	1,322	
Health/Dental/Vision Insurance		7,383	7,383		7,679	7,679	15,062	
Disability & Life Insurance		777	777		808	808	1,585	
Accrued Paid Time Off		4,663	4,663		4,850	4,850	9,513	
SIMPLE Match		3,886	3,886		4,041	4,041	7,927	
Gym Benefit		130	130		135	135	265	
Professional Development		389	389		404	404	793	
Michigan Benefits								
Senior Analyst	12,337	-	12,337	12,337	-	12,337	24,674	
Right of Way/Broadband Specialist	16,199	-	16,199	16,199	-	16,199	32,398	

Total

Travel

Total

Equipment

Total

Materials/Supplies

Total

Subcontracts

Total

Construction

Total

Other

Total	27,500	20,000	47,500	17,900	10,400	28,300	75,800
Total Direct Costs	155,251	549,977	705,228	130,592	337,113	467,705	1,172,933
Total Indirect Costs	63,322	235,704	299,026	52,754	144,477	197,231	496,257
Total Costs	218,573	785,681	1,004,254	183,346	481,590	664,936	1,669,190

\$1,267,271.00  
 498,483.00  


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 1,765,754.00





Personnel Salaries

Total

Personnel Fringe Benefit

Total

Travel

Total

Equipment

Total

Materials/Supplies

Total

Subcontracts

Total

Construction

Total

Other

Total

Total Direct Costs

Total Indirect Costs

Total Costs



State of Michigan  
Revised Planning Narrative  
November 9, 2009

The State of Michigan has worked closely with Connected Nation, through its wholly owned subsidiary Connect Michigan, to develop a proposal for broadband planning, based on the specific planning needs within Michigan. Meanwhile Connected Nation has been working closely with 9 other states to understand their specific broadband planning needs. In the course of these discussions, Connected Nation found that although each state is unique in the specific state players involved in the planning opportunity, there are three core planning needs that are consistent across states, including Michigan:

- (1) The need for better supply-side and demand-side data to inform broadband planning discussions,
- (2) The need for a user-friendly analytical framework for decision-making, empowering a state to make the best use of the mapping data for planning purposes in relation to other datasets, including consumer market data, demographic data, and existing state GIS data, and
- (3) The need for coordinated human resources to prepare and facilitate research-based and data-driven planning discussions among relevant state and local officials/leaders, capture the collective recommendations and decisions of the state through the preparation and production of a strategic plan, and assist the state in the implementation of its strategic plan.

According to the NOFA, page 33, lines 696 through 703, “In addition to inclusiveness and collaboration, proposals including planning components will be evaluated based on how well the proposed planning process will identify service availability gaps, analyze problems and opportunities related to broadband deployment, and determine priorities as well as resolve conflicting priorities. Planning proposals must present the following: (1) the BDIA-related purpose as listed in footnote 6; (2) the problem(s) to be addressed; (3) the proposed solution; (4) the anticipated outcomes of the project; and (5) the cost of such proposal in light of the previous factors.”

Through the State of Michigan’s proposal for broadband planning, the Michigan Public Service Commission (MPSC) will work collaboratively with Connect Michigan to implement a planning program to achieve a number of the BDIA-related purposes, listed below. Connect Michigan is working directly with Robin Ancona, Director of the Telecommunications Division at the MPSC as the State’s single point of contact on the project. Ms. Ancona will facilitate coordination with the Michigan Department of Information Technology and other state agencies and will also communicate, on behalf of Connected Nation, the regular program status reports to the Governor’s Economic Recovery Office. MPSC is part of a broadband planning consortium for the State of Michigan and intends to use the BroadbandSTAT application employed in Connected Nation’s mapping program to inform the statewide planning efforts and support Michigan’s stimulus applications. The program will be led by the State of Michigan with



technical assistance from Connect Michigan. The program will develop data-driven analysis on the problems and opportunities related to broadband deployment and adoption, establish priorities through the development of an ongoing strategic plan, to be updated as priorities evolve, and ultimately serve as the basis for implementation of program priorities, as dictated by the State of Michigan. The primary analytical tool for the program will be BroadbandSTAT, a GIS analytics solution developed jointly by Connected Nation and ESRI to provide the next generation in broadband mapping and decision-making. For a detailed description of the BroadbandSTAT platform see responses to *Section c. Accessibility* as described in Michigan's initial SBDD application. Specifically, the recommended planning program will:

**(1) Address the following BDIA-related purposes as listed in footnote 6 of the NOFA<sup>1</sup>:**

- a. To develop and provide a baseline assessment of broadband deployment in the state;
- b. To identify and track the areas with low levels of broadband deployment, and, via statistical survey research, the rate at which residential and business users adopt broadband service and other related information technology services, and possible suppliers of such services;
- c. To identify via statistical survey research barriers to the adoption of broadband service and information technology services;
- d. To collaborate with broadband service providers and information technology companies to encourage deployment and use;
- e. To collect and analyze detailed market data concerning use and demand for broadband service; and
- f. To facilitate information exchange regarding use and demand for broadband services between public and private sector users.

**(2) Address the following problems:**

- a. The current lack of analysis and understanding regarding the statewide broadband landscape – in particular, which geographic areas are in greatest need of support and/or subsidy;
- b. The current lack of analysis and understanding regarding i) the barriers to broadband deployment in specific unserved and underserved areas, and ii) the specific opportunities for achieving increased broadband deployment based on the market conditions and geographic/demographic variables of each area;
- c. The current lack of analysis and understanding regarding the barriers to increased broadband adoption and computer ownership in order to develop effective programs for improving information technology use;

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<sup>1</sup> This list accounts for six of the ten BDIA-related purposes as listed in footnote 6 of the NOFA. The four purposes not included in this list are those that fall well outside the budget of the \$500,000 (county-level local technology planning teams and computer ownership programs) and the two purposes that are already accounted for within the scope of the NOFA requirements for data collection (identification of available broadband speeds and creation of a geographic inventory map of broadband service).

- d. The currently untapped potential for coordination across both public and private sectors, including state agencies and broadband providers, to achieve increased broadband deployment and improved broadband adoption and computer ownership.

**(3) Propose a solution by:**

- a. **Establishing a program of ongoing market based survey research to identify Internet technology use and barriers to broadband adoption among residents and businesses.** This survey research effectively captures a state's need for demand-side data (in addition to the supply-side mapping data) to support and inform decision-making. In an effort to make most efficient use of planning dollars, Michigan is proposing to use the data verification surveys already proposed through the mapping program to enable a richer dataset for broadband planning purposes. To this end, Michigan has proposed to insert additional survey questions in the proposed surveys that will be conducted to verify mapping data. This consumer research will produce statistically significant data across demographics on broadband adoption rates, computer ownership rates, barriers to broadband and computer use, and specific online applications use. This research will inform data-driven decision-making for statewide broadband expansion by using current, state-specific market data, enabling targeted and cost-effective broadband programs focused on particular segments of the population, based on the areas of greatest need. This statistical survey data is married with the rich empirical data of the mapping program and other state-specific data to produce highly unique inputs to the BroadbandSTAT decision support system.
- b. **Establishing BroadbandSTAT as Michigan's broadband decision support system (DSS) to drive an effective and efficient means for consumption and analysis of supply-side and demand-side broadband data, in tandem, for research-based decision-making on broadband policy and programs.** The ESRI/Connected Nation developed BroadbandSTAT application represents the nexus of Michigan's mapping and planning efforts. In conjuncture with the research effort underwritten by these same planning monies, the underpinning data becomes inherently unique to Michigan and offers those stakeholders a platform that grows with them as their broadband supply and adoption challenges evolve. The value of the toolset continues to produce return well beyond the initial analysis as the incorporation of subsequent survey research efforts, mapping updates and/or state-provided data layers provides the feedback loop necessary to make informed broadband planning decisions.
- c. **Building a collaborative broadband planning team, made up of human resources from the State of Michigan and Connected Nation.** To assist the state, Connected Nation will provide project management and technical assistance staff to work directly with the Michigan Public Service Commission. The explicit activities that result from investment in the proposed planning program would be developed in close

collaboration with the state sponsor in the form of a strategic plan that advances the mission of an existing state broadband initiative or effectuates the vision of a new state program. Activities of Connected Nation human resources include:

2. Preparation and facilitation of research-based and data-driven planning discussions among relevant state and local officials/leaders, as overseen by and in coordination with the State of Michigan.
3. Capturing the collective recommendations and decisions of the State of Michigan through the preparation and production of a strategic plan, and
4. Assisting the state in the implementation of its strategic plan, as directed.

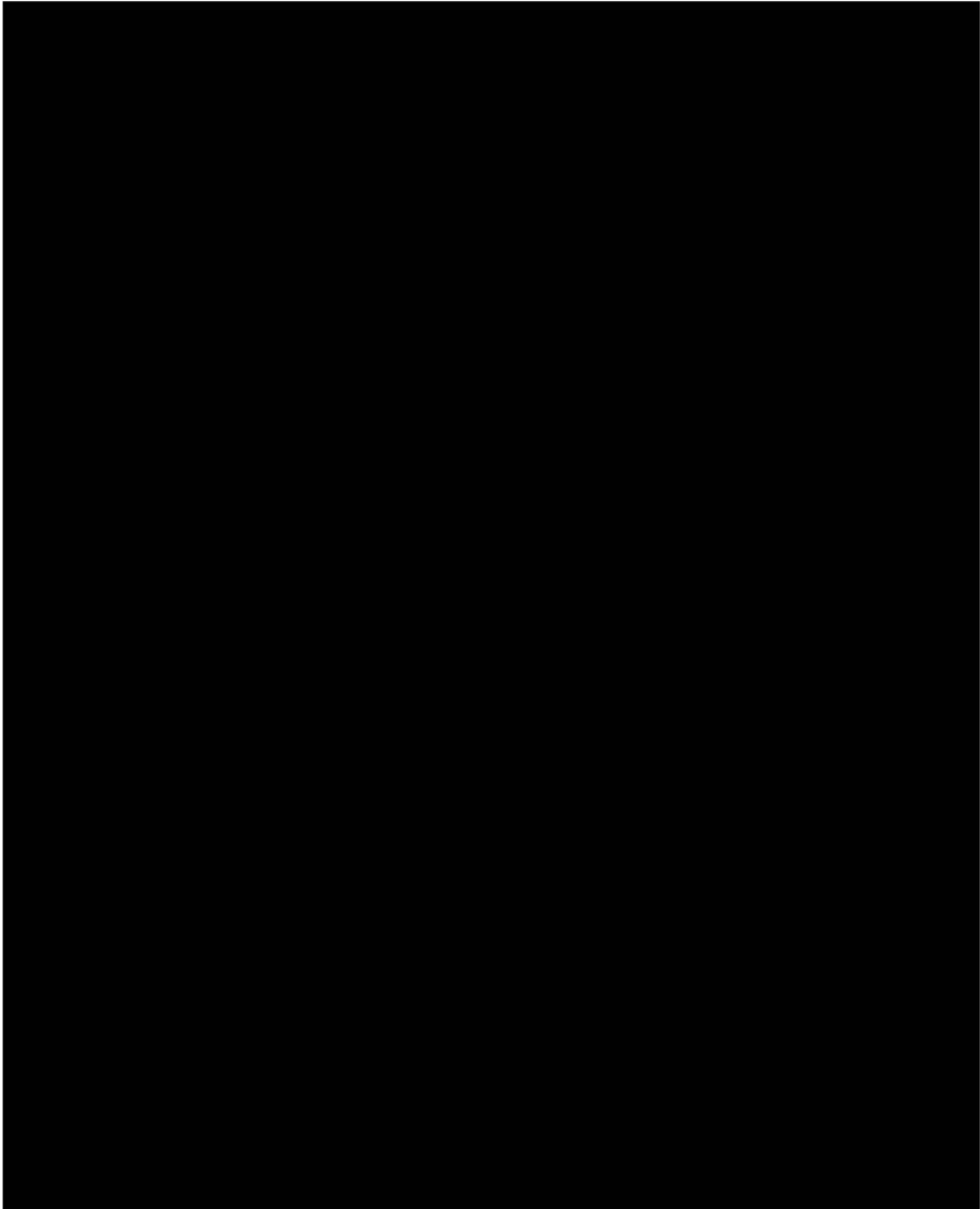
**(4) Produce the following anticipated outcomes:**

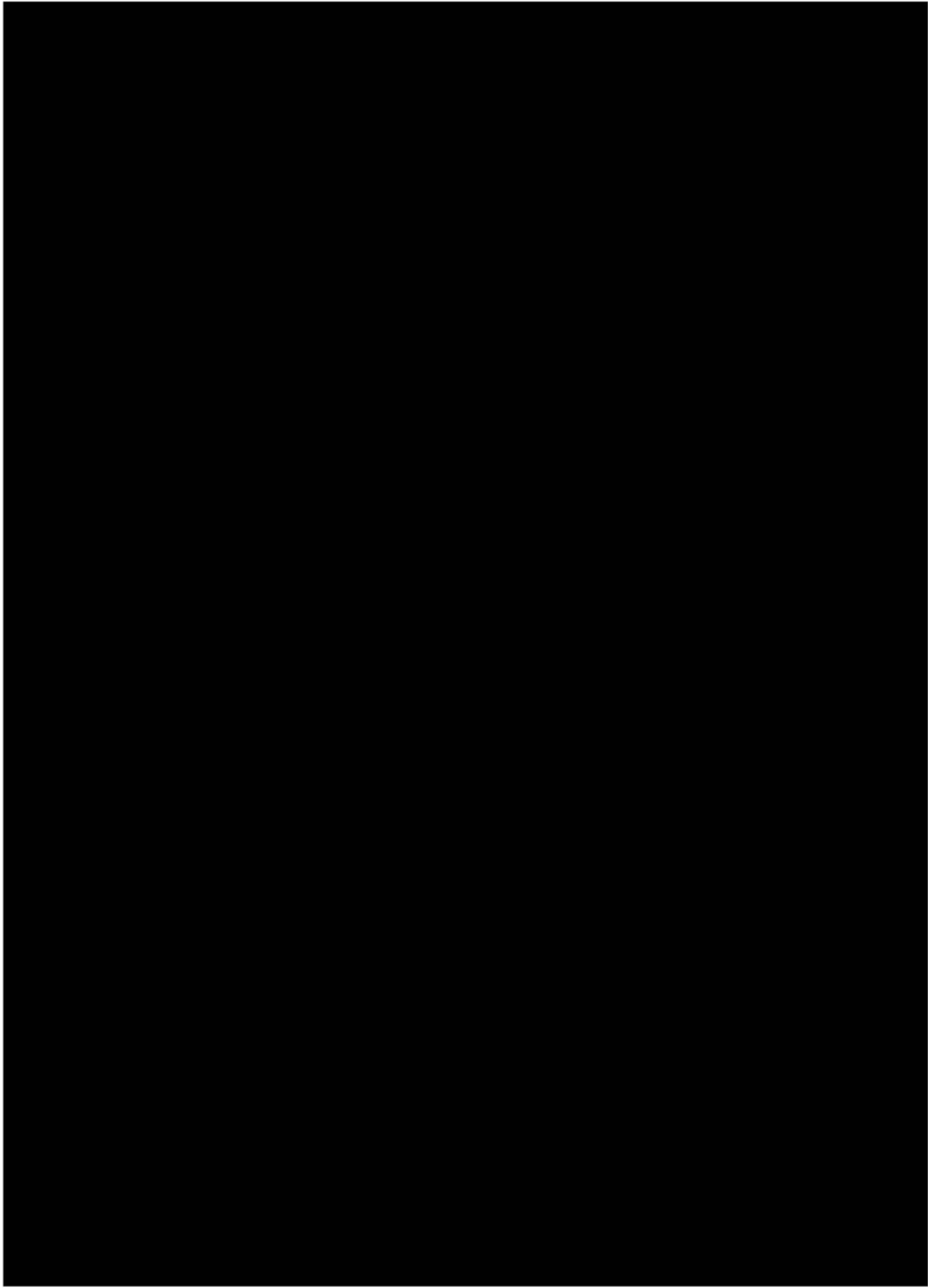
- a. Increased coordination and collaboration among Michigan's various private and public sector stakeholders to achieve increased broadband deployment and adoption.
- b. Data-driven decision-making for state policymakers and local leaders to effectuate an information-based environment, including the efficient use of supply-side and demand-side data in tandem, for effective broadband policy and program development.
- c. Collaborative creation and maintenance of the State of Michigan's strategic plan for increased broadband deployment and adoption, particularly in unserved and underserved areas and among vulnerable populations. The strategic plan will include specific program recommendations, to be continually informed by the ongoing broadband mapping and survey research, resulting in a dynamic and continually relevant statewide broadband plan.
- d. Effective implementation of the State of Michigan's evolving strategic plan for sustainable broadband deployment and adoption, in light of Michigan's specific broadband needs and regional/demographic characteristics, as identified during the planning process.

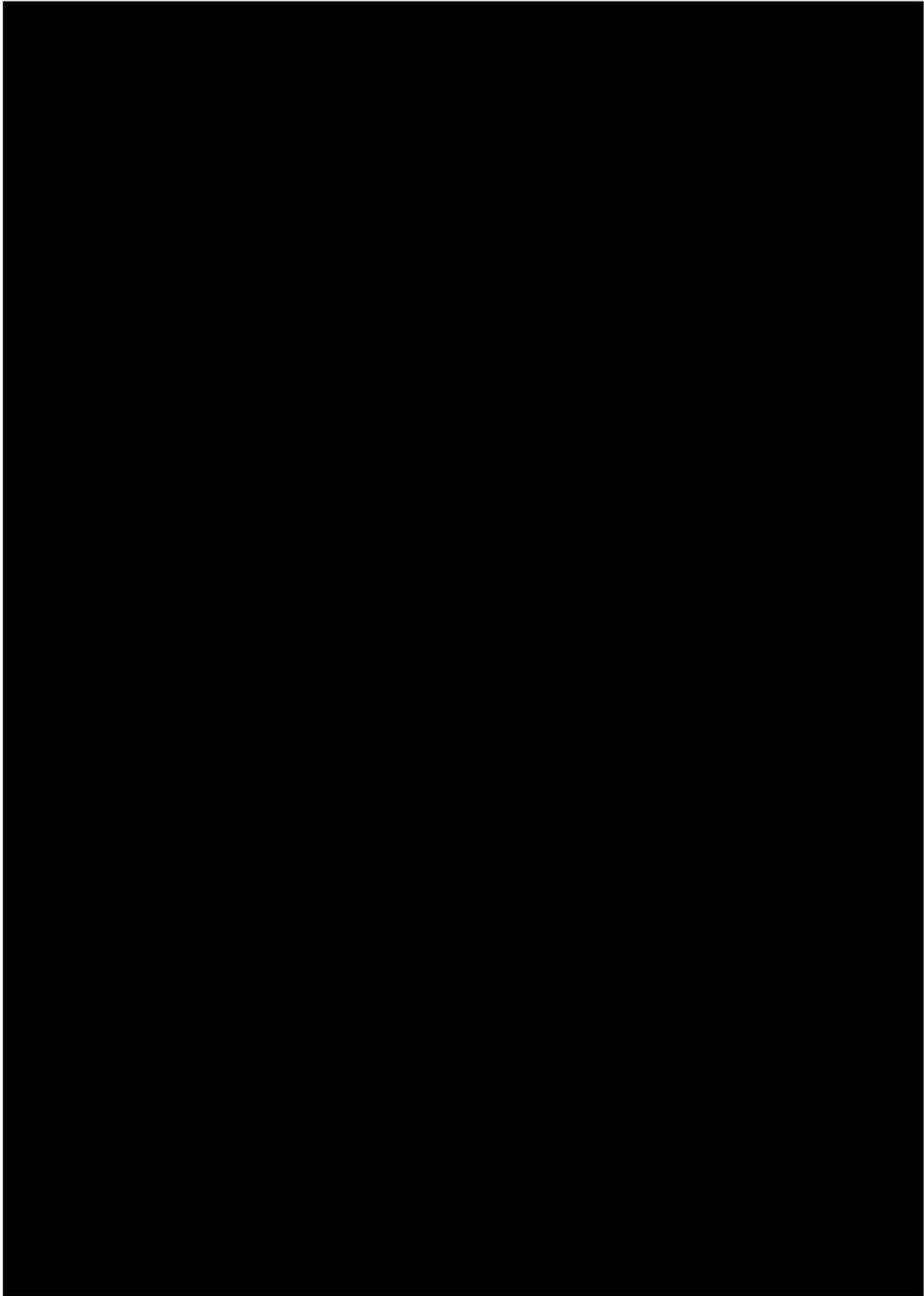
This planning proposal would meet all requirements of the SBDD NOFA, while directly targeting the evaluation criteria for the planning component of the SBDD grant. Ultimately, the Michigan broadband planning program would enable and drive targeted opportunities for demand-side programs, such as computer ownership programs and local planning teams, as well as supply-side infrastructure opportunities. The result would be a broadband planning framework for the state of Michigan that empowers data-driven, research-based analytics to maximize and coordinate broadband stimulus funding across all federal grant/loan programs.

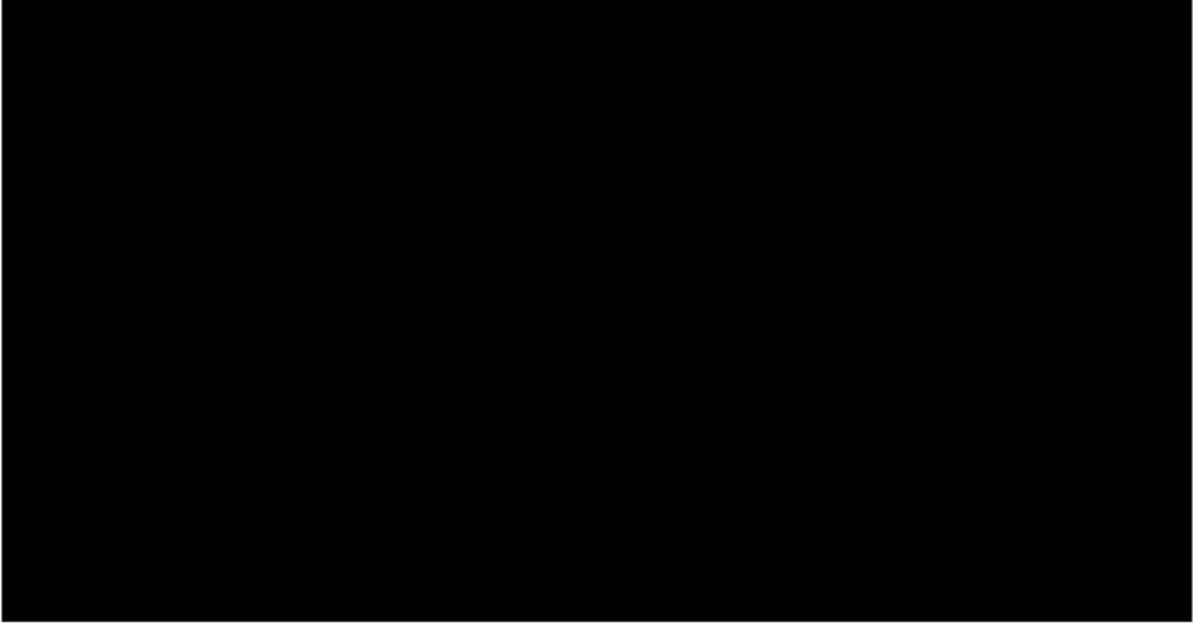


STATE OF MICHIGAN  
PLANNING NARRATIVE









***Personnel Fringe Benefits: For each position allocated to the projects, provide the cost for fringe benefits, if available.***

### **Fringe Benefits**

Fringe benefits are projected as a percentage of the personnel's annual salary calculated as follows: Employer's FICA Tax (7.65%), Unemployment Tax (.5%), Health/Dental/Vision Insurance (5.7%), Disability & Life Insurance (.6%), Accrued Paid Time Off (3.6%), SIMPLE match (3%), Gym benefit (.1%), and Professional Development (.3%). The total projected percentage cost will be 21.45% of the personnel salaries for years 1 through 5. Projected fringe benefit cost for CN staff for years 1 through 5 are \$6,761, \$7,030, \$7,293, \$7,585, and \$7,888 respectively, all requested from federal funds.

State of Michigan benefits for the State of Michigan staff for years 1 through 5 is \$6,264 each year, all paid from an in-kind contribution from the state.

### **Projected Travel Costs**

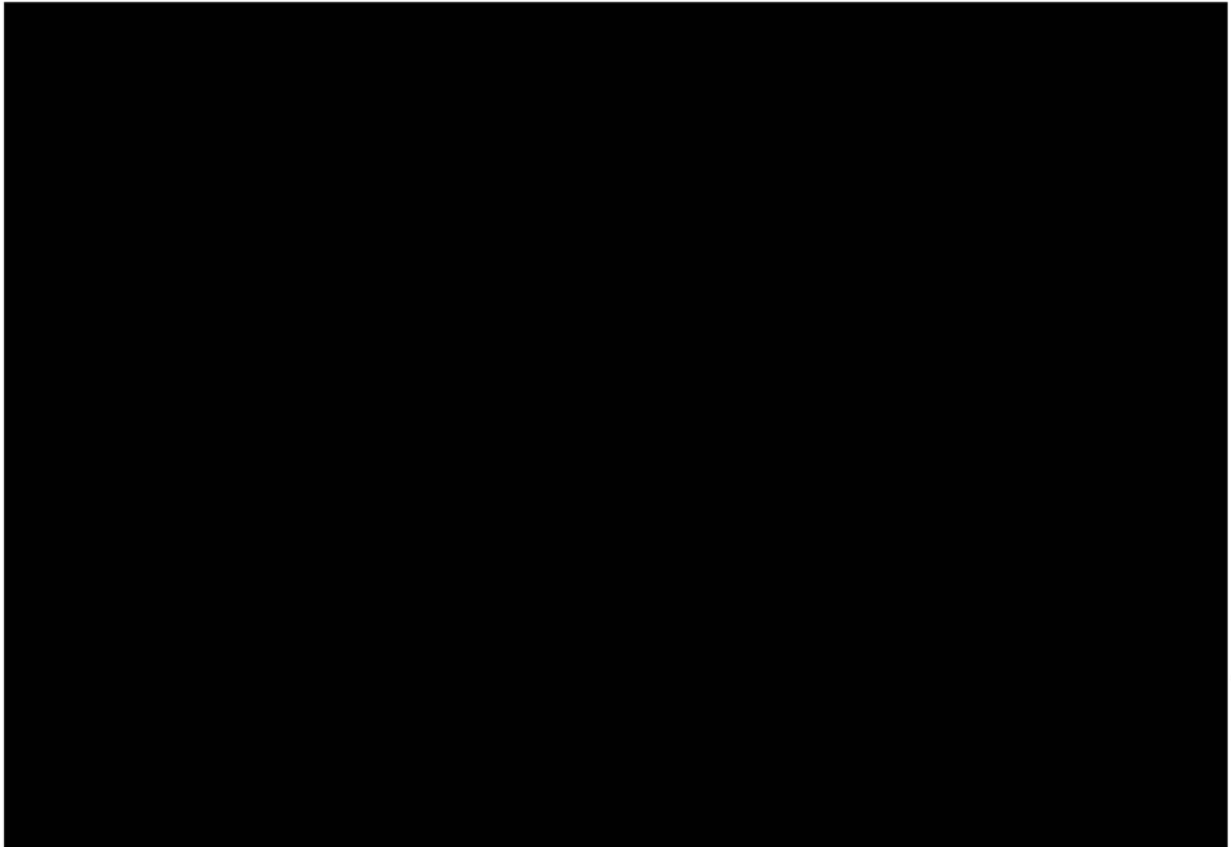
Michigan travel costs consist of planned trips by the project manager for project oversight and stakeholder relations. Airplane travel cost is projected to be \$500 per roundtrip with 9 trips with a total cost of \$4,500 allocated between mapping (50%) and planning (50%). In year 2, 3 trips are expected for a total cost of \$1,560 and 2 trips expected in each of years 3 through 5 for a total cost of \$1,082, \$1,125, and \$1,170, respectively. All travel costs for years 2 through 5 reflect a 4% annual inflation adjustment. Hotel room cost is projected to be \$200 per room with 9 nights' occupancy for a total cost of \$1,800 allocated between mapping (50%) and planning (50%). In year 2, 3 nights' occupancy is expected for a total cost of \$624 and 2 nights' occupancy in each of years 3 through 5 for a total cost of \$433, \$450, and \$468, respectively. Rental car expense is projected to be \$90 per day with 9 days projected rental in year 1 for a total cost of \$810 and with 6 days projected rental in year 2 for a total cost of \$562 and 4 days projected in each of years 3 through 5 for a total cost of

\$389, \$405, and \$421, respectively. Per diem allowance for meals is projected at \$45 per day based on the current standard federal per diem rate, with 9 days of travel in year 1 for a total cost of \$405 and with 6 days of travel in year 2 for a total cost of \$281 and 4 trips expected each of years 3 through 5 for a total cost of \$195, \$202, and \$211, respectively. Mileage travel cost is projected at \$.55 per mile, the current applicable standard federal rate, and average trips of 120 miles with 9 expected total trips in year 1 for a total cost of \$594 allocated between mapping (50%) and planning (50%), 3 expected trips in year 2 and 2 trips in each of years 3 through 5 for a total cost \$297, \$206, \$143, \$148, and \$154, respectively, all requested from federal funds.

Connected Nation may incur additional travel expenses as needed to fulfill the requirements of this project.

***Equipment: For hardware costs, provide a detailed description of all equipment to be purchased, when it will be purchased in the first two years, and the basis for the figures used.***

### **Equipment**



Connected Nation may purchase other equipment as needed to fulfill the requirements of this project.

***Subcontracts: For any significant subcontract, please provide the cost allocation in a format similar to the one listed directly above. Your current contractor budget only allocates***



*personnel hours. If the contractor will be purchasing any equipment, performing any travel, etc. that should be clearly delineated.*

#### Subcontracts



Connected Nation may engage other subcontractors as needed to fulfill the requirements of our contract with Michigan.

#### Indirect Costs

Indirect costs are included at a rate of 30%. While Connected Nation does not currently hold a federal indirect cost rate, CN has calculated its rate in anticipation of requesting an indirect cost rate from the Department of Commerce. Total indirect costs in year 1 are \$39,744 with \$7,782 paid by the state and \$31,961 requested from federal sources. Total indirect costs for year 2 are \$34,235 with \$7,782 paid by the state and \$26,452 requested from federal sources. Total indirect costs for year 3 are \$36,976 with \$7,782 paid by the state and \$29,194 requested from federal sources. Total indirect costs for year 4 are \$38,144 with \$7,782 paid by the state and \$30,362 requested from federal sources. Total indirect costs for year 5 are \$39,358 with \$7,782 paid by the state and \$31,576 requested from federal sources.

#### ***Applicant Capacity, Knowledge, and Experience:***

- 1. As described in the NOFA, please provide a description of the knowledge and experience of the applicant and associated project personnel. If you have not yet hired***

*for certain positions please provide a description of the qualifications and expected work activities for these positions.*

