

Illinois Office of Broadband
Connect Illinois Round 3
Performance Report

Capital Projects Fund
2024 Report

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Executive Summary

The Connect Illinois Broadband Grant Program represents an integral and strategic component of the comprehensive 2019 Rebuild Illinois infrastructure program. The Capital Projects Fund supports Connect Illinois Round 3, in which the Department of Commerce and Economic Opportunity funds proposals that support broadband deployment to expand and strengthen existing broadband network infrastructure, health information technology, telemedicine, distance learning, and public safety.

This reporting period included multiple application waves and awards to strong proposals, based on a merit review process and considering geographic need and diversity. Producing grant agreements and initiation of projects will continue through the next quarter. Recipients with executed grant agreements received working capital advance funds to begin the work on the construction projects.

Challenges the Office faced throughout this program include ensuring grantee preparation is complete prior to construction starting. Staff work with grantees to ensure awareness of and compliance with rules and regulations, State goals, and other requirements. This is essential to ensure that projects are complete by the required deadlines per their grant agreements and CPF requirements.

The projects under contract are beginning the work of constructing networks to connect Illinois residents. Key outcomes that the Office is tracking include households connected to broadband.

Uses of Funds

Over FY24, Connect Illinois Round 3 solicited applications, identified awardees, executed grant agreements, and initiated construction. 24 grant agreements were executed with 16 on deck ready to be finalized once the department completes its fiscal year transition. \$30,088,777.80 in construction dollars have been issued. Office staff, including grants management, compliance and community engagement staff, have supported awareness and implementation of the project across the state.

Nearly 3,100 households have been connected to broadband service through the broader Connect Illinois program to date, with more than 30,000 expected through CPF awardees.

There are implementation challenges that the Office works with grantees to overcome. Grantees must navigate Illinois' Prevailing Wage Act and ensure compliance. They must receive approval on a Business Enterprise Plan to meet a goal of a percentage of grant funds be spent with a minority or female owned business, whether through a sub-contractor and/or material purchase. Grantees must receive environmental approval from the Illinois Department of Natural Resources and Illinois Department of Agriculture.

Should an issue be identified, the grantee must take steps to mitigate the problem to a successful resolution.

Easements are required to build on privately-owned land, which can add time and unpredictability to project implementation, as well. The process of ushering in a new fiscal year has caused DCEO to pause approval of new grant agreements until funding is set up for FY25, which can also lead to delays.

Illinois is contributes resources from the Illinois Rebuild Fund and a USDA federal earmark to the broader Connect Illinois initiative.

Looking forward, key milestones include executing the remaining grant agreements, starting construction across all projects, initiating retail broadband service, and building awareness and trust between providers and communities.

Promoting Equitable Outcomes

Connect Illinois is an equity-driven infrastructure program, designed to address challenges tied to population, sparsity, geography, and low take rate. 72% of Illinois residents fall into at least one of the eight covered populations identified by NTIA as being disproportionately impacted by digital inequity, including access to fast, reliable, and affordable broadband. These categories include rural and low-income families, racial and ethnic minorities, justice-impacted individuals, the aging, and more. Especially in rural areas, private internet service investment has already provided access to profitable population centers, often times two or three times over, but they have not expanded to less densely populated areas or to neighborhoods that cannot support a high subscription rate. Connect Illinois will address this market failure and recalibrate the business case for new deployments, connecting communities and individual consumers with scalable service throughout the state.

The Connect Illinois Grant Program was publicized widely through press, press releases, webinars, a bi-weekly newsletter, in-person events and speaking engagement, stakeholder contacts, broadband industry associations, and more. The target audience for Connect Illinois is entities who can deploy broadband service, so the Office conducted direct outreach to the Illinois provider community and broadband associations. Local governments also participated, and were made aware of the program through municipal and statewide government associations. The [Broadband Breakthrough](#) program, hosted by the Benton Institute for Broadband & Society, trained cohorts of Illinois communities in how to take control of their broadband destiny. They built capacity among local leaders in municipal government, conducted surveys of available broadband options, and supported local governments in applying for Connect Illinois or identifying an internet service provider to support in a Connect Illinois application.

This round of Connect Illinois will connect 32,485 locations, including private residences, schools, hospitals, small businesses and more across eight of the state's ten economic development regions. Many of these locations do not currently have broadband service, and the remaining locations lack strong access to allow for education, telehealth, career pursuits, and entertainment. Construction is just beginning for Round 3 projects, and connected households will be reported to the Office on a quarterly basis.

Labor

Grantees must comply with all requirements of the Prevailing Wage Act, including but not limited to, inserting into all contracts for construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers, and mechanics performing work under the award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract. Grantees are required to report on Prevailing Wage Act compliance on a monthly basis.

Grantees must also receive approval of their Business Enterprise Plan, under which they are required to meet a goal of a percentage of grant funds being spent with a minority- or female-owned business. Spending can include on a sub-contractor and/or material purchase.

The Office of Broadband also hosts quarterly update meetings with the labor community, and is exploring publishing a job board to promote apprenticeships, trainings, and careers in broadband deployment.

Community Engagement

The Illinois Office of Broadband has developed a robust process for incorporating community and stakeholder feedback into the selection and implementation of CPF Projects. This approach prioritizes transparency, accuracy, and active engagement with affected communities.

Prior to the award of Connect Illinois broadband grants, the Office initiates a critical "[mapping review](#)" phase. During this period, applicants have the opportunity to contest the accuracy of the Grant Eligibility Map, part of the [Illinois Broadband Map](#). Similarly, existing broadband providers can challenge a grant application's eligibility based on current service availability or imminent deployment plans. This process is particularly crucial for areas where the map may simultaneously indicate proposed Connect Illinois broadband deployment and potentially underrepresent existing service levels. Thus, the mapping review serves as a starting point for dialogue between the Office of Broadband and Connect Illinois stakeholders. The Office is committed to ensuring that no awards are finalized without thorough discussion of the mapping and service levels under consideration.

In evaluating project applications, community support plays a significant role, with up to 20 points allocated based on evidence of local backing. The Office considers several key factors:

1. The extent and depth of community endorsement
2. Diversity and personalization of support letters from community members
3. Project alignment with established community strategic plans
4. Recent, statistically significant community surveys demonstrating need and support
5. Documentation of outreach efforts to assess community interest
6. Additional feedback illustrating pressing need and project endorsement

Importantly, the Office notes that a lack of demonstrable community support may result in no points being awarded in this category, emphasizing the critical nature of local engagement. The Office has met with many rural stakeholders across the state, ensuring that they are not only aware of the internet service providers that may apply to the program in their region, but that they have the resources and support to participate in community broadband planning and evaluate providers.

As projects move into the construction and implementation phases, the Illinois Office of Broadband is committed to maintaining ongoing communication with impacted communities. This sustained dialogue enables the Office to address concerns promptly and integrate feedback throughout the project lifecycle.

Because most awards are recent and projects are just getting started, the Round 3 initiative is in its early stages. However, thus far, sub-recipients are connecting with local leaders and municipal government to increase awareness of the deployment, build trust, and create momentum to support adoption. Many grantees are electric cooperatives and local governments that already have existing relationships with and access to community members in the project area. As additional grant agreements are signed and deployments make progress, the Office of Broadband will support providers in community outreach and relationship building to ensure service take up and utilization.

Opportunities to participate in Connect Illinois Round 3 were promoted through the Illinois Broadband Lab's bi-weekly newsletter, which has an audience of more than 2,500 subscribers, as well as through public webinars and tailored emails to Illinois' internet service provider community. Awards are publicized through the Office of Broadband website, with the current list of projects summarized [on this page](#). As additional grant agreements are finalized, the Office of Broadband will publicize funded projects through more formal announcements, site visits, and case studies/testimonials.