



United States Department of Agriculture

Community-Oriented Connectivity Broadband Grant Program Fiscal Year 2015

Presented by: Scott Steiner



Background

Community Connect Grant Program

- Created in 2002
- Competitive Grant Program

Program Regulation and NOSA:

- Community Connect Grant Program Regulation, 7 CFR 1739, Subpart A, published in the Federal Register on May 3, 2013; and
- Notice of Solicitation of Applications (NOSA), published in the Federal Register on December 17, 2014. The NOSA sets forth the minimum and maximum grant amounts for the 2015 program as well as the broadband service speed and broadband grant speed.



NOSA Definitions and Limits

- Broadband Service means any terrestrial technology having the capacity to provide transmission facilities that enable subscribers of the service to originate and receive high-quality voice, data, graphics, and video at the minimum rate of 3 megabits per second (download plus upload speeds) for both fixed and mobile service.
- Broadband Grant Speed means the minimum bandwidth of 5 megabits per second (download plus upload speed) that an applicant must propose to deliver to every customer in the PFSA.
- **Minimum and Maximum Grant Amounts:**
 - \$100,000 minimum
 - \$3,000,000 maximum



Major Changes introduced in 2013- Continued in 2015

1. Proposed Funded Service Territory
2. Matching Fund Simplification
3. Scoring Simplification
4. Broadband Service Definition



Changes for 2014 Con't in 2015

- Special Consideration Areas
 - Points available to projects that provide broadband service within a trust area or tribal jurisdictional area.
- Small Area Income and Poverty Estimates
 - Scoring criteria updated to emphasize funding in areas with at least 20% of the population living in poverty.



United States Department of Agriculture

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 a Proposed Funded Service Area (PFSA) in which Broadband Service does not exist;
2. Offer service at the Broadband Grant Speed to all residents and business customers within the PFSA;
3. Offer free service at the Broadband Grant Speed to all Critical Community Facilities (CCF) located within the PFSA for at least 2 years starting from the time service becomes available to each CCF; and
4. Provide a Community Center with at least two Computer Access Points and wireless access at the Broadband Grant Speed, free of all charges to users for at least 2 years and is open and accessible to area residents before, during and after normal working hours and on Saturday and/or Sunday.



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.
- Matching Contributions cannot include any financial assistance from federal sources unless there is a federal statutory exception.
- At the time of closing of the award, the awardee must contribute or demonstrate available cash reserves in an account(s) of the awardee equal to at least 15% of the grant.
- The Matching Contribution must be in the form of cash, to be used to fund operations of the project.



Application Submission

- Applications can be submitted:
 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)



Application Processing

Review Standards

1. Applications must be postmarked or received by **February 17, 2015**;
 2. Applications must be eligible and complete; and
 3. Applications must be technically and financially feasible.
- 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.



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)

Up to 15 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 that will be served within the PFSA;
- Out-migration communities that will be served within the PFSA;
- The rurality of the PFSA;
- The speed of broadband service that is offered to subscribers in the PFSA;
- Substantially Underserved Trust Areas (SUTA) that will be served within the PFSA; and
- Community members with disabilities that will be served within the PFSA.



Contact information

Additional resources are available on our website at:
http://www.rurdev.usda.gov/utp_commconnect.html

Contact Information:

Loan Origination and Approval Division

202-720-0806



United States Department of Agriculture

Community-Oriented Connectivity Broadband Grant Program Fiscal Year 2015

How to Apply for a Grant

Presented by
George Oyegoke
Thera Swersky

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



Application Information

- For program regulation (7 CFR 1739), 2014 Notice of Solicitation of Applications (NOSA), Standard Form 424 and instructions, and the Application Guide, view:

http://www.rurdev.usda.gov/utp_commconnect.html



Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
* 2. Type of Application: <input type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
* If Revision, select appropriate letter(s): _____ * Other (Specify) _____		
* 3. Date Received: Completed by Grants.gov upon submission.		4. Applicant Identifier: _____
5a. Federal Entity Identifier: _____		* 5b. Federal Award Identifier: _____
State Use Only:		
6. Date Received by State: _____		7. State Application Identifier: _____
8. APPLICANT INFORMATION:		
* a. Legal Name: _____		
* b. Employer/Taxpayer Identification Number (EIN/TIN): _____		* c. Organizational DUNS: _____
d. Address:		
* Street 1: _____		
Street 2: _____		
* City: _____		
County/Parish: _____		
* State: _____		
Province: _____		
* Country: _____ USA: UNITED STATES		
* Zip / Postal Code: _____		
e. Organizational Unit:		
Department Name: _____		Division Name: _____
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: _____	* First Name: _____	
Middle Name: _____		
* Last Name: _____		
Suffix: _____		
Title: _____		
Organizational Affiliation: _____		
* Telephone Number: _____		Fax Number: _____
* Email: _____		

Schedule A-1: Standard Form 424



Schedule A-2 System for Award Management (SAM) Registration

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

Dun and Bradstreet Data Universal Numbering System (DUNS)

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>

System for Award Management (SAM)

1-877-332-8277

OR

<http://www.sam.gov>



Schedule A-2

System for Award Management Registration Information

System for Award Management (SAM) registration

CAGE Code: _____

complete. _____ (Applicant) hereby certifies, that the SAM registration is active, with current information and

Organization Name

Authorized Representative's Signature

Date

Name Typed or Printed



Schedule A-3

USDA Rural Development State Director Notification*

In order to complete Schedule A-3 you will need to provide the following:

- **Title of Project**
- **Proposed Funded Service Area (PFSA) description**
- **Brief description of the project**

**This notification will become a public document that the RUS may provide to the State Directors and others in the State(s) covered by the PFSA.*



Schedule A-4

Survey Ensuring Equal Opportunity for Applicants

This Schedule is optional however we ask that nonprofit organizations (not including private universities) complete this schedule.



Schedule B

Executive Summary of the Project

- Description of the Proposed Funded Service Area (PFSA) and why the project is needed;
- A description of the applicant;
- Explanation of the total project costs;
- General overview of the proposed broadband system (types of equipment, technologies, and facilities);
- Documentation describing the procedures used to determine the unavailability of existing Broadband Service in the PFSA;
- A list of participating Critical Community Facilities; and
- Evidence that any remaining Critical Community Facility located in the PFSA has rejected the offer for free service at the Broadband Grant Speed.



Schedule C

Scoring Criteria Documentation

1. PFSA Challenges (up to 50 points)
 - a. Economic Characteristics
 - Small Area Income and Poverty Estimates
 - b. Educational Challenges
 - c. Health Care Needs
 - d. Public Safety Issues
2. Local Participation (up to 40 points)
3. Management Experience (up to 10 points)

Special Consideration Areas (will add 15 additional points to the base of 100 for applicants that qualify)

Please refer to the application guide for details on each scoring component and additional criteria that will be used to differentiate your application from other applications.



Schedule D System Design

- Detailed description of existing network if applicable.
 - Services offered
 - Customers served
 - Internet connection
- Detailed description of the proposed network.
 - PFSA description
 - Technology proposed
 - Existing network upgrades
- Description of the design parameters used in engineering the system.



Schedule D System Design

- Licenses and/or agreements required to construct and operate the network and the status of securing those licenses/agreements.
- Network Diagram (Schedule D-1) of existing and proposed network.
- Environmental Questionnaire (Schedule D-2)
- **Recommend System Design is prepared by a registered engineer licensed in the State(s) where the network will be constructed.**



Schedule E

Service Area Demographics

Use the RUS web-based Mapping Tool to map the PFSA at:
<http://broadbandsearch.sc.egov.usda.gov/>

The Mapping Tool Reference Number will be in the following format:
XXXX-XXXX-XXXX-XXXX

Service Area Demographics			
Mapping Tool Reference Number:			
Service Area Name	Population	Households	Businesses

Demographic information should be obtained from:
<http://www.census.gov/>



Schedule F

Scope of Work

- Description of the specific activities and services to be performed.
- Who will perform the activities and services.
- A construction build-out schedule (Schedule F-1).
- Detailed budget (Schedule F-2).
 - The total grant funds shown on the budget must be the same as those listed on the Application for Federal Assistance (SF 424).
 - Any ineligible items listed on the budget will **NOT** be considered for grant funding and could affect the eligibility of the application.



Schedule F-2: Budget

Schedule F-2

Project Budget

BUDGET	No. of Units	Unit cost	Total	Grant	Other Funding	Description
BROADBAND SYSTEM						<p>Equipment costs include material and labor.</p> <p>CPE costs: ONTs, modems, radio and external antennas with labor.</p> <p>Tower costs could include standby generators, prefab huts or land purchase. Costs need to be listed separately.</p>
Electronic Equipment (FTTH, wireless, etc.)						
Outside plant (fiber, coaxial, copper, etc.)						
Customer premises equipment						
Towers – new construction (monopole, lattice, etc.)						
Towers – lease						
Buildings – new construction						
Buildings – renovations/expansion						
Bandwidth Costs						
Collocation Costs						
Site preparation						
Engineering						
Total Broadband System						
COMMUNITY CENTER						<p>Note: Grant funds provided for the community center are limited to 10% of the grant amount requested.</p> <p>New building must be built on property owned by the applicant.</p>
Construction of building						
Renovations/expansion of existing building						
Furniture						
Computers/software/printers (maximum number of computers funded by grant is 10)						
Total Community Center						
SUMMARY OF EXPENDITURES						
Broadband System						
Community Center						
TOTAL						



Schedule G

Community-Oriented Connectivity Plan

- List of all Critical Community Facilities located in the PFSA;
- Description of the services that will be provided;
- The hours of operation of the Community Center in addition to the activities available to the public*; and
- Description of the consultation with the telecommunications carriers in the PFSA and their anticipated roles in the proposed telecommunications systems.
- 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.



Schedule H

Financial Information and Sustainability

- Description of the sustainability of the project
- Audited financial statements
 - Existing organizations (Prior two years)
 - If audited statements are not available, applicant must submit unaudited financial statements for those two years. The unaudited financial statements should include an income statement, balance sheet and statement of cash flows.
 - Start-up companies (Opening balance sheet dated within 30 days of application submission.)
- Annual financial projections
 - Include detailed assumptions that support the financial projections
 - Make sure if there are multiple applications that there is sufficient funds for all of the projects



Frequent Financial Flaws

- Historical Financial Data that doesn't match the Audit
- Balance Sheets that don't balance
- Cash Flow, Income Statements and Balance Sheets that don't tie together
- Equipment purchases on Balance Sheet must match System design
- Not enough Cash in the 5-year forecast to support the projections or negative cash balances
- Multiple applications that do not include enough matching funds for ALL applications
- Matching funds must be clearly reflected in the financial forecast
- Forecasts that don't include detailed assumptions



Assumption Examples

- Bad assumption example 1:
 - 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.



Assumption Examples Continued

- Good Assumption example 1:

Revenues

Broadband Data Service:

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.



Assumption Examples

- Bad assumption example 2:
 - 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 example 2:
 - 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.



Schedule I

Statement of Experience

Provide a narrative that describes your organization's capability and experience, if any, in operating a telecommunications system, or any project similar to the proposed project, including the qualifications of key staff.



Schedule J

Evidence of Legal Authority and Existence

Documentation of legal authority includes but is not limited to:

- Articles of Incorporation;
- Bylaws;
- Board Resolutions;
- Attorney's Opinion of Counsel

Documentation of legal existence* includes but is not limited to:

- Certificates from the Secretary of State
- State Statutes; or
- Laws establishing your organization

*Letters from the IRS awarding tax-exempt status are **NOT** considered adequate evidence of legal existence.



Schedule K Additional Funding

Applicants must provide evidence of matching funds equal to at least 15% of the requested grant amount.

- A recent bank statement in the name of the applicant showing the available funds

Or

- Evidence of external funding commitments

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

In-kind contributions will NOT be accepted.



Schedule K

Additional Funding Continued

Applicants that receive funding commitments from another entity must provide satisfactory evidence of sufficient funding commitments that satisfies all of the following:

- Agreement between the entity and the applicant or a letter from the entity to the applicant
- Clearly state the name of the entity that is making the commitment to the applicant
- Include the amount of the commitment
- State the purpose of the commitment
- Demonstrate the ability of the entity making the commitment by a recent bank statement reflecting the appropriate amount of funds in the account.
- The agreement or letter should be signed by an authorized representative of the entity providing the commitment.

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



Schedule L

Compliance with Other Federal Statutes and Regulations

Federal Statute/ Regulation	Evidence of Compliance
7 CFR Part 15, Subpart A (Attachment L-1)	Equal Opportunity and Nondiscrimination Certification (Attachment L-1)
7 CFR Part 3015 (Attachment L-2)	Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Certification (Attachment L-2)
2 CFR 417 – Nonprocurement Debarment and Suspension (Attachment L-3)	Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions (Attachment L-3)
7 CFR Part 3018 New Restriction on Lobbying (Attachment L-4)	Certification Regarding Lobbying for Contracts, Grants, Loans and Cooperative Agreements (Attachment L-4)
2 CFR 421 Requirements for Drug-Free Workplace (Financial Assistance) (Attachment L-5)	Certification Regarding Drug-Free Workplace Requirements Alternative I-For Grantees other than Individuals (Attachment L-5)
	Certification regarding Architectural Barriers (Attachment L-6)
	Certification regarding Flood Hazard Area Precautions (Attachment L-7)
	Non Duplication of Services Certificate (Attachment L-8)
	Applicant Certification Federal Collection Policies for Commercial Debt (Attachment L-9)
	Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants (Attachment L-10)



Common Mistakes with Applications

- Insufficient Match Funding
- Inadequate documentation that funding is available
- Little or no documentation or support from Community Leaders or organizations within the PFSA
- Insufficient or no historical financials provided
- Inadequate assumptions or no assumptions included
- Lack of specifics
- Inconsistencies within the application
- Lack of details on the Community Center: where it is located, who owns the property, **hours**, number of stations, access and availability to public and what services will be offered in it.



Common Mistakes with Applications Continued

- The PFSA on the mapping tool does not match the PFSA described in the application
- The entire PFSA is not rural
- **All premises (households & businesses)** in the service area are not offered service at the Broadband Grant Speed
- The application was insufficiently detailed as to determine the technical feasibility of the proposed system.
- Detailed descriptions of the existing and proposed networks were not provided
- Critical Community Facilities and Community Center not located in PFSA boundaries.



What to Do when submitting an application

- Be specific
- Be clear
- Make sure all schedules are included
- Check for consistency
- Make sure multiple applications include all required information and appropriate documentation



Submitting an Application

1) Electronically via www.grants.gov

OR

2) Postmarked, shipped, or hand-delivered to:

**Deputy Assistant Administrator,
Loan Origination and Approval Division
Rural Utilities Service
STOP 1597, Room 2808-S
1400 Independence Ave., SW
Washington, D.C. 20250-1597**



United States Department of Agriculture

QUESTIONS

Contact Information

(202) 720-0806

Email: community.connect@wdc.usda.gov