

Introduction to the USDA & Overview of Rural Utilities Service Programs

EVENT: Tennessee Broadband
Accelerate Program

LOCATION: Virtual Meeting

DATE: June 28, 2023

Presented by: Tyler Hayes, GFR-TN
Telecommunications Program

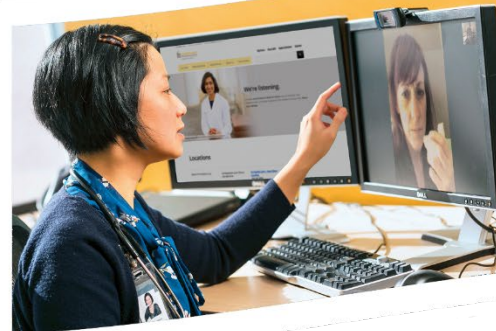


Rural Development's (RD) Mission

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**



Rural Development Background

Rural Development includes 3 agencies with unique programs and objectives:

- **Rural Utilities Service (RUS)**
- Rural Housing Service (RHS)
- Rural Business-Cooperative Service (RBS)
- Across the three agencies, Rural Development administers over 40 programs.
 - RUS Electric & **Telecommunications** programs are administered by National Office
 - RHS and RBS programs are administered by State & National Offices

RUS Telecommunications Program History

From electricity to broadband...

- 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 through 2022** 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
- Broadband Technical Assistance Program *(new)



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

FY2020

\$690 million available

FY2021

\$690 million available

FY2022

\$690 million available

FY2023

\$690 million received in appropriations

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

Program Updates

FY2019

12 loans approved: \$181.5 million/10 states impacted

FY2020

8 loans approved: \$98.6 million/10 states impacted

FY2021

4 loans approved: \$71 million/3 states impacted

5 loans in process: \$71.1 million

FY2022

4 loans approved: \$61.3 million/ 4 states impacted

3 loans in process: \$10.2 million

FY2023

1 loan approved: \$3.8 million

2 loans in process: \$15.2 million

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

Funding Type	Rural Focus	Funding Thresholds	How to Apply	When Applications are Accepted
Loans/Loan Guarantees/Loan-Grant Combinations	Areas with populations ≤ 20K	TBA in the Federal Register	Submit through the RD Apply online application system	Applications are not accepted at this time

Available Funding

FY2019

\$121.7 million available

FY2020

\$91.9 million available

FY2021

\$11.9 million available

FY2022

\$2 million received in appropriations

Program Updates

FY2019

3 loans approved: **\$47.8 million**

FY2020

0 loans approved

- RUS was not accepting applications during FY 2020 due to a 2018 Farm Bill requirement to implement a new public notice system.

FY2021 - FY2023

The program is closed and will open when a Funding Opportunity Announcement (FOA) is published.

<https://www.rd.usda.gov/programs-services/rural-broadband-access-loan-and-loan-guarantee>

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 [7 CFR 1738](#) published in the [Federal Register](#) on March 12, 2020 for a comprehensive review of the updated content.

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 deadline recently expired – June 20, 2023

Available Funding

FY2019

\$33 million available

FY2020

\$29 million available in FY2020 after awarding 8 grants from FY2019 application cycle

FY2021

\$35 million available

FY2022

\$35 million received in appropriations

FY2023

\$84 million received in appropriations

<http://www.rd.usda.gov/programs-services/community-connect-grants>

Program Updates

FY2019

12 grants approved: **\$24.3 million**/9 states impacted

FY2020

8 grants approved: **\$15.7 million**/7 states impacted (from the FY2019 Application window)

FY2021

73 Applications received: **\$146.4 million**

23 grants approved: **\$47 million**/15 states impacted

FY2022

4 grants approved: **\$10 million**/3 states impacted (from the FY2021 Application window)

FY 2023 Lot of applications received -more than double the appropriation amount

Community Connect Grant Program

Applications are submitted electronically through an 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: 202-720-0806

Home

Welcome, Toby

Community Connect

Thank you for your interest in the Community Connect Grant Program. The purpose of the Community Connect Grant Program is to provide financial assistance in the form of grants to eligible applicants that will provide, on a "community-oriented connectivity" basis, broadband service that fosters economic growth and delivers enhanced educational, health care, and public safety benefits.

You can create your Proposed Funded Service Area and upload your Community Connect Grant application by clicking the button below.

Funding Window Open: July 01, 2020 - August 15, 2020

Get Started

Central Internet Company

Switch Entity View



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

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>

Program Updates

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.

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	Application deadline ended January 30, 2023

Available Funding

FY2019

\$64 million available

FY2020

\$95 million available

FY2021

\$57 million available

FY2022

\$62.5 million received in appropriations – carried over into FY2023.

Program Updates

FY2019

181 applications received for **\$58.1 million**

- **144** grants approved for **\$44.8 million**

FY2020

FOA #1: 276 applications received for **\$155.9 million**

- **112** grants approved for **\$70 million**

FOA #2 (obligated in FY2021): 534 applications received for **\$252.1 million**

- **86** grants approved for **\$42.1 million**

FY2021

274 applications received for **\$122.2 million**

- **105** grants approved for **\$49.6 million**

FY2022

- **9** grants approved for **\$4.2 million**

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

Distance Learning & Telemedicine Grant Program

Distance Learning means the real-time, interactive delivery of curriculum via telecommunications 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 real-time, interactive, telecommunications 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

Program Historic Numbers



Telecommunications Programs – Tennessee Investments

Since 2010, RUS has approved over \$395 million in projects serving Tennessee residents:

Program	Funds Approved
Telecommunications Infrastructure Program	\$121.7 Million
ReConnect Program	\$42.9 Million
Distance Learning and Telemedicine Program	\$13.0 Million
Community Connect Grant Program	\$21.3 Million
Broadband Initiatives Program	\$196.5 Million
Grand Total	\$395.4 Million

Telecommunications Programs – All State Investments

Between FY2010 and FY2022, 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	202	\$3.3 Billion
ReConnect Program	181	\$1.5 Billion
Rural Broadband Access Program	10	\$273.4 Million
Distance Learning and Telemedicine Program	1,303	\$474.5 Million
Community Connect Grant Program	138	\$241.8 Million
Broadband Initiatives Program	258	\$2.9 Billion
Grand Total	2,092	\$8.7 Billion

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

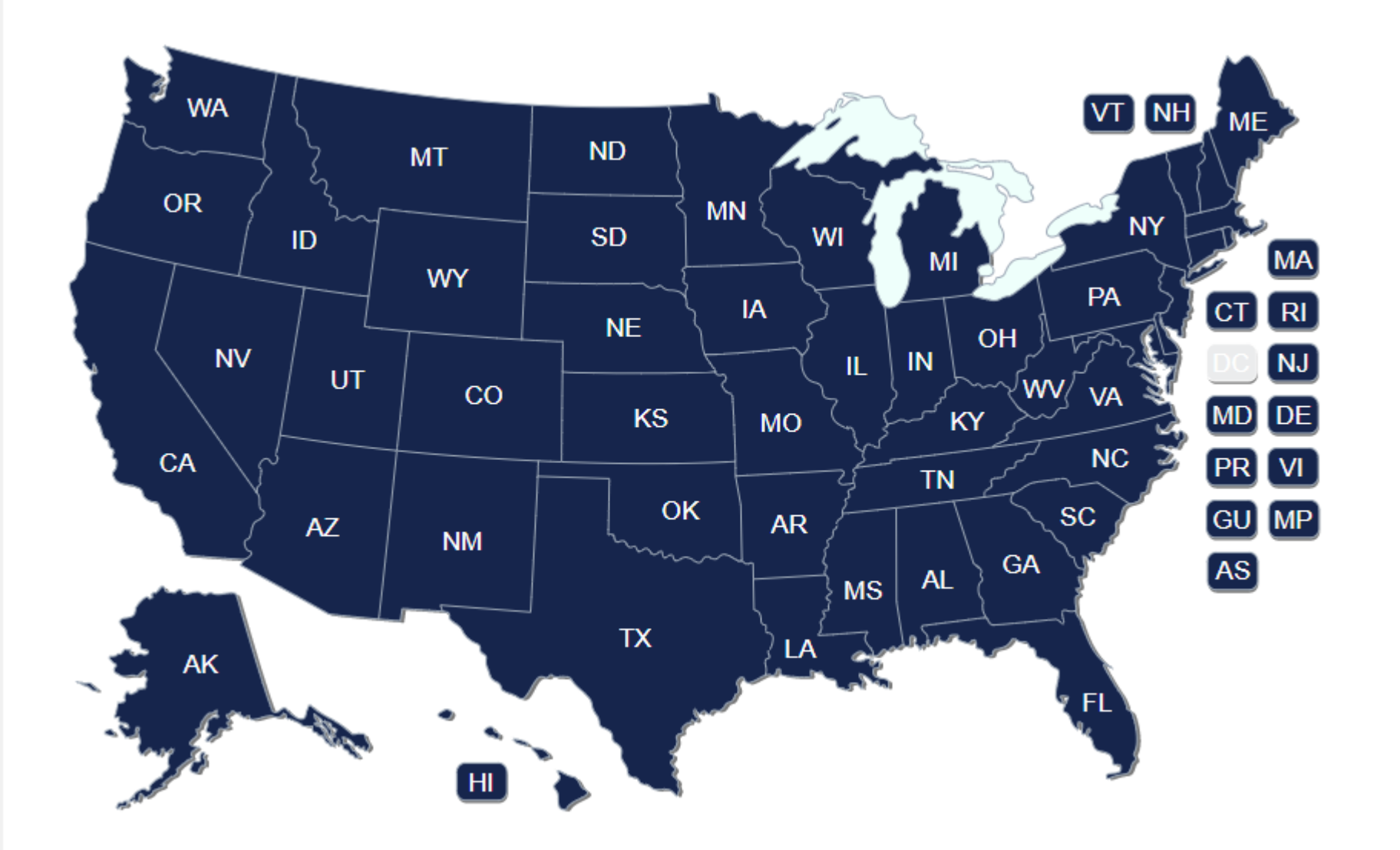
Updated: 10/27/2021



Questions?

Questions?

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



Rural Utilities Service Telecommunications Key Contacts

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Rural Development

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