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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Introduction to the USDA & Overview of Rural Utilities Service Programs

Association of Washington Cities
Virtual
November 1, 2022

Presented by:
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Rural Development's (RD) Mission

USDA Rural Development
Committed to helping improve the economy and quality of life in rural America.

- Provide **loans, grants, and loan guarantees** that support essential services, such as:
  - Housing
  - Economic Development
  - Health Care
  - First Responder Services and Equipment
  - Water, Electric, and **Telecommunications Infrastructure**

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Funding for Rural Broadband

- Telecommunications Infrastructure Loan Program

- Community Connect Grant Program

- ReConnect Program (Rural eConnectivity Program)

- Distance Learning & Telemedicine Grant

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Telecommunications Infrastructure Loan Program

Funding Type	Rural Focus	Funding Thresholds	How to Apply	When Applications are Accepted
Loans/Loan Guarantees	Primarily benefits communities ≤5K	N/A	Submit through the **RD Apply** online application system	Year-round

Available Funding	Program Updates
FY2019 **$690 million** available **FY2020** **$690 million** available **FY2021** **$690 million** available	**FY2019** **12** loans approved: **$181.5 million**/10 states impacted **FY2020** **8** loans approved: **$98.6 million**/10 states impacted **FY2021** **2** loans approved: **$57.5 million**/1 state impacted **7** loans in process: **$84.8 million**

https://www.rd.usda.gov/programs-services/telecommunications-infrastructure-loans-loan-guarantees

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Telecommunications Infrastructure Loan Program

Standard Loan Terms include:

- 2 Year Principal Deferral
- Interest Rate at the Cost-Of-Money
- Loan Maturity - Life of the Facilities Financed Plus 3 Years

Staff can assist and review loan applications before submission

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Community Connect Grant Program

Funding Type	Rural Focus	Funding Thresholds	Matching Requirement	Broadband Service Speeds	How to Apply	When Applications are Accepted
Grants	Areas with populations ≤ 20K	$100,000 - $3,000,000	15% of requested grant amount	Broadband Service: <10/1 Mbps Broadband Grant Speed: ≥25/3 Mbps	Submit through the **Community Connect Portal**	Applications are not accepted at this time

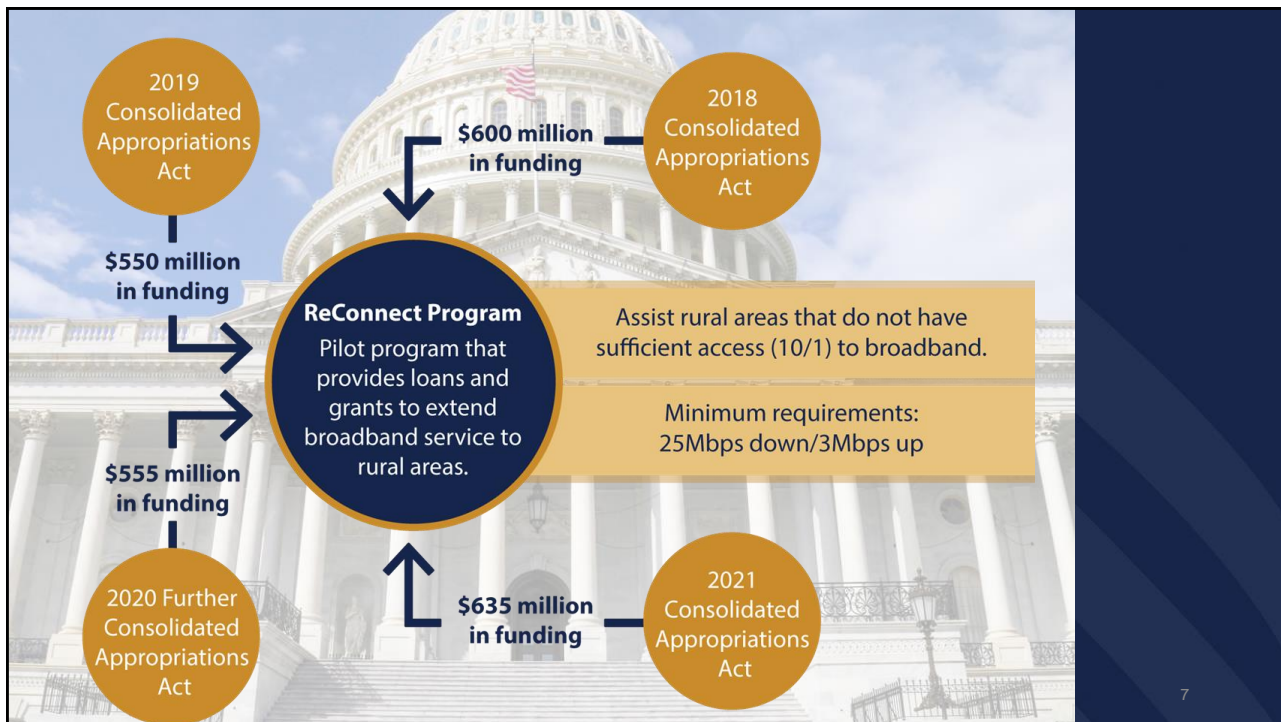| Available Funding	Program Updates
FY2019 **$33 million** available	**FY2019** **12** grants approved: **$24.3 million**/9 states impacted
FY2020 **$29 million** available in FY2020 after awarding 8 grants from FY2019 application cycle	**FY2020** **8** grants approved: **$15.7 million** (from the FY2019 Application window)/7 states impacted • No FY2020 application window due to regulation update
FY2021 **$35 million** available	**FY2021** **Application window** closed on December 23, 2020 **73** Applications received: **$146.4 million**
http://www.rd.usda.gov/programs-services/community-connect-grants	

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2019 Consolidated Appropriations Act

$550 million in funding

$600 million in funding

2018 Consolidated Appropriations Act

ReConnect Program
Pilot program that provides loans and grants to extend broadband service to rural areas.

Assist rural areas that do not have sufficient access (10/1) to broadband.

Minimum requirements: 25Mbps down/3Mbps up

$555 million in funding

2020 Further Consolidated Appropriations Act

$635 million in funding

2021 Consolidated Appropriations Act

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Funding Types

	100% Loan	50% Loan-50% Grant Combination	100% Grant	100 Percent Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities	Projects serving areas where 90% of households lack sufficient access to broadband
Terms	Max Award: $50 million Minimum Award: $100,000 2% Interest Rate	Max Award: $50 million Minimum Award: $100,000 UST Interest Rate	Max Award: $25 million* Minimum Award: $100,000 25% matching funds	Max Award: $25 million* Minimum Award: $100,000 No matching fund requirement**	Max Award: $25 million Minimum Award: $100,000 No matching fund requirement**
Application Review	First come, First served	Competitive	Competitive	Competitive	Competitive
Round 4 Federal Funds	$150 million	$300 million	$150 million	$350 million	$200 million
Buildout Speed	100 Mbps **symmetrical service** to every premise in the PFSA.				

*Applicants may request up to $35 million by providing supporting information that demonstrates that the PFSA(s) is comprised 100 percent of locations within areas classified by the USDA Economic Research Service as FAR Level 4.

**If the applicant is a Tribal Government (or a corporation wholly owned by a Tribal Government) or an Alaska Native Corporation proposing to provide services on its own lands there is no requirement for matching funds. Additionally, if at least 75% of the geographic area of an applicant's PFSA consists of Socially Vulnerable Communities, Persistent Poverty Counties, or Colonias there is no matching fund requirement.

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ReConnect Program

Funding Type	Rural Focus	Funding Thresholds	Matching Requirement	Broadband Service Speeds	How to Apply	When Applications are Accepted
Loan/Grants/ Loan-Grant Combinations	Areas with populations ≤ 20K	≤$50 million for loans & loan-grant combinations ≤$25 for grants	For grant-only: 25% of requested grant amount*	Broadband Service: <100/20 Mbps Broadband Buildout Speed: ≥100/100 Mbps	Submit through the **RUS** online application system	Applications are not accepted at this time

Available Funding	Program Updates

FY2019
 $550 million available
 FY2020
 $655 million available in FY2020 (includes CARES funding)
 FY2021
 $635 million available
 FY2022
 $2.3 billion received in appropriations
 • **$1.9 billion** received in the Infrastructure Investments and Jobs Act (IIJA)
 • **$436.6 million** received in annual appropriations
 https://www.usda.gov/reconnect
	FY2019 – "Round One"
	 146 Applications processed: **$1.4 billion**
	    • **76** active awards**: $656 million**/33 States impacted
	 FY2020 – "Round Two"
	 172 Applications submitted: **$1.57 billion requested**
	    • **105** active awards**: $852 million**/37 States impacted
	 FY2021 – "Round Two" cont..
	 172 Applications submitted: **$1.57 billion requested**
	    • **181** active awards**: $1.5 billion**/38 States impacted
	 FY2022 – "Round 3"
	 305 Applications submitted: **$4.8 billion requested**

ReConnect Program

"Rural eConnectivity Program" regulation has been published. Highlights of the new regulation include:

- Broadband speeds, funding limits, scoring criteria, and protected areas will be announced in Federal Register notices or Funding Opportunity Announcements when new application windows are opened
- If awarded, grant funds may be used for eligible preapplication expenses in the first advance request

See 7 CFR 1740 published in the Federal Register on February 26, 2021 for the regulation text.

FOA 3 Eligible PFSA: Key Considerations (continued)

- The mapping tool can be found on the ReConnect website (https://www.usda.gov/reconnect) by selecting the "Service Area Map" tile.

    o The mapping tool includes the following **eligibility** layers:
    - FAR Level 4
    - Non-Rural Areas
    - Pending Applications
    - Protected Broadband Borrower Service Areas
    - Tribal Lands

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FOA 3 Eligible PFSA: Key Considerations (continued)

- **Across all four products:** For a PFSA to be eligible for funding under current FOA, except for funding category B.1.v, at least 50 percent of the households in the PFSA must lack sufficient access to broadband as defined in this FOA

- Applicants will use the marking tool on the Service Area Map to identify areas without sufficient access to broadband

- Multiple service areas will be treated as separate standalone service areas

- If any service area in a competitive application does not meet the eligibility requirements, the entire application will be disqualified

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FOA 3 Eligible PFSA: Key Considerations (continued)

- Applicants must submit evidence that sufficient access to broadband **does not exist** for at least **90 percent** of the households in the PFSA, **identify all existing providers** in the PFSA, and **indicate what level of service is being provided**.
  - If any PFSA is found to have sufficient service the application will be disqualified.
  - If the applicant is applying for 100% loan, the applicant will be given the opportunity to remove the affected areas.
- Facilities proposed to be constructed with award funds must be capable of delivering **100 Mbps symmetrical service to every premises** in the PFSA.
  - This means that all premises in the PFSA must be able to receive this service at the same time.
- RUS will require all ReConnect awardees who are receiving or under consideration for other federal funding to **submit a statement certifying that the funds requested from ReConnect are not duplicative of other funding and have not been and will not be reimbursed by any other funding mechanism.**

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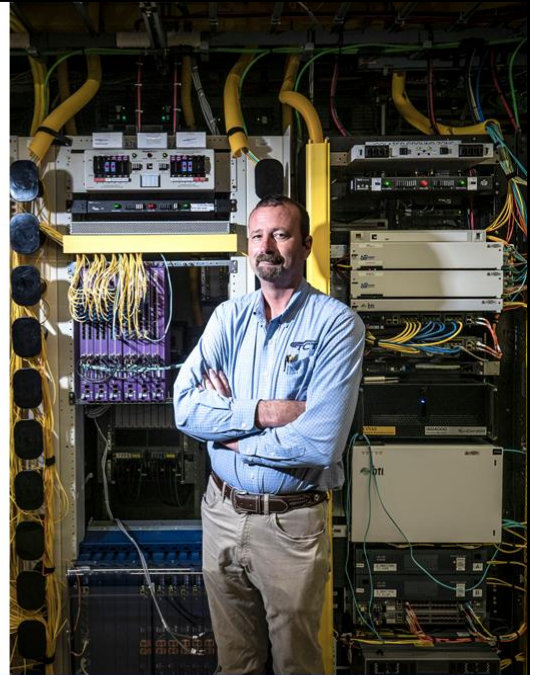## FOA 3 Eligible PFSA: Key Considerations (continued)

- RUS will **offer funding in areas receiving or under consideration for a Rural Digital Opportunity Fund (RDOF)** award. However, the application should explain why RUS should provide additional funding.

- RUS will require all ReConnect awardees who are receiving or under consideration for RDOF funding to **submit a statement certifying that the funds requested from ReConnect are not duplicative of RDOF funding and have not been and will not be reimbursed by RDOF funding.**
  - Recipients of RDOF and ReConnect funding must keep a separate account for ReConnect funds.

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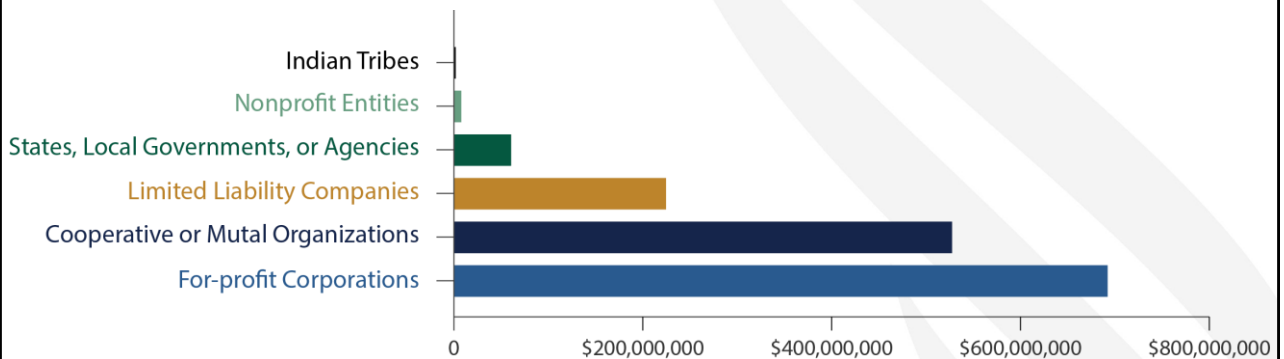## Eligibility Requirements: Eligible & Ineligible Entities

- **Eligible:**
  - ✓ Corporation
  - ✓ Limited Liability Company (LLC) and Limited Liability Partnership (LLP)
  - ✓ Cooperative or mutual organization
  - ✓ States or local governments, including any agency, subdivision, instrumentality, or political subdivision thereof
  - ✓ Territory or possession of the United States
  - ✓ Indian tribe, as defined in section 4 of the Indian Self-Determination and Education Assistance Act
- **Ineligible:**
  - X Individuals
  - X Legal partnerships formed with individuals
  - X Co-applicants

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Rounds 1 & 2: Awarded Amount by Entity Type

Total Awarded Amount: $1,509,997,454

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Eligible Projects

- **Eligible projects must:**
  - Submit a complete application, including **unqualified, comparative, audited financial statements** for the previous year from the date the application is submitted
  - **Timely Buildout Completion** within **five years** from the date funds are first made available
  - Demonstrate **Technical Feasibility**
  - All project costs can be **fully funded** or accounted for
  - **Financially Feasible and Sustainable**
  - Facilities with grant funds must **provide broadband service for the composite economic life of the facilities**
  - Facilities with loan funds must **provide broadband service through the amortization period of the loan**

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Distance Learning and Telemedicine Program

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Distance Learning & Telemedicine Grant Program – The Basics

Funding Type	Rural Focus	Funding Thresholds	Matching Requirement	DLT System	How to Apply	When Applications are Accepted
Grants	Primarily benefits rural areas	$50,000 - $1,000,000	15% of requested grant amount	Must include hub and end-user sites	Submit through the **Grants.gov**	Applications are not accepted at this time

Available Funding	Program Updates
FY2019 **$64 million** available	**FY2019** **181** applications received for **$58.1 million** • **145** grants approved for **$45.4 million**
FY2020 **$95 million** available	**FY2020** **FOA #1: 276** applications received for **$155.9 million** • **117** grants approved for **$72.4 million**
FY2021 **$57 million** available	**FY2021** **FOA #2 (from FY2020): 534** applications received for **$252.1 million** • **87** grants approved for **$42.3 million**

https://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants

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Distance Learning & Telemedicine Grant Program

Distance Learning means the <u>real-time, interactive</u> delivery of <u>curriculum via telecommunications</u> and promotes the connection of students and teachers at remote sites.

- Provide educational programs, instruction, or information originating in one area, whether rural or not, to students and teachers who are located in rural areas; or

- Connect teachers and students, located in one rural area with teachers and students who are located in a different rural area.

Telemedicine is a <u>real-time, interactive, telecommunications</u> link to an end user from medical professionals at separate sites in order to exchange health care information for the purpose of providing improved health care services to residents of rural areas.
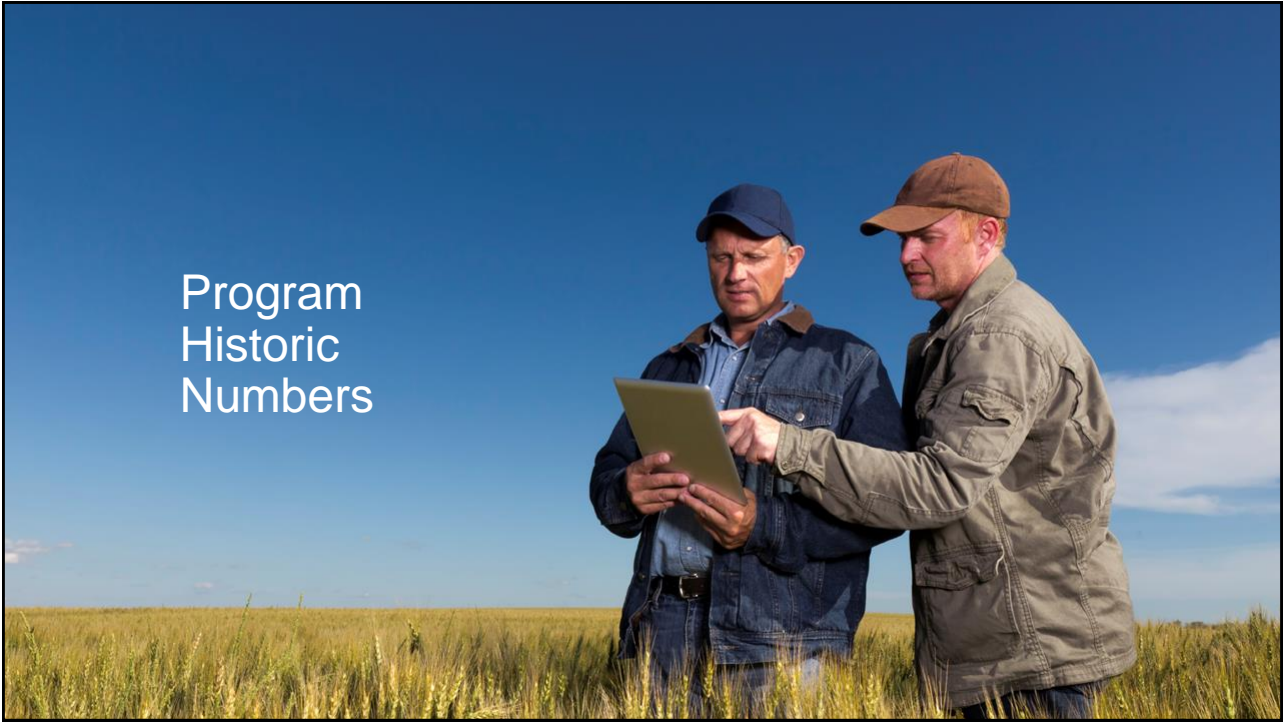
- Benefits rural residents both in reduced travel and improved access to service

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Program
Historic
Numbers

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Telecommunications Programs –Oregon Investments

Since 2010, RUS has approved over $74 million in projects serving OR Rural residents:

Program	Funds Approved
Telecommunications Infrastructure Program	$44.0 Million
ReConnect Program	$6.0 Million
Distance Learning and Telemedicine Program	$3.6 Million
Community Connect Grant Program	
Broadband Initiatives Program	$20.0 Million
Grand Total	**$74.0 Million**

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Telecommunications Programs –Washington Investments

Since 2010, RUS has approved over $125 million in projects serving Washington residents:

Program	Funds Approved
Telecommunications Infrastructure Program	$75.0 Million
ReConnect Program	$2.0 Million
Distance Learning and Telemedicine Program	$6.5 Million
Community Connect Grant Program	$3.6 Million
Broadband Initiatives Program	$36.0 Million
Grand Total	**$125.0 Million**

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Telecommunications Programs – All State Investments

Since FY2010, RUS has approved over $8 billion in funding for broadband and distance learning and telemedicine projects that serve rural residents.

Program	Projects Approved	Funds Approved
Telecommunications Infrastructure Program	195	$3.2 Billion
ReConnect Program	165	$1.3 Billion
Rural Broadband Access Program	10	$273.4 Million
Distance Learning and Telemedicine Program	1,155	$409.0 Million
Community Connect Grant Program	111	$185.0 Million
Broadband Initiatives Program	258	$2.9 Billion
Grand Total	**1,894**	**$8.3 Billion**

*Table shows award data **at time of obligation** for all programs except ReConnect and BIP, which show present award data.

Updated: 3/2/2021

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Telecommunications Programs – Tribal Investments – All States

In FY 2018 and 2019, RUS approved approximately $20.3 million in telecommunications projects serving Tribal Lands, Tribal Organizations, American Indians, and Alaska Natives.

Program	Funds Approved
Telecommunications Infrastructure Program	$9.8 Million
Distance Learning and Telemedicine Program	$7.1 Million
Community Connect Grant Program	$3.4 Million
Grand Total	**$20.3 Million**

Updated: 03/13/2020

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U.S. DEPARTMENT OF AGRICULTURE

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