

Introduction to the USDA & Overview of Rural Utilities Service Programs

Presented by:

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Telecommunications Program





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General Field Representative,
Arkansas & Louisiana
Rural Utilities Service
Loan Origination and Approval Division

Telecommunication Program – General Field Representative (GFR)

What is a GFR? – National Office field personnel providing program and project administration, origination of applications, servicing of funding through project completion and overall oversight of award completion and compliance. Provides outreach and assistance as needed for potential projects/applicants.

Field Staff Branch Chiefs Shannon Legree – East Chris Collins – Central Brian Smith - West



State GFRs

ReConnect GFRs

Telecom GFR Contacts | Rural Development (usda.gov)

ReConnect GFRs | Rural Development (usda.gov)

General Field Representative - Oklahoma



Adam Anderson
adam.anderson2@usda.gov

General Field Representative - OK Rural Utilities Service Loan Origination and Approval Division

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







RUS Telecommunications Program History

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1935	Rural Electrification Administration (REA) created and began providing financing to promote rural electrification
1949	REA received authority to finance telephone service in rural communities
1995	Evolving from the REA, the Rural Utilities Service (RUS) required all financed telecommunications networks have the capacity to deliver broadband
2010 to present	RUS has approved nearly \$9 billion in loans and grants to build out broadband infrastructure and expand distance learning and telemedicine services in rural areas

Funding for Rural Broadband

- Telecommunications
 Infrastructure Loan Program
- Rural Broadband Program
- Community Connect Grant Program
- ReConnect Program



Telecommunications Program Overview

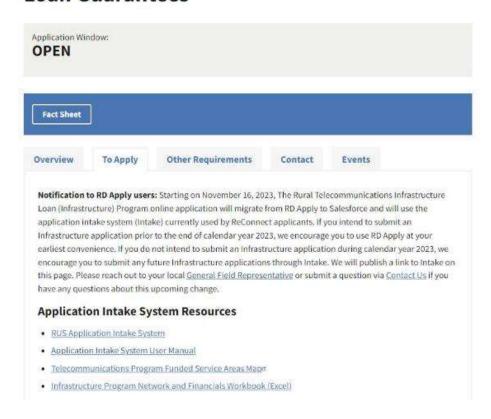
- **Purpose:** Provides loan and grant funding to expand broadband networks primarily serving rural residents.
- Eligible Entities: State and local governments, Tribal entities, Non-Profits, For-Profits, LLCs and Partnerships.
- Eligible Projects: Based on regulation and funding announcements, financially and technically feasible and meets non-duplication requirements.
- Application Periods: Except for Infrastructure Program, applications accepted during annual period based on release of funding announcement.



Telecommunications Infrastructure Loan Program

- Regulation 7 CFR 1735 <u>www.ecfr.gov</u>
- Fact Sheet: <u>Telecommunications</u> <u>Infrastructure Loans & Loan Guarantees</u> (usda.gov)
- Applications: Accepted year round
- Eligibility
 - Rural areas and towns with a population of 5,000 or less
 - Areas without telecommunications facilities or areas where the applicant is the recognized telecommunications provider
 - Area lacks broadband 25/3

Telecommunications Infrastructure Loans & Loan Guarantees



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



Rural Broadband Program

Recent regulatory changes include:

- Lengthening build-out period of the broadband system from 3 to 5 years
- Tying the required broadband lending speeds to the term of the award
- Providing technical assistance and training through grant funding to help applicants intending to serve the most rural areas prepare an application

See <u>7 CFR 1738</u> published in the <u>Federal Register</u> on March 12, 2020 for a comprehensive review of the updated content.

CURRENTLY NOT ACCEPTING APPLICATIONS

Community Connect Grant Program

Community Connect Grant Program

Applications are submitted electronically through the new online application system.

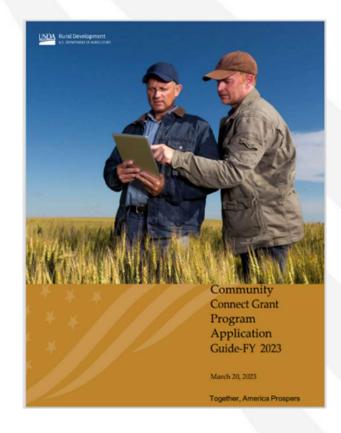
Resources are available on the website at: http://www.rd.usda.gov/programs-services/community-connect-grants

Contact Information

Loan Origination and Approval Division

Email: community.connect@wdc.usda.gov

Call: 202-720-0800



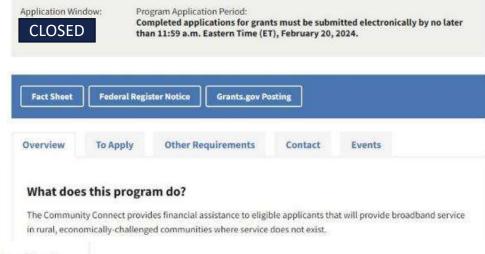
Community Connect Grant Program

- Regulation 7 CFR 1739 <u>www.ecfr.gov</u>
- Fact Sheet: <u>Community Connect Grants</u> Factsheets (usda.gov)
- Applications: Funding Announcement
- Eligibility Speed: 10/1 (100% PFSA)

How may the funds be used?

- The construction, acquisition, or leasing of facilities, spectrum, land or buildings used to deploy broadband service for:
 - All residential and business customers located within the Proposed Funded Service Area (PFSA)
 - · All participating critical community facilities (such as public schools, fire stations, and public libraries)
- . The cost of providing broadband service free of charge to the critical community facilities for 2 years.
- Less than 10% of the grant amount or up to \$150,000 may be used for the improvement, expansion, construction or acquisition of a community center that provides online access to the public.

Community Connect Grants





Distance Learning & Telemedicine Grant Program

- Regulation 7 CFR 1740 www.ecfr.gov
- Fact Sheet: <u>USDA Rural Development</u> <u>Distance Learning and Telemedicine Grant</u> <u>Fact Sheet</u>
- Applications: Funding Announcement
- Maximum Grant: \$1 million

Distance Learning & Telemedicine Grants

Application Window: CLOSED

Program Application Period:

Applications are due by April 29, 2024, 11:59 p.m. Eastern Standard Time



What does this program do?

This competitive program helps rural communities use advanced telecommunications technology to connect to each other - and the world - overcoming the effects of remoteness and low population density. We encourage you to consider projects that promote equity and economic opportunity in rural America, specifically those that advance these key priorities:

- Assisting rural communities recover economically through more and better market opportunities and through improved infrastructure.
- Ensuring all rural residents have equitable access to Rural Development programs and benefits from Rural Development funded projects; and
- Reducing climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities.

Based on Fiscal Year 2023 appropriated funding, the agency estimates that approximately \$60 million will be available for Fiscal Year 2024. As permitted, we also will make available any unused appropriations from prior fiscal years, and can increase funding if additional appropriations become available.

To learn more about recently funded DLT projects, Rural Development has developed a map of recently <u>funded</u> <u>DLT projects</u> All upcoming events will be posted on the events program tab.

Distance Learning & Telemedicine Grant Program

Distance Learning means the <u>interactive</u> delivery of <u>curriculum via</u> <u>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>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

ReConnect Program

ReConnect Program

Program Purpose:

The ReConnect Program provides loans, grants, and loan-grant combinations to bring high-speed internet to rural areas that lack sufficient access to broadband. ReConnect Program funds can be used to fund the costs of construction, improvement, or acquisition of facilities and equipment needed to provide broadband service.

- Funding Announcement establishes:
 - Broadband eligibility speeds
 - Scoring Criteria
 - Project and Funding requirements for application period
 - Other eligibility requirements based on reference from regulation 7 CFR 1740
- Applications through online portal <u>www.usda.gov/reconnect</u>

ReConnect Program (Continued)

- 3 Year Principal & Interest deferment on Loan funds
- 5 Year Construction Period
- Applications require annual, unqualified, comparative audit for eligibility
- Funding Announcement: Contains important eligibility, scoring and application requirements for funding window.

ReConnect Program: Applications (FY2019 – 2023)

Comparison ReConnect Funding (Rounds 1 – 4)					
	Applications	Requested Funding	# of Awards	\$ Awarded	Request for Funds Over Award Amount
		\$ Billion		\$ Million	Percent
Round 1	146	\$ 1.4	76	\$ 656	213%
Round 2	172	\$ 1.57	103	\$ 854	184%
Round 3	305	\$ 4.8	105	\$ 1,669	289%
Round 4	258	\$ 4.4	88*	\$ 1,713	257%
* Obligated applications out of 94 awarded.					

ReConnect Program – Round 5 (Overview)

- Notice of Funding Opportunity (NOFO) Published 2/21/24
- Application Period: March 22nd May 21st, 2024
- Enforceable Commitments (Federally Funded Projects)
- State Program Interactions (BEAD)
- Broadband Eligibility 25/3 (90% HH cannot receive per PFSA)
- Available Funding \$700 million

ReConnect Program – Round 5

- Lack Sufficient Access to Broadband: At least 90% of households in the proposed funded service area (PFSA) must lack sufficient access to broadband service defined as at least 25 megabits per second (Mbps) downstream and 3 Mbps upstream.
- Serve All Premises in the PFSA: The proposed network must be capable of providing broadband service to every premises located in the PFSA at the time of application submission at the speed defined in the latest FOA. The speed defined in the latest NOFO is 100 Mbps symmetrical service to every premise in the proposed funded service area (PFSA). Please note that "capable of delivering 100 Mbps symmetrical service to every premises" means that all premises in the PFSA must be able to receive this service at the same time.
- **Be in a Rural Area:** A rural area is any area that is not located in a city, town, or incorporated area that has a population of greater than 20,000 inhabitants or an urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants.

ReConnect Program – Funding Types

	100% Loan	50% Loan-50% Grant Combination	100% Grant
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**
Application Review	Rolling Basis	Competitive	Competitive
Round 5 Federal Funds	\$200 million	\$200 million	\$150 million
Buildout Speed	100 Mbps symmetrical servic	e (same download and upload speeds	s) to every premise in the PFSA.

^{*}The interest rate for the 50 percent loan component will be set at the Treasury rate for the remaining amortization period at the time of each advance of funds. Applicants may propose substituting cash for the loan component at the time of application and funds must be available in the applicant's operating accounts at the closing of the award

^{**}Additional details provided in the following slides.

For Corporations and limited liability entities, the loan and loan/grant combinations must be secured by all assets of the Awardee. Applicants must submit a certification that their existing lender or lienholder on any Awardee asset has already agreed to sign the RUS' standard intercreditor agreement or co-mortgage found on the Agency's web page.

ReConnect Program – Funding Types (Continued)

	100% Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities
Terms	Max Award: \$25 million Minimum Award: \$100,000 No matching fund requirement
Application Review	Competitive
Round 5 Federal Funds	\$150 million
Buildout Speed	100 Mbps symmetrical service (same download and upload speeds) to every premise in the PFSA.

Tribal entities applying for a 100% grant that can guarantee project completion don't have to submit NFSAs or 5-year financial projections.

Broadband Technical Assistance Program

Broadband Technical Assistance Grant Program

Broadband technical assistance provides financial assistance to technical assistance providers and rural communities to promote the expansion of broadband service into eligible rural areas.

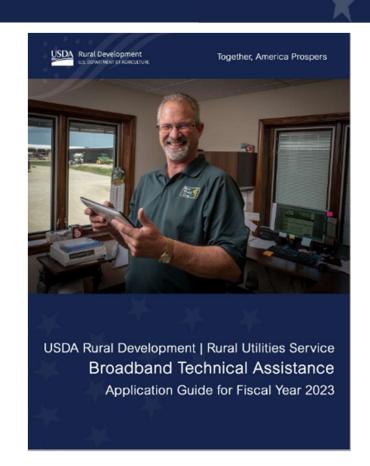
Applications are submitted electronically through www.grants.gov application system.

Resources are available on the website at:

<u>Broadband Technical Assistance | Rural Development</u>
(usda.gov)

Contact Information

Policy and Outreach Division https://www.usda.gov/reconnect/contact-us



FY2023 Application Window

- 100% Grant (no Match)
- Development of training sessions and outreach materials
- Joint gatherings of community members, partners, and stakeholders
- Joint delivery of training for USDA RD programs
- Joint efforts to form new broadband cooperatives and support existing cooperative efforts to expand broadband service into rural areas

Funding Category	Available Funding	Minimum Award	Maximum Award
TA Providers	\$7.5 million	\$50,000	\$1 million
TA Recipients	\$7.5 million	\$50,000	\$250,000
Projects Supporting Cooperatives	\$5 million	\$50,000	\$1 million

Overview of Eligible Costs

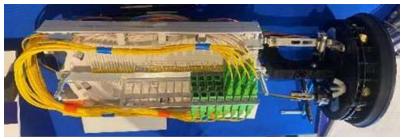
WHERE USDA FUNDING CAN GO

Construction Related







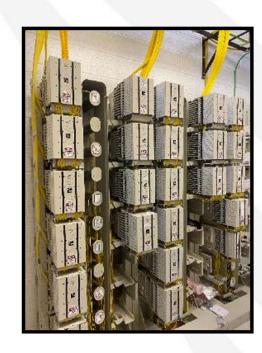


Network Related













Facility Related

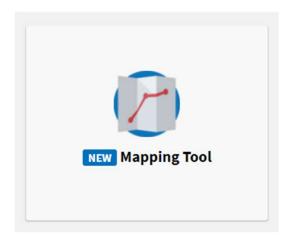




Available Resources

- Telecom Programs Website: Telecom Programs | Rural Development (usda.gov)
- Rural Development eConnectivity Toolkit
 - Rural Prosperity Taskforce Launched February 6, 2019
 - https://usda.gov/broadband
- General Field Representative (GFR) & State Office
 - https://www.rd.usda.gov/contact-us/telecom-gfr/all
 - https://www.rd.usda.gov/contact-us/state-offices

Map Resources



ReConnect Mapping Tool

Telecommunications Program Funded Service Areas

The <u>Telecommunications Program Funded Service Areas Mager</u> includes the service areas of entities who have received a RUS loan and/or grant under the following program area(s): Broadband Initiatives Program, Farm Bill Broadband Program, Telecommunications Infrastructure Program, and the ReConnect Program. Community Connect (CC) projects that were obligated after Calendar Year 2014 are also available on the map. If the entity received a CC award prior to CY 2015 but has other service areas included under different program(s) in the map, those CC projects will also appear on the map.



Telecom Maps

Proposed and Approved Projects

View all submitted applications, including those currently under review, by viewing the project map. Once the map opens, select the "Under Review" or "Approved" layers to learn more about the projects under each option. All applications that are not funded under the ReConnect program will be removed from the map.

View Maper

ReConnect Proposed & Approved Map

Additional Map Resources

- DLT Map: DLT Project Map Link
- Community Connect: Community Connect Mapping Tool

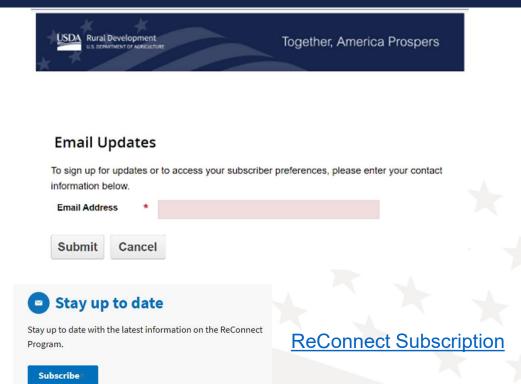
Map links provides project location and information regarding funding specific to each project.

Stay Connected - Email Subscriptions





USDA Gov Delivery





Telecommunications Programs – All State Investments

Between FY2019 and FY2023, RUS has approved nearly \$9 billion in funding for broadband and distance learning and telemedicine projects that serve rural residents.

Program	Projects Approved	Funds Approved
Telecommunications Infrastructure Program	30	\$457 Million
ReConnect Program	354	\$4.7 Billion
Rural Broadband Access Program	3	\$47.8 Million
Distance Learning and Telemedicine Program	466	\$215 Million
Community Connect Grant Program	47	\$97 Million
Broadband Technical Assistance		
Grand Total	900	\$5.6 Billion

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

Updated: 10/4/2022

Telecommunications Programs – Arkansas Investments

Since 2010, RUS has approved over \$293 million in projects serving Arkansas residents:

Program	Funds Approved
Telecommunications Infrastructure Program	\$141.4 Million
ReConnect Program	\$113.5 Million
Rural Broadband Access Program	\$19.8 Million
Distance Learning and Telemedicine Program	\$8.0 Million
Community Connect Grant Program	\$1.1 Million
Broadband Initiatives Program	\$9.7 Million
Grand Total	\$293.7 Million

Telecommunications Programs – Missouri Investments

Since 2010, RUS has approved over \$811 million in projects serving Missouri residents:

Program	Funds Approved
Telecommunications Infrastructure Program	\$48.0 Million
ReConnect Program	\$428.0 Million
Rural Broadband Access Program	\$17.6 Million
Distance Learning and Telemedicine Program	\$13.8 Million
Community Connect Grant Program	\$1.1 Million
Broadband Initiatives Program	\$149.0 Million
Grand Total	\$657.8 Million

Telecommunications Programs – Oklahoma Investments

Since 2010, RUS has approved over \$811 million in projects serving Oklahoma residents:

Program	Funds Approved
Telecommunications Infrastructure Program	\$56.3 Million
ReConnect Program	\$488.8 Million
Rural Broadband Access Program	\$120.0 Million
Distance Learning and Telemedicine Program	\$29.3 Million
Community Connect Grant Program	\$47.4 Million
Broadband Initiatives Program	\$69.9 Million
Grand Total	\$811.7 Million



Questions?



General Field Representative Coverage - www.rd.usda.gov/contact-us/telecom-gfr





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