



United States Department of Agriculture

Community-Oriented Connectivity Broadband Grant Program Fiscal Year 2016

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Planning at the Community Level

Think of a Community Development Project

- Who are the stakeholders?
- What is the goal?
- How are you going to achieve it?

How does Broadband Access affect your plan?



Background

Community Connect Grant Program

- Created in 2002
- Competitive Grant Program

Program Regulation:

- 7 CFR 1739, Subpart A (Federal Register 05/03/2013)

Notice of Solicitation of Applications (NOSA):

- Yet to be published.
- Will announce min and max grant amounts for FY2016.

Highlights

- **Targeted towards highest need areas**
- **“Community” criteria is flexible to meet the needs of individual applicants**
- **Critical Community Facilities receive two (2) years of free service**

Highlights

- **Provides for a Community Center**
 - Single or multipurpose building
 - Can be constructed with grant funds
 - Does not have to be a standalone building
- **Community Center is a Public building**
 - Must be open to the general public at least six (6) days per week
 - At least two (2) public, internet-enabled computers
 - Must provide Free public WiFi

Highlights

- **Special Consideration** is provided to projects serving tribal communities
 - **15 additional points** in FY 2014 and FY 2015
- 2015 awarded **\$11 million** in Community Connect grants, with **over \$8.8 million** going towards projects serving tribal communities
- **Since 2009**, 74 Community Connect grants have been awarded, totaling more than **\$77 million**
 - **Over \$20 million awarded to projects serving tribal communities**

Definitions of Terms

- **Broadband Service**

Any terrestrial technology that allows...

- high-quality voice, data, graphics, and video
- minimum rate of 3 megabits per second (download plus upload speeds) for both fixed and mobile service.

- **Broadband Grant Speed**

Minimum service the applicant must propose to offer that...

- At least 5 megabits per second (download plus upload speeds).
- Available to every customer in the proposed service area.

Definitions of Terms

- **Critical Community Facilities**
 - Public Education: school, community college, university
 - Public Library
 - Public Health: Medical Clinic or Hospital
 - Emergency Response: Police, Fire, Ambulance Facilities

- **Community Center**

A building within the proposed funded service area that...

 - Is freely available to the public at least six days of the week
 - Has at least two (2) Computer Access Points
 - Free Wireless Access



Program Rules and Eligibility

Eligible Applicants

- An incorporated organization,
- An Indian Tribe or tribal organization, as defined in 25 U.S.C. 450b(e).
- A state or local unit of government, or
- A cooperative, private corporation or limited liability company organized on a for-profit or not-for-profit basis.

Individuals and Partnerships are not Eligible.

Applicants must have the legal capacity and authority to apply for funding and enter into a contract with RUS.

Applicants must have the legal capacity to own and operate a broadband system.



Eligible Project

To be eligible for a Community Connect grant, the Project must:

1. Serve an area where Broadband Service **does not exist**.
2. Offer Broadband Grant Speed service to **all customers in area**.
3. Offer free service at the Broadband Grant Speed to all **Critical Community Facilities** for at least 2 years.
4. Provide **Community Center** free of charge for at least 2 years.

Eligible PFSA

Proposed Funded Service Area (PFSA) means the **contiguous** geographic area within an eligible **Rural Area** in which the applicant proposes to provide service at the Broadband Grant Speed

Rural Area means any area, as confirmed by the latest decennial census of the Bureau of the Census, which is not located within:

- a city, town, or incorporated area that has a population 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. For purposes of the definition of rural area, an urbanized area means a densely populated territory as defined by the US Census Bureau.



Eligible PFSA (Continued)

Broadband Service cannot exist in any portion of an eligible PFSA.

Applicants should use all available resources to determine if Broadband Service exists, including:

- The NTIA and FCC National Broadband Map
<http://broadbandmap.gov/>
- A listing of communities served by existing RUS borrowers and grantees
<http://broadbandsearch.sc.egov.usda.gov/SearchTabs.aspx>
- View service provider websites and contact local service providers

*** All Information Will Be Independently Verified By RUS ***

Eligible Grant Purposes

1. The construction, acquisition, or leasing of facilities used to deploy service at the Broadband Grant Speed to all residents and businesses in the PFSA
 - Buildings constructed with grant funds must reside on property owned by the awardee.
 - Leasing costs will only be covered through the advance of funds period included in the award documents.

Eligible Grant Purposes (Continued)

2. The improvement, expansion, construction, or acquisition of a Community Center and provision of Computer Access Points.
 - Grant funds for the Community Center are limited to the lesser of ten percent of the requested grant amount or \$150,000.
 - If the community center is constructed with grant funds, the center must reside on property owned by the awardee.
 - Includes funding for at least 2 and up to 10 computer access points to be used in the Community Center.

3. The costs of providing the necessary bandwidth for service free of charge to the CCFs for 2 years.



Ineligible Grant Purposes

1. Funds may not be used to finance the duplication of any existing Broadband Service provided by other entities.
2. Operating expenses are ineligible with the exception of lease costs for facilities used to deploy broadband service and bandwidth expenses.

Matching Contribution

- Applicants must provide a Matching Contribution which is **at least 15% of the total amount** of financial assistance being requested.

The match must be in CASH and AVAILABLE at the time of closing for ALL applications.

In-kind contributions will NOT be accepted.

Matching Contribution

- Matching Contributions **cannot include any federal financial assistance** unless there is a federal statutory exception.
- Applicants that receive funding commitments from another entity must provide satisfactory evidence of sufficient funding commitments.
- **Commitments for outside funding of multiple application submissions are required to include verbiage that they will be available regardless the number of applications that are approved**

Scoring

- Up to 100 points are available. These points are broken into 3 Scoring Components:
 - PFSA Challenges (up to 50 points are available)
 - Local Participation (up to 40 points are available)
 - Management Experience (up to 10 points are available)

Additional points are available if the PFSA is a Special Consideration Area.



Scoring (Continued)

In making the final selection among and between applications with comparable rankings and geographic distribution, the Administrator may take into consideration the characteristics of the PFSA.

- Persistent poverty counties.
- Out-migration communities.
- Rurality
- The speed of broadband service that is offered.
- Substantially Underserved Trust Areas (SUTA).
- Community members with disabilities.



Elements of a Complete Application

- Standard Form 424, SAM Registration and Other Documentation
- Executive Summary
- Scoring Criteria Documentation
- System Design (including Environmental Questionnaire)
- Service Area Demographics
- Scope of Work
- Community-Oriented Connectivity Plan
- Financial Information and Sustainability
- Statement of Experience
- Evidence of Legal Authority and Existence
- Evidence of Funding Commitments from Other Sources
- Compliance with Other Federal Statutes and Regulations

FY 2016 Application Guide available at:

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



Community-Oriented Connectivity Plan

- List of all **Critical Community Facilities**;
 - **Description of the services** that will be provided;
 - The **hours of operation** of the Community Center;
 - Description of the **anticipated roles** of the telecommunications carriers in the PFSA.
 - **Evidence of commitment** from authorized personnel or owner to utilize building space for Community Center
- * Building must be accessible to all members of the community before, during and after normal working hours AND on Saturdays or Sundays. **This must be specifically addressed in the application.**

Common Mistakes

- **General**
 - Inconsistencies within the application
 - Lack of specifics
 - Inadequate documentation

- **Community Involvement**
 - No documentation of support from Community
 - No support from Community Leaders or Organizations

Common Mistakes

- **Community Center**

Lack of details on the community center:

- Where is it located?
- Who owns the property?
- What are the hours?
- How many computer stations are there?
- What is the access and availability?
- What services will be offered through the center?



Common Mistakes

- **Proposed Funded Service Area (PFSA)**
 - Entire PFSA isn't rural
 - Customers throughout the entire area won't be offered service at the Broadband Grant Speed
 - Map included in application doesn't match the description provided of the PFSA
 - Critical Community Facilities or the Community Center are not located within the PFSA

Common Mistakes

- **Technical Documentation**
 - Insufficiently detailed documentation to determine the technical feasibility of the proposed system
 - Lacked detailed description of the existing system
 - Lacked detailed description of the proposed system

It is recommended that the System Design is prepared by a registered engineer licensed in the State(s) where the network will be constructed.



Common Mistakes

- **Financial Documentation**
 - Insufficient or not historical financials provided
 - Historical Financial data doesn't match audit
 - Balance sheets don't balance
 - Cash flow, Income Statements, and Balance Sheets don't tie together

Common Mistakes

- **Matching Funds**
 - Insufficient Matching Funds
 - Insufficient documentation that Funding is available
 - Multiple Applications that do not include enough matching funds for ALL applications

- **Financial Projections**
 - Inadequate or no assumptions for financials projections
 - Matching funds not clearly documented in projections
 - Not enough cash is 5-year forecast to support the projects or negative cash balances



Financial Assumptions

- Bad assumption:

Our company is currently offering broadband service, and anticipates greatly increasing this service over the five year period. The company currently has a penetration rate of 85% for its existing service areas. The projected rate for the PFSA will be the same as our existing rates.

Financial Assumptions

- Good Assumption:

The Company has been serving five communities for three years. Currently, our company offers broadband data service at speeds of 4 Mbps downstream/1 Mbps upstream, at a rate of \$20 per subscriber per month. For the prior two historical years, our company has had 70, and 85 subscribers respectively. Based on historical data, the company is projecting that our existing service area subscribers will increase by 10 subscribers per year over the five year forecast.

Based on the interest from community leaders, the company has projected that the PFSA for the community connect project will have a 20% penetration rate by year five of the project. Service plans for the new PFSA are projected to be consistent with our current offerings. The company is projecting 8 subscribers in the new service area in year one, and increasing by 10 new subscribers per year in years two through five.

Financial Assumptions

- **Bad assumption:**
 - Customer Care expenses are the personnel and related costs of providing customer care operations to customers. This is projected to increase by 2% per year.
- **Good Assumption:**
 - Customer operations expense consists of the cost of customer care personnel, which includes one sales/marketing manager, three customer service representatives, and the associated employee benefits. The marketing manager has a salary of \$30,000 a year, and the customer service representatives \$18,000 per year. Benefits include the cost of health care insurance, calculated as 8% of each employee's salary per year. Base salaries are projected to increase by 2% per year to keep up with inflation.



What to Do When Submitting an Application

- Be specific
- Be clear
- Make sure all pieces are included
- Place all forms in the required order
- Check for consistency
- Make sure multiple applications include all required information and appropriate documentation



Application Submission

Three ways to submit applications:

1. **Electronically** through www.grants.gov.
2. **Hand Deliver** Hard Copy to RUS (1 original paper copy and 1 electronic copy).
3. **Mail** Hard Copy to RUS (1 original paper copy and 1 electronic copy).



Dun and Bradstreet Data Universal Numbering System (DUNS) Registration

How to Obtain a DUNS Number:

1-866-705-5711

OR

http://www.whitehouse.gov/omb/grants/duns_num_guide.pdf

OR

<http://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html>

NOTE: Registering for a DUNS number can take up to a week. Have this done early to avoid an issue.



System for Award Management (SAM) Registration

A DUNS number is required in order to register in the SAM Database.

System for Award Management (SAM)

1-877-332-8277

OR

<http://www.sam.gov>

NOTE: Registering for SAM can take up to a week, and you must have the DUNS number before you can register with SAM. Have this done early to avoid an issue, SAM registration must be active **BEFORE the application deadline.**



Application Processing

Review Standards

1. Application deadline will be posted in the NOSA;
 2. Applications must be eligible and complete; and
 3. Applications must be technically and financially feasible.
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- Applications passing Steps 1 - 3 will be evaluated competitively based on the three scoring components.
 - Applications will be ranked and awarded in rank order until all grant funds are expended.
 - Awards announced.



Planning at the Community Level

How can a Community Connect Grant fit into your Community's Development Plan?

- What could your Community Center be used for?
- What facilities would benefit from a broadband connection?
- How can you extend this grant through other projects?
- How can this grant be leveraged to greater opportunity?



QUESTIONS

Contact Information

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