USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Overview of USDA Rural Utilities Service Broadband Programs

Internet for All: Connecting One Minnesota Workshop

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Telecommunications Program

Funding for Rural Broadband

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

Telecommunications Programs – MN Investments

Between FY2010 and FY2023, RUS has approved over $446 million in funding for broadband and distance learning and telemedicine projects that serve rural residents.

Program	Projects Approved	Funds Awarded
Telecommunications Infrastructure Program	111	$155,786,967
ReConnect Program	10	$74,245,563
Distance Learning and Telemedicine Program	41	$8,123,222
Community Connect Grant Program	6	$14,545,403
Broadband Program	1	$19,749,000
Broadband Initiatives Program	14	$173,869,368
Grand Total	83	$446,319,523

*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 Infrastructure Loan Program

Standard Loan Terms include:

- 2 Year Principal Deferral
- Interest Rate at the Cost-Of-Money or Variable Interest Rates (FFB)
- Loan Maturity - Life of the Facilities Financed Plus 3 Years
- 5 years to build facilities

Features

- Staff can assist and review loan applications before submission
- Loan applications accepted year around
- Primarily for communities of less than 5,000
- Minimum buildout speed of 25/3 but this can be adjusted

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
- Applications are not accepted at this time
- Areas with population ≤ 20k
- Loan/loan guarantees/loan-grant combinations

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: ù10/1 Mbps Broadband Grant Speed: ≥25/3 Mbps	Submit through the **Community Connect Portal**	Applications are not accepted at this time

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

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)

ReConnect Program (FY2023 Overview)

Type of Funding Available	Total Funding and Maximum Award Available	Key Funding Requirements
100 Percent Grant	• $150 million total funds • $25 million maximum, per project • $35 million maximum per project if the PFSA meets certain guidelines detailed in the FOA	• Competitive review based on scoring criteria • 25 percent cash match requirement
Loan-Grant Combination (50-50)	• Total funds: $150 million for loans, $150 million for grants • $25 million maximum for the grant, per project • $25 million maximum for the loan, per project • Loan and grant amounts will always be equal	• Competitive review based on scoring criteria • Interest rate set at the U.S. Treasury rate at the time of each advance of funds
100 Percent Loan	• $150 million total funds • $50 million maximum, per project	• Funds are awarded on a rolling basis until exhausted • Interest rate is fixed at 2 percent
100 Percent Grant for Tribal Governments, Alaska Native Corporations, Colonias, Persistent Poverty Areas, and Socially-Vulnerable Communities	• $350 million total funds • $25 million maximum, per project • $35 million maximum per project if the PFSA meets certain guidelines detailed in the FOA	• Only available to those entities and areas defined in the FOA • No cash match is required if the applicant meets the requirements for this type of funding as set forth in the FOA
100 Percent Grant for projects where 90 percent of households lack sufficient access to broadband	• $200 million total funds • $25 million maximum, per project	• Must demonstrate that at least 90 percent of homes in the proposed service area do not have sufficient access to broadband as defined in the FOA • No matching funds required

ReConnect Program (Continued)

- 3 Year Principal & Interest deferment on Loan funds
- 5 Year Construction Period
- Eligibility speeds ≤ 100/20 Mbps. Build speeds ≥100/100 Mbps. Must follow RUS construction procedures.
- Funding Opportunity Announcement (FOA): Contains important eligibility, scoring and application requirements for funding window.
- Infrastructure Investment & Jobs Act (IIJA): Authorized $2 Billion for additional ReConnect Funding. (Round 4)

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