



**Federal Broadband Funding Opportunities:
A Guide for New Mexico Companies, Utilities,
Indian Tribes, and Localities**

Prepared for the New Mexico Department of Information Technology
Office of Broadband

by CTC Technology & Energy

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1 Introduction

This guide offers an overview of federal funding options that could provide financial support to local governments, Indian tribes, utilities, and internet service providers in their efforts to construct and operate broadband networks in New Mexico.

Federal funding is an important element of many large-scale broadband deployments. Varying dramatically in size, funding opportunities target a wide variety of deployment scenarios and end users. This guide provides information on a range of federal programs available in 2020. Additional opportunities may emerge in any given year—examples of the always-changing landscape of broadband funding and financing.

Among the most promising sources of potential funding at the moment are the Commerce Department's Economic Development Assistance (EDA) grants, the FCC's upcoming Rural Digital Opportunity Fund (RDOF) auction, and the USDA's ReConnect grant and loan program. E-rate funds can help local schools and libraries pay for advanced telecommunications services, but service providers need to win a competitive bidding process to be awarded these funds. The application window for the Bureau of Indian Affairs' National Tribal Broadband Grant program closes very soon, but represents a promising opportunity if additional funding is allocated in the future.

2 U.S. Department of Agriculture

Rural Broadband Program

The Rural Broadband Program (formerly the Rural Broadband Access Loan & Loan Guarantee Program) has historically been the RUS program with the greatest promise for competitive broadband. The application process is not onerous and there is some flexibility in what awards can cover.

In March 2020, the Department of Agriculture published interim final rules that proposed changes to the program, including updating the program name and adding a grant component. At the time of writing, these rules are not yet final.

Program Mission: The Rural Broadband Program has a broad mission. It is designed “[t]o provide loans for funding, on a technology neutral basis, for the costs of construction, improvement, and acquisition of facilities and equipment to provide broadband service to eligible rural communities.”

Nature of Award: Awards are in the form of Treasury-rate loans, four-percent loans, and loan guarantees. Loans are for the term of the life of the facility (thus, 18-20 years for standard-wire broadband). Money is dispersed as construction is completed, with monthly advances against the following month’s contract. Once awarded, funding covers capital costs and can retroactively cover pre-application expenses (e.g., project design); however, applicants must take a “leap of faith” in preparing these details during the application process. The interim final rules published in March proposed a new loan/grant combination award, though that change is not yet final.

Eligible Entities: Entities eligible to receive loans include corporations, limited liability companies, cooperative or mutual organizations, Indian tribes, and state or local government. Individuals or partnerships are not eligible.

Eligible Areas: Loans are limited to eligible rural communities (i.e., an area with less than 20,000 inhabitants and not adjacent to an urbanized area with more than 50,000 inhabitants). An eligible service area must be completely contained within a rural area, at least 15 percent of the households in the area must be underserved (unless the current borrower applies to upgrade existing facilities in an existing service area, in which case they are exempt from this requirement), no part of the service area can have more than three incumbent service providers (note that an area may have two competing broadband service providers), and no part of the funded service area can overlap with the service area of current RUS borrowers and grantees or be included in a pending application before RUS. It is likely that portions of a service territory would qualify, although the service territory may not qualify in its entirety. Incumbent service

providers are broadband providers that RUS identifies as directly providing broadband service to at least five percent of the households within a service area.

Eligible Costs: The program funds costs of construction, improvement, and acquisition of facilities and equipment to provide broadband service to eligible rural areas. Thus, loans are not limited by anticipated end uses.

FY 2020 Resources: Appropriations have not been made for 2020, as the program is currently undergoing rule changes.

Typical Award: Congress approves an annual appropriation (loan subsidy) and a specific loan level (lending authority) for the program. Minimum and maximum award amounts will be published in the Federal Register, but have historically been \$100,000 (minimum) to \$100 million (maximum).

Cost-Share Requirement: For loans, there is no cost-share requirement, however, applicants must carry fidelity bond coverage for 15 percent of the loan or loan/grant combination award amount. Grants may cover between 25-75 percent of project costs, dependent on the population density of the proposed funded service area.

Applicable Deadlines: The program is not currently open. We anticipate that new program rules will be finalized in June 2020 and that a funding round will open shortly afterwards.

Other Requirements: Applicants must complete build-out within three years (proposed new rules would adjust this to five years if adopted), demonstrate ability to provide the service at the Agency's "broadband lending speed" (25/3 Mbps), and demonstrate an equity position of at least 10 percent of the loan amount (though the proposed rules would eliminate the equity position requirement). Note that awards are only partially based on project design, but pay particular attention to the business plan and pro forma. Thus, applicants must invest resources preparing these supporting documents. Loans are given to those projects that demonstrate the greatest likelihood of repayment (as demonstrated by the business plan). RUS will give greatest priority to applicants that propose to offer broadband to the greatest proportion of households that have no incumbent service provider.

Key Links:

- Fact Sheet: https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RUS_FarmBillBroadbandLoans.pdf
- Application Guide: https://www.rd.usda.gov/files/FB_AppGuide_Revised_18_19.pdf

- Federal Register Notice (proposed rule changes):
<https://www.govinfo.gov/content/pkg/FR-2020-03-12/pdf/2020-04086.pdf>

Agency Contact:

Ken Kuchno (202-690-4673); Kenneth.kuchno@wdc.usda.gov

ReConnect Program

Program Mission: The ReConnect program offers financing to facilitate broadband deployment in rural areas of the country that lack access to at least 10/1 Mbps.

Nature of Award: There are three types of opportunities offered through this program: 100 percent grant, 50/50 grant/loan, and 100 percent loan.

Eligible Entities: Awards can be given to both public and private entities. Eligible applicants for broadband grants include incorporated organizations, Indian tribes or tribal organizations,¹ state or local units of government, or cooperatives, private corporations, and limited-liability companies organized on a for profit or not-for-profit basis. Individuals or partnerships are not eligible.

Eligible Areas: To be eligible for ReConnect, service areas must be rural, and 90 percent of households must lack access to fixed, terrestrial service of at least 10/1 Mbps. RUS will not fund a project proposing to serve an area that has already received financial assistance for broadband service from RUS broadband loans, the Community Connect program, CAF II Auction 903, state-funded areas, or previous rounds of ReConnect.

Eligible Costs: Award funds can be used to fund the construction or improvement of broadband facilities, the acquisition of an existing system (up to 40 percent of the total requested award), and reasonable pre-application expenses (up to five percent of the total requested award). Operating costs are not eligible costs.

FY 2020 Resources: Round one of the program has awarded over \$621 million. Round two closed on April 15, 2020, and will distribute \$550 million plus an additional \$100 million from the stimulus act. The details of a third round are unknown, but it is generally anticipated that there will be more rounds in the future.

¹ Applications for projects on tribal lands are eligible for additional points in the scoring process. See: "ReConnect Loan and Grant Program: Evaluation Criteria," U.S. Department of Agriculture, <https://www.usda.gov/reconnect/evaluation-criteria> (accessed June 5, 2020).

Typical Award Size: Awards range considerably in size. One hundred percent grants are limited to \$25 million, and 50/50 awards are limited to \$25 million for each the grant and the loan. One hundred percent loans are limited to \$50 million.

Cost-Share Requirement: Applicants receiving a 100 percent grant must provide a match equal to 25 percent of the overall project cost.

Applicable Deadlines: The application deadline for the second round of program funding was April 15, 2020. Updates on application deadlines are available through USDA Rural Development Updates.²

Projects Funded: Eligible projects must propose to provide at least 25/3 Mbps broadband service to all premises in the proposed service area that do not have sufficient access to broadband, and must demonstrate that they can be completely built out within five years of funding being made available.

Key Links:

- Program overview: <https://www.usda.gov/reconnect/program-overview>
- Second funding round Funding Opportunity Announcement: <https://www.govinfo.gov/content/pkg/FR-2019-12-12/pdf/2019-26522.pdf>

Program Contact:

General contact: <https://www.usda.gov/reconnect/contact-us>

Community Connect Program

Priority for Community Connect grants is given to areas demonstrating “economic necessity.” The application process is rigorous and competitive (with awards given to only 10 percent of applicants) and once awarded, program requirements are demanding (e.g., requiring last-mile service for all households in the service area). Awards are fairly modest.

Program Mission: Community Connect has a broad program mission of helping “rural residents tap into the enormous potential of the internet.”

Nature of Award: Grant with modest (15 percent) match requirement.

Eligible Entities: Awards can be given to both public and private entities. Eligible applicants for broadband grants include incorporated organizations, Indian tribes or tribal organizations, state

² <https://public.govdelivery.com/accounts/USDARD/subscriber/new?email=&commit=Sign+Up>.

or local units of government, or cooperatives, private corporations, and limited-liability companies organized on a for profit or not-for-profit basis. Individuals or partnerships are not eligible.

Eligible Areas: Funding is geographically limited to a contiguous area with a population less than 20,000 that does not currently have Broadband Transmission Service (defined as 10/1 Mbps).

Eligible Costs: Eligible projects must offer basic broadband transmission service to both residential and business customers within the proposed service area. Examples of eligible projects include deploying broadband transmission service to critical community facilities, rural residents, and rural businesses; constructing, acquiring or expanding a community center (but only five percent of grant or \$100,000 can be used for this purpose); or building broadband infrastructure and establishing a community center with at least 10 computer access points, which offer free public access to broadband for two years.

FY 2020 Resources: For FY 2020, \$35 million was available for Community Connect Grants. Funding is provided through annual appropriations in the Distance Learning and Telemedicine account within the Department of Agriculture appropriations bill.

Typical Grant Award: Awards range considerably in size, from \$100,000 to \$3 million.

Cost-Share Requirement: Applicants must make a matching contribution of at least 15 percent of the total award. This match can be made with “in kind” contributions, but cannot be made with federal funds.

Applicable Deadlines: Applications for the Community Connect program are typically opened around March or April, and conversations with program staff confirm that there is a about a 45 to 60-day application window with awards given in September. As of May 2020, a Funding Opportunity Announcement had not yet been announced for this year. Updates on application deadlines are available through www.grants.gov.

Notes: The grant process is very selective, with awards given to only 10 percent of applicants. Community Connect funds approximately 15 projects annually (from an application pool of 150). Priority is given to areas that demonstrate “economic necessity.”

Other Requirements: Grant requirements are fairly onerous, as recipients must agree to provide last-mile services throughout the entire service area (i.e., “basic transmission service to residential and business customers”).

Key Links:

- Basic background: http://www.rurdev.usda.gov/utp_commconnect.html

- Application Guide:
https://www.rd.usda.gov/files/CC_Application_Guide_FY2019_final.pdf
- 2019 Funding Opportunity Announcement:
https://www.rd.usda.gov/files/2019_CC_FOAfinal.pdf

Agency Contact:

Long Chen and Janet Malaki (202-690-4673) (community.connect@wdc.usda.gov)

Kenneth Kuchno (202-690-4673)

Distance Learning and Telemedicine (DLT)

Grants for this program are given for equipment, rather than broadband service; however, this may provide a good way for a utility to leverage a new broadband network (e.g., by helping finance video conferencing systems and home medical units). As such, this could be a good supplement to other funding options. Applicants have a fairly high likelihood (70 percent) of receiving an award.

Program Mission: Grants are available for projects that “meet the educational and health care needs of rural America.”

Nature of Award: Grant

Eligible Entities: Funds can be awarded to both public and private entities (including corporations or partnerships, Indian tribes, state or local units of government, consortia, and private for-profit or not-for-profit corporations), assuming they provide the requisite services. Individuals are not eligible. Grantees must provide education and medical care via telecommunications. Eligible entities must either directly operate a rural community facility or deliver distance learning or telemedicine services to entities that operate a rural community facility or to residents of rural areas.

Eligible Areas: Rural areas with populations of 20,000 or less.

Eligible Costs: Grants can be used for equipment, but not broadband service. Eligible projects vary and can include capital assets (e.g., interactive video equipment, data terminal equipment, inside wiring, etc.), instructional programming that is a capital asset, technical assistance and instruction. Grants can provide operating costs for the first two years of a program, and are made for projects where the benefit is primarily delivered to end users that are not at the same location as the source of the education or health-care service.

FY 2020 Resources: The second funding round will distribute \$47 million, in addition to any leftover funds from the first round window and a special Covid-19 allocation of \$25 million.

Typical Grant Award: Grant awards range from \$50,000 (minimum) to \$1 million (maximum). Roughly 70 percent of applicants are awarded grants.

Cost-Share Requirement: The grant program requires a 15 percent match. Such matches may be made through “in kind” contributions, but cannot be made with federal funds. Applications that provide a greater contribution may be scored more favorably.

Applicable Deadlines: The deadline for the second funding round is July 13, 2020.

Restrictions: RUS borrowers are not eligible for DLT loans. Demonstration projects are not eligible for DLT funds. Projects must be in a rural area as defined by 7 CFR 1703.126(a)(2).

Key Links:

- Program page: <https://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants>
- Funding Opportunity Announcement: https://www.rd.usda.gov/sites/default/files/USDARUS2020_DLT_FOAR2CARESActFunding_04142020.pdf
- Application Guide: https://www.rd.usda.gov/sites/default/files/FY2020_DLT_App_Guide_Final.pdf

Agency Contact:

General information (202-720-1051 or dltinfo@wdc.usda.gov).

Sam Morgan (202-205-3733 or sam.morgan@wdc.usda.gov)

Telecommunications Infrastructure Loans

USDA provides loans to support broadband in rural communities. Loans are limited to telephone companies serving rural areas within cities of fewer than 5,000 inhabitants. Other, more generous grants and subsidies may be available.

Program Mission: The Telecommunications Infrastructure program makes “long-term direct and guaranteed loans to ... finance[e] the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems to furnish and improve Telecommunications

service in rural areas.” The loans are intended to provide advanced telecommunications networks for rural areas, especially broadband networks designed to accommodate distance learning, telework and telemedicine.

Nature of Award: All awards are in the form of low-interest loans and include: cost-of-money loans (3.15 percent for a 20-year term beginning June 2014), guaranteed loans (interest rates are Treasury rate plus 1/8 percent; historically between .15 and 4.2 percent), and hardship loans (5 percent interest).

Eligible Entities: The Department of Agriculture provides Telecommunications Infrastructure Loans to entities providing telephone service in rural areas; public bodies providing telephone service in rural areas as of 1949; cooperative, nonprofit, limited dividend or mutual associations. All borrowers must be incorporated or a limited liability company.

Eligible Areas: Rural areas, defined for this program as an area not included within the boundaries of any city, village, or borough (incorporated or unincorporated) with a population greater than 5,000.

Eligible Costs: Loans can be used to finance telecommunications in rural areas for improvements, expansions, construction, acquisitions and refinancing.

FY 2020 Resources: \$690 million is budgeted for FY 2020.

Typical Award: \$50,000 is the minimum loan award. The maximum is unclear, though as of June 2011, Triangle Telecom has received \$136 million over the course of a decade.

Cost-Share Requirement: N/A (loan)

Applicable Deadlines: Applications can be submitted year-round.

Restrictions: Loans are limited to rural areas, narrowly defined as areas within a city of fewer than 5,000 inhabitants.

Key Links:

- General information: http://www.rurdev.usda.gov/utp_infrastructure.html
- Brochure: <http://www.rurdev.usda.gov/supportdocuments/telecomloansflyerfactsheet.pdf>
- Regulations: http://www.rurdev.usda.gov/supportdocuments/7_cfr_part_1735.pdf

3 U.S. Department of Commerce

Economic Development Administration Public Works and Economic Adjustment Assistance Program

This program is a rebrand of the previous Economic Development Administration (EDA) Program and is designed to address needs in economically distressed areas. While the agency does not receive many broadband applications, this can actually be a strategic advantage for communities that can show broadband is needed as an element of their economic development plan. While the program focuses on distressed communities, especially those that have experienced plant or base closures, an addendum to EDA's notice of funding opportunity was added on May 7, 2020 to announce additional funding through the CARES Act to support recovery of communities adversely affected by Covid-19. Funding requests that target recovery from Covid-19 distress are intended to be flexible and spent quickly and not subject to the regular economic distress requirements.

Nature of Award: Grants and cooperative agreements

Eligible Entities: Eligible entities include city, township, county, or special district governments; state governments; federally recognized tribal governments (or “a consortium of Indian Tribes”); nonprofits, aside from institutions of higher education; private institutions of higher education; and public and state-controlled institutions of higher education.

Eligible Areas: For the regular program (not the special Covid-19 addendum), the community must qualify as distressed to be eligible. Criteria for eligibility is established by providing “third-party data that clearly indicate that the region is subject to one (or more) of the following economic distress criteria: (i) an unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point greater than the national average unemployment rate; (ii) per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capita income; or (iii) a “Special Need,” as determined by EDA.”

Note that the EDA has determined that the economic impact of the coronavirus pandemic constitutes a “special need,” and has extended eligibility to all communities if applying for coronavirus related funding. Applicants must still explain in their applications how their project would “prevent, prepare for, and respond to” to coronavirus, or respond to “economic injury as a result of the coronavirus.” Working early in the application process with the regional EDA representative is highly recommended.

Eligible Costs: Building, designing, or engineering infrastructure and facilities to advance economic development strategies, or planning efforts to implement such solutions.

Funding availability: In 2019 around \$200 million was awarded in public works, economic adjustment grants and planning grants. On May 7, 2020, \$1.467 billion was added to the program in Covid-19 related funding.

Typical Grant Award: Grant awards vary with a minimum of \$100,000, and a maximum of \$30 million. For broadband programs \$3 million to \$5 million is likely the sweet spot.

Match: Grant typically covers up to 50 percent of project costs, but the maximum allowable investment rate can increase if other economic factors are met. For projects that constitute a special need (such as the coronavirus), the EDA will determine the maximum award percentage, generally not to exceed 80 percent of project costs. The addendum to the EDA's notice of funding opportunity notes that "EDA's regulations provide discretion to establish a maximum EDA investment rate of up to 100 percent for projects of Indian Tribes."³ Funds from other federal financial assistance awards may be considered matching only if authorized by statute.

Requirements: Community Economic Development Strategy (CEDS) must be in place for the intended project area & must discuss the need for broadband. The applicant must demonstrate support of the project by the business community.

Application deadline and process: Rolling applications. Requires engaging an EDA Regional representative at start of process.

Key Links:

- Program Fact Sheet: <https://www.eda.gov/pdf/about/Economic-Adjustment-Assistance-Program-1-Page.pdf>
- Notice of Funding Opportunity, including CARES Act allocation: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=321695>
- Frequently Asked Questions: <https://www.eda.gov/coronavirus/fag/index.htm>

Agency Contact: Find the Economic Development Representative for your community here: <https://www.eda.gov/contact/>

³ Notice of Funding Opportunity: Public Works and Economic Adjustment Assistance Programs," U.S. Department of Commerce, May 7, 2020, at p. 13, <https://www.grants.gov/web/grants/view-opportunity.html?oppld=321695> (accessed June 5, 2020).

4 Federal Communications Commission

Rural Digital Opportunity Fund (RDOF)

Program Mission: RDOF is a reverse auction program that will target funds to rural America for the buildout of broadband infrastructure.

Nature of Award: Reverse auction for operational subsidies of eligible areas for next ten years.

Eligible Entities: Open to those with an Eligible Telecommunications Carrier (ETC) designation (or who will get one, if awarded funding—you do not have to already have designation in order to apply).

Eligible Areas: The Phase I auction will target census blocks that are entirely unserved by 25/3 Mbps broadband. Phase II will include census blocks that are partially served, as well as locations that are not funded in Phase I. Eligibility is determined using Form 477 data and the Connect America Cost Model (CAM). Areas lacking 10/1 Mbps and Tribal areas are given priority. The minimum performance tier is 25/3 Mbps and the baseline performance tier is 50/5 Mbps. Additional performance tiers exist for 100/20 Mbps and 1 Gbps/500 Mbps service.

Eligible Costs: As long as the buildout meets buildout targets, location metrics, and performance standards, support is in the form of monthly subsidies, and not reimbursement for any actual expenses.

FY 2020 Resources: The total RDOF program budget is \$20.4 billion over ten years; the Phase I auction has a budget of \$16 billion and Phase II will distribute the remainder (at least \$4.4 billion).

Typical Award: Depends on number of locations pre-defined in a particular auctioned area and the percentage of the “reserve price” represented by the final bid. (Tribal lands have higher reserve prices “[t]o account for the unique challenges of deploying broadband to rural Tribal communities”).⁴ In the auction, bidders who propose to provide service with the smallest subsidy (after applying other evaluation weights) will be awarded the bid.

Cost-Share Requirement: None

Applicable Deadlines: The Phase I auction is scheduled to begin October 29, 2020. Short form applications are due July 15. The short form is required to be able to participate in the October auction, but it is not binding.

⁴ “Rural Digital Opportunity Fund, Connect America Fund,” Final Rule, at 14. Federal Communications Commission, March 10, 2020, <https://www.federalregister.gov/documents/2020/03/10/2020-03135/rural-digital-opportunity-fund-connect-america-fund> (accessed June 5, 2020).

Restrictions: Must provide both voice and broadband service. Recipients are also required to offer standalone voice service, and to ensure that voice and broadband services are offered at costs comparable to rates in urban areas.

Key Links:

- General information: <https://www.fcc.gov/implementing-rural-digital-opportunity-fund-rdof-auction>
- Report and Order: <https://docs.fcc.gov/public/attachments/FCC-20-5A1.pdf>

Program Contact: Auction related questions can be directed to auction904@fcc.gov.

Emergency Covid-19 Telehealth Program

Program Mission: This program was developed as an expedited version of the Connected Care Program in order to quickly enable telehealth applications that allow health care providers to connect to patients or their devices over digital connections in response to Covid-19.

Nature of Award: Reimbursement

Eligible Entities: Nonprofit or public health care providers, or a consortium of such. Eligibility is established using FCC Form 460—this form can be accessed via the Universal Service Administrative Company (USAC) portal, here: <https://www.usac.org/rural-health-care/resources/my-portal/>.

Eligible Areas: All areas area eligible; the program is open to eligible health care providers that serve urban or rural areas.

Eligible Costs: Eligible projects provide connectivity or devices required to reach patients, and must be based on a need related to Covid-19. Telehealth services may be provided from a provider permanent premise (such as a hospital or clinic) or from a temporary or mobile location.

FY 2020 Resources: \$200 million has been made available through the CARES Act.

Typical Award Size: There is a formal limit of \$1 million and no floor for awards.

Cost-Share Requirement: None

Applicable Deadlines: The application opened on April 13, 2020 and will remain open until funds are expended.

Restrictions: Applicants are not permitted to “double dip” with other federal or state funds.

Key Links:

- General information: <https://www.fcc.gov/covid-19-telehealth-program>

Universal Service Fund – Schools and Libraries Program (“E-Rate”)

Program Mission: The E-rate program provides support to schools and libraries by partially funding the cost of broadband services (and, in some cases, the cost of construction of fiber laterals), representing an important revenue source for communications providers such as utilities.

Nature of Award: Funding is provided through the Universal Service Fund in the form of a subsidy on the eligible facility’s telecommunications expenses. The size of the subsidy varies, as elaborated below and may cover both internet service and infrastructure.

Eligible Entities: Funding is provided to eligible schools, school districts and libraries (either individually or as part of a consortium). Funds are distributed to both public and private schools, as long as they provide primary or secondary education, operate as a non-profit business, and do not have an endowment exceeding \$50 million. Eligible libraries must be eligible for assistance from a state library administrative agency under the 1996 Library Services and Technology Act. Generally, libraries are eligible if their budget is separate from a school and they do not operate as a for-profit business. Applicants can determine whether a school or library has filed a Form 470 to initiate the application process by searching submitted forms.⁵

Eligible Areas: Any eligible entity can apply for E-Rate funding. Subsidy sizes vary based on rurality and poverty level.

Eligible Costs: The Schools and Libraries Program is designed to support connectivity—the conduit or pipeline for communications using telecommunications services and/or the internet. Funding is requested from providers under four categories of service: telecommunications services, internet access, internal connections, and basic maintenance of internal connections. Eligible services include both equipment (fiber) and access.⁶ The E-rate helpline notes that eligible applicants are virtually assured funding to assist with Priority 1 projects (i.e., telecommunications, telecommunications services and internet access services).

⁵ Forms can be searched by year and zip code at http://www.slforms.universalservice.org/Form470Expert/Search_FundYear_Select.aspx.

⁶ USAC maintains a complete description of eligible services at http://www.usac.org/res/documents/sl/pdf/ESL_archive/EligibleServicesList-2014.pdf

FY 2020 Resources: Funding is stable as resources are not subject to appropriations. E-rate program funding is based on demand up to an annual cap of about \$4.15 billion (modified annually to account for inflation). Note that the E-rate program is a distinct program from the Connect America Fund; as such, resources are unaffected by the CAF. Resources for any given school or library are determined based on levels of rurality and poverty in the relevant district.

Typical Grant Award: E-Rate provides a discount on eligible services, with the size of the discount (ranging from 20 to 90 percent) dependent on the level of poverty and the urban/rural status of the population served. The funding level can be determined from the matrix available on the E-rate website at <http://www.usac.org/res/documents/sl/pdf/samples/Discount-Matrix.pdf>. The primary measure for determining Schools and Libraries support discounts is the percentage of students eligible for free and reduced lunches under the National School Lunch Program (NSLP), calculated by individual school. For instance, if 70 percent of the students at the relevant school are eligible for NSLP, E-rate will reimburse 80 percent of the costs for eligible services.

Cost-Share Requirement: E-rate discounts range from 20 to 90 percent, with higher discounts for higher poverty and more rural schools and libraries. Schools and libraries are always responsible for paying at least some part of the cost of service.

Applicable Deadlines: The application process typically begins in July (Form 470) and continues throughout the year. A flowchart depicting the general process (without dates) is available online (<https://www.usac.org/wp-content/uploads/e-rate/documents/Handouts/application-process-flow-chart.pdf>).

Restrictions: Facilities need not be located in rural areas, though funding levels will increase based on poverty and rural status.

Key Links:

- To submit questions: <http://www.usac.org/about/tools/contact-us.aspx>
- General background: <http://www.usac.org/sl/>
- Eligible service list: http://www.usac.org/res/documents/sl/pdf/ESL_archive/EligibleServicesList-2014.pdf
- Training sessions are provided to potential applications in the fall (<http://www.usac.org/sl/about/outreach/default.aspx> for schedule and links)

Agency Contact:

The E-rate helpline is extremely helpful. Contact 1-888-203-8100 with questions.

Rural Health Care Program

The Rural Health Care Program (RHC) provides funding to eligible health care providers (HCPs) for telecommunications and broadband services necessary for the provision of health care. RHC is comprised of two programs: the Telecommunications Program and the Healthcare Connect Fund.

“Health care provider” is defined by statute as hospitals, rural health clinics, local health departments, community health centers or health centers providing health care to migrant workers and post-secondary educational institutions offering health care instruction, teaching hospitals, and medical schools. Individual providers can determine whether they are located in a rural area through a look-up tool on USAC’s website.⁷ Note that non-rural HCPs may still apply for funding through the Healthcare Connect Fund if they are a member of a majority rural consortium.

While none of these programs support comprehensive broadband deployment, they may provide useful resources to support eligible health care providers.

Program Mission: The Rural Health Care Program is intended to reduce the disparity in cost between rural and urban telecommunications and internet services used for the provision of health care at eligible facilities.

Nature of Award: Subsidy

FY 2020 Resources: Funding is through the Universal Service Fund (i.e., surcharges on telephone bills), rather than Congressional appropriations. In June of 2018, the FCC issued an order that increased the annual RHC Program funding cap to \$571 million, to annually adjust the cap for inflation, and to establish a process to carry-forward unused funds from past years for use in future years. For FY 2020, the program cap was \$604,759,306.

Applicable Deadlines: The Rural Health Care Program funding year runs from July 1 through June 30 of the following year. Although funding requests may be submitted through the last day of the funding year, applicants are encouraged to submit funding requests during the initial funding request filing period, which runs from March 1 through May 30. All funding requests filed within the initial “filing period” will be treated as though simultaneously filed. Funding requests filed after the initial filing period will be treated on a rolling, first-come, first-served basis, and may be filed until the end of the funding year. Prior to submitting a funding request, applicants are required to allow 28 days for competitive bidding before selecting a service provider.

⁷ <http://www.usac.org/rhc/telecommunications/tools/Rural/search/search.asp>

Key Links:

- General background: <http://www.usac.org/rhc/>
- Fact Sheet Comparing the Telecommunications Program and the Healthcare Connect Fund Program: <http://www.usac.org/res/documents/rhc/pdf/handouts/RHC-Program-Comparison.pdf>

Agency Contact: Paloma Costa, Manager of Outreach for Rural Health Care Program, Universal Service Administrative Company (pcosta@usac.org or 202-772-6274)

Telecommunications Program

Eligible Entities: Rural, public or not-for-profit health care providers (HCPs) are eligible. Consortia of HCPs with at least one eligible entity as a member can also apply. To determine if the HCP facility is located in a rural area, see the Eligible Rural Areas Search Tool on the Rural Health Care Program website.⁸

Eligible Costs: Telecommunications services

Typical Award: The subsidy amount is determined by the urban/rural differential of cost of service.

Healthcare Connect Fund

Eligible Entities: Rural, public or not-for profit health care providers (HCPs) and consortia of such are eligible. Non-rural HCPs are also eligible if they are a member of a consortium that is made up of majority rural HCPs. To determine if the HCP facility is located in a rural area, see the Eligible Rural Areas Search Tool on the Rural Health Care Program website.⁹

Eligible Costs: Eligible costs include telecommunications and broadband services and network equipment. Consortium applicants can also apply for funding for constructed and owned network facilities, and for support for upfront charges associated with service provider deployment of new or upgraded facilities to provide requested services, dark or lit fiber leases or IRUs, and self-construction where demonstrated to be the most cost-effective option.

Typical Award: The Healthcare Connect Fund offers a 65 percent flat-rate discount on eligible expenses.

⁸ <http://www.usac.org/rhc/telecommunications/tools/Rural/search/search.asp>

⁹ <http://www.usac.org/rhc/telecommunications/tools/Rural/search/search.asp>

Connected Care Pilot Program

Program Mission: This program is intended as a three-year pilot to help understand the future of Universal Service Fund use and how the fund can support connected care and telehealth over the long term. The program defrays costs for healthcare providers to provide connected care services, especially for low-income and veteran patients.

Nature of Award: Grant

Eligible Entities: Eligible nonprofit and public health care providers (HCP)

Eligible Areas: Eligible HCPs can apply regardless of whether they are in a rural or urban area

Eligible Costs: Broadband connectivity, network equipment, and information services necessary to provide connected care services to the intended patient population.

FY 2020 Resources: \$100 million will be made available over three years.

Typical Award: There is no floor or ceiling for the requested grant amount. Awards are given for a three-year duration, plus up to six months for project set-up and six months for project close-out.

Cost-Share Requirement: A 15 percent match is required from awardees. The match can be from participating patients, healthcare providers, or government or non-profit grants, but cannot be from vendors. Awardees cannot also receive grants for broadband from the Healthcare Connect program for the same purpose.

Applicable Deadlines: The application has not yet been released.

Restrictions: The program does not provide support for health care providers' administrative costs associated with participating in the pilot program, doctor or staff time spent on the pilot program, or other miscellaneous costs.

Notes: One goal of the program is to use funded projects as data sets to understand impacts, so the program will likely favor projects that target a sufficiently large amount of patients to be able to analyze and aggregate data.

Key Links:

- Report and Order: <https://docs.fcc.gov/public/attachments/FCC-20-44A1.pdf>

5 U.S. Department of the Interior, Bureau of Indian Affairs

National Tribal Broadband Grant

Program Mission: This program provides grant funding to hire consultants to perform feasibility studies for broadband deployment, with the goal of supporting informed decisions about broadband planning and ultimately improving quality of life by encouraging the availability of broadband services.

Nature of Award: Grant

Eligible Entities: Federally recognized tribes

Eligible Areas: Awards can be used to conduct a feasibility study for any federally recognized tribe.

Eligible Costs:

Eligible costs include:

- Assessment of current broadband services
- Engineering assessment of new broadband services
- Cost estimate for building new or expanding existing services
- Identification of potential funding or financing for a network
- Risk assessment
- Determination of transmission mediums to be deployed

Applicants may work with a variety of entities, including but not limited to universities and colleges, private consulting firms, and non-profits, to perform eligible services.

Awards may not be used for indirect or administrative costs, creation of new jobs, equipment, training, legal fees, or any other activities not authorized by the grant award letter.

FY 2020 Resources: Total program funding for the FY 2020 funding opportunity was estimated to be \$1,200,000.

Typical Award: Awards range from \$40,000 to \$50,000. The Office of Indian Energy and Economic Development anticipates awarding between 25 and 30 grants for FY 2020.

Cost-Share Requirement: None.

Applicable Deadlines: Applications are due by June 15, 2020 at 9 p.m. Eastern.

Other Requirements: Each application should address one project; applicants may submit more than one application in order to seek funding for various studies.

Key Links:

- Grant opportunity on Grants.gov: <https://www.grants.gov/web/grants/search-grants.html?keywords=National%20Broadband>

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