

April 20, 2016

TO: State Directors, Rural Development
ATTN: Business Programs Directors
SUBJECT: Rural Business-Cooperative Service
Special Initiatives Definitions and Proper Coding
in the Guaranteed Loan System

Purpose:

The purpose of this Unnumbered Letter (UL) is to provide guidance regarding the definitions and coding for special initiatives.

Background:

While Rural Business-Cooperative Service (RBS) has been required to track special initiatives, the definitions and coding were not clearly identified. Tracking in the Guaranteed Loan System (GLS) has not been consistent. This UL is provided as a resource to ensure more consistent reporting. As a result, the GLS reporting system will more accurately reflect our accomplishments and ensure consistency in tracking these special initiatives.

This UL includes the following information:

1. Identifies special initiatives (including Department, Government, and Agency wide);
2. Provides definitions; and
3. Proper GLS coding.

Beginning in fiscal year 2017, if a project entered in GLS can be tied to one or more of the defined initiatives included as part of this UL, the GLS codes corresponding to the respective special initiative should be used.

EXPIRATION DATE:
April 30, 2017

FILING INSTRUCTIONS:
Community/Business Programs

Implementation:

The Special Initiative definitions addressed in this UL are attached in Addendum 1. The reference table, also available in SharePoint, lists all special initiative definitions, as well as proper coding for any applicable project. Program specific Special Initiatives must be coded according to the attached definitions. Please refer to this list prior to entering information into GLS.

If you have questions, please contact the Specialty Programs Division, (202) 720-1400.

/s/ *SAMUEL H. RIKKERS*

SAMUEL H. RIKKERS
Administrator
Rural Business-Cooperative Service

Attachment

SPECIAL INITIATIVES DEFINITION

Rural Business-Cooperative Service

Persistent Poverty (GLS Code O)

Persistent – Poverty counties experienced poverty at 20 percent or higher for census years 1980, 1990, and 2000, and in 2007-11 (American Community Survey). Metro/nonmetro status is based on 2013 definitions. [Poverty mapping](#)

Strike Force for Rural Growth and Opportunity (GLS Code 4)

Strike Force is identified as an area of persistent poverty with over 20 percent poverty. [Strike Force Web site](#)

Rural Poverty Target (GLS Code V)

The expansion of the USDA Strike Force Initiative into four additional States: Kentucky, Louisiana, Tennessee, and West Virginia. [Poverty mapping](#)

High Unemployment Area (GLS Code I)

Areas having unemployment more than 150 percent the national average are considered high unemployment areas.

Outmigration (GLS Code P)

High outmigration counties--those with 10 percent or higher population loss from net migration, July 1988-July 2008--were identified using annual county estimates of net migration from the U.S. Census Bureau's Federal-State Cooperative Program for Population Estimates. The net migration rate was calculated as the sum of net migration over the 20-year period divided by the county's estimated 1988 population. [Overview of Population estimates from Census](#)

Biobased (GLS Code T)

To increase in the economic prosperity of both the rural businesses producing biobased products and the agricultural producers who provide the bio based material used in the production of such products.

In broad terms, two types of projects are eligible for the program--Biorefineries and Biobased Manufacturing facilities. [BioBased Secretary Initiatives](#)

Broadband (GLS Code 7)

Expanding Broadband Deployment and Adoption by Addressing Regulatory Barriers and Encouraging Investment and Training.” Establishes the Broadband Opportunity Council to be co-chaired by the Secretaries of Commerce and Agriculture or their designees. The primary objective of the Council is to identify and assess regulatory barriers and opportunities to expand broadband service to an estimated 50 million underserved Americans. Agencies are directed to pay particular attention to increasing broadband access for underserved communities.

The Council report and recommendations may be found [here](#).

Investing in Manufacturing Communities Partnership (IMCP) (GLS Code 5)

The IMCP will accelerate the resurgence of manufacturing and help communities cultivate an environment for businesses to create well-paying manufacturing jobs in cities across the country. [List of IMCP participating areas](#)

Export Initiatives (GLS Code U)

With the signing of the recent Farm Bill, President Obama directed the Council to lead a new "Made in Rural America" export and investment initiative, charged with bringing together Federal resources to help rural businesses and leaders take advantage of new investment opportunities and access new customers and markets abroad. An industry that has 20 percent or more of its sales in international markets should be considered for this initiative.

[http://www.export.gov/Export Training Powerpoint for additional information](http://www.export.gov/Export_Training_Powerpoint_for_additional_information)

Strategic Economic and Community Development (BP 6025 SECD) (GLS Code 6)

Section 6025 of the 2014 Farm Bill provides the Secretary of Agriculture the authority to give priority to projects that support strategic economic development or community development plans. Section 6025 enables the Secretary to reserve up to 10 percent of program funds from certain Rural Development programs. [6025 SECD Sharepoint Resources](#)

Veterans (GLS Code 3)

The Veteran Farmer or Rancher is a Beginning Farmer or Rancher that has not operated a farm or ranch; or has not operated a farm or ranch for more than 10 consecutive years and was discharged or released, under conditions other than dishonorable, from the U.S. Army, Navy, Air Force, Marines, Coast Guard, its reserve components, and the National Guard.

REAP Zones (GLS Code D)

The REAP Initiative was established to address critical issues related to constraints in economic activity and growth, low density settlement patterns, stagnant or declining employment, and isolation that has led to disconnection from markets, suppliers, and centers of information and finance. [USDA REAP Zone Website](#)

Minority Serving Institution (GLS Code see below for guidance)

The *Title III Program* is a United States Federal grant program to improve education. It began as part of the Higher Education Act of 1965, which sought to provide support to strengthen various aspects of schools through a formula grant program to accredited, legally authorized Historically Black Colleges and Universities (HBCU). Institutions of higher education must meet both basic and specific eligibility requirements.

- **American Indian and Alaska Native-Serving Institution (AIANSI) (GLS Code Z):** Any institution of higher education in the United States or its territories that has an institutional enrollment of undergraduate AI/AN students that is at least 10 percent or no less than 300 enrolled AI/AN students and is not a Tribal College or University. [Additional Information on AIANSI](#)
- **Asian American and Native American Pacific Islander-Serving Institution (AANAPISI) (GLS Code 0):** An AANAPISI is an institution of higher education that has an enrollment of undergraduate students that is not less than 10 percent Asian American or Native American Pacific Islander students. [Additional Information on AANAPISI](#)

- **Historically Black Colleges and Universities (HBCU) (GLS Code W):** The Higher Education Act of 1965, as amended, defines an HBCU as: “...any historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary [of Education] to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation....” [Additional Information on HBCU](#)
- **Hispanic-Serving Institutions (HSI) (GLS Code Y):** An HSI is an institution of higher education that has an enrollment of undergraduate full-time equivalent students that is at least 25 percent Hispanic students. [Additional Informaion on HSI](#)
- **Native Hawaiian-Serving Institution (NHSI) (GLS Code X):** An NHSI is an institute of higher education with an enrollment of undergraduate students that is at least 10 percent Native Hawaiian students. [Additional Information on NHSI](#)
- **Predominantly Black Institution (PBI) (GLS Code 1):** A PBI is an institution of higher education that (A) has an enrollment of undergraduate students that is not less than 40 percent Black American students; (B) at which not less than 50 percent of the undergraduate students enrolled at the institution are low-income individuals or first-generation college students; and (C) at which not less than 50 percent of the undergraduate students are enrolled in an educational program leading to a bachelor’s or associate’s degree that the institution is licensed to award by the State in which the institution is located. [Additional Information on PBI](#)
- **Tribal Colleges and Universities (TCU) (GLS Code 2):** Tribal Colleges and Universities are institutions that are chartered by their respective Indian tribes through the sovereign authority of the tribes or by the Federal Government, and defined in Section 316 of the Higher Education Act of 1965, as amended (20 U.S.C. 1059c) and those institutions cited in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note). [Additional Information on TCU](#)

Underrepresented Group/Underserved Area (GLS Code R and Q respectively)

The 2008 Farm Bill addressed the unique circumstances and concerns of socially disadvantaged farmers and ranchers, as well as beginning and limited resource farmers and ranchers. The Bill provides for voluntary participation, offers incentives, and focuses on equity in accessing USDA programs and services. The following underrepresented groups will also be considered an underserved area if historically the area has not been involved or funded with Rural Development programs.

- **Limited Resource Farmer or Rancher (GLS Code R or R & Q)** – The term “Limited Resource Farmer or Rancher” means a participant:
 - With direct or indirect gross farm sales not more than the current indexed value in each of the previous 2 years, and
 - Who has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous 2 years. A legal entity or joint operation can be a Limited Resource Farmer or Rancher only if all individual members independently qualify. A Self-Determination Tool is available to the public and may be completed on-line or printed and completed hardcopy at: <http://www.lrftool.sc.egov.usda.gov/>
- **Beginning Farmer or Rancher (GLS Code R or R & Q)** – The term “Beginning Farmer or Rancher” means a participant who:

- Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of a legal entity,
- Will materially and substantially participate in the operation of the farm or ranch.

In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located.

In the case of a contract made with a legal entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

- **Socially Disadvantaged Farmer or Rancher (GLS Code R or R & Q)** – The term “Socially Disadvantaged” means an individual or entity who is a member of a socially disadvantaged group. For an entity, at least 50 percent ownership in the farm business must be held by socially disadvantaged individuals. A socially disadvantaged group is a group whose members have been subject to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. These groups consist of the following:
 - American Indians or Alaskan Natives
 - Asians
 - Blacks or African Americans
 - Native Hawaiians or other Pacific Islanders
 - Hispanics

Note: Gender alone is not a covered group for the purposes of Natural Resources Conservation Service conservation programs. The term entities reflect a broad interpretation to include partnerships, couples, legal entities, etc.

- **Veteran Farmer or Rancher (GLS Code 3 or 3 & Q)** – The term “Veteran Farmer or Rancher” means a farmer or rancher who:
 - Served in the active military, naval, or air service, and
 - Who was discharged or released from the service under conditions other than dishonorable, and
 - Who has not operated a farm or ranch; or has operated a farm or ranch for not more than 10 consecutive years.

A legal entity or joint operation can be a Veteran Farmer or Rancher only if all individual members independently qualify. Participants who self-certify eligibility as a Veteran Farmer or Rancher may be requested to provide records to justify their claim. It is the responsibility of the participant to provide accurate data.

Other USDA Special Initiatives

These special initiatives are not specific to RBS but rather they are part of the Agency, Department and/or Government-wide initiatives.

Target Area (State Plan) (GLS Code A)

Federal Regulations at 7 CFR 275.9(b) provide that States agencies develop a plan. Individual States develop target areas State Plan. § 275.9 Review process.

Individual States will need to identify when an application meets their State plan.

Strategic Regional Initiatives (GLS code S)

The initiative is part of the Obama Administration White House Rural Council which is to support development in rural communities utilizing regional development strategies.

Preserve America (GLS Code N)

The Preserve America Initiative is a White House effort to support community efforts for the preservation and enjoyment of America's priceless cultural and natural heritage. The goals of the initiative include: a greater shared knowledge about the Nation's past; strengthened regional identities; increased local participation in preserving the country's cultural and natural heritage assets; and support for the economic vitality of our communities.

Critical Access Hospitals (GLS Code M)

The USDA Community Facilities Loan and Grant Program provides loans, grants, and loan guarantees for essential community facilities in rural areas. Priority is given to healthcare, education, and public safety projects. Funds may be used to construct, enlarge, or improve facilities. Projects that are more typical to receive funding include: hospitals, health clinics, mental health facilities, schools, fire houses, community centers, and other community-based initiatives.

Home Based Health Care (GLS Code L)

The development of rural home-based health care cooperatives provides a cost effective means of providing elderly and lower income families an alternative to health care services available to them.

Earth Day (GLS Code J)

More information can be located on the Legislative and Public Affairs Sharepoint site located here: [Earth Day](#)

Medically Underserved Area – USDA Initiatives (GLS Code H)

The Federal Medically Underserved Area (MUA) and Medically Underserved Population (MUP) designations identify areas and populations that have limited access to primary care services. MUAs include groups of census tracts that have a population-to-provider ratio indicating a shortage. MUPs may include groups of persons who face economic, cultural, or linguistic barriers to health care in the District and reside in a specific geographic area.

Fund for Rural America – Policy Initiatives White House – DHHS (GLS Code G)

Ensure the development of a rural economy built to last which includes Made in Rural America, Increasing Capital Access for Rural Businesses, and the Department of Health and Human Services's support for rural health care.

National Appeals Division/North Atlantic Free Trade Agreement (GLS Code F)

NAFTA enacted in 1994. Regional and bilateral trade agreements from an integral part of the U.S. approach to international trade reform. Through NAFTA, Canada, Mexico and the United States have eliminated numerous barriers to the economic integration of these three Countries. The United States has much closer economic ties with Canada and Mexico as a result of NAFTA.

Military Base Closings (GLS Code E)

Office of the Economic Adjustment, Department of Defense. <http://www.oea.gov>. Public Law 101-510.

Pacific Northwest 2008 Energy Act Department of Energy (PNW) (GLS Code C)

The lands of the Pacific Northwest produce a bounty of grains, dairy, beef, fish, vegetable, and wild game that feed the people of the region and the rest of the country.

Water 2000 (GLS Code B)

Water and Waste Fiscal Year 2000 Initiative.

Colonia/Tribal Lands (GLS Code K)

Colonias are subdivisions located outside incorporated areas along the United States-Mexico border where residents face significant health risks due to a significant portion of the community lacking access to clean, reliable, affordable drinking water and/or waste disposal systems.

USDA Rural Development can help finance projects on Indian lands in rural areas. For further information on Indian lands and other American Indian/Alaska Native topics visit: [Tribal information](#)