

VPS Memo

USDA Officially Releases Details on the 4th Round of ReConnect

APPLICATION WINDOW OPENS SEPTEMBER 6TH, 2022

Summary

The United States Department of Agriculture (USDA) has released the highly anticipated details for the fourth (4th) round of funding for the ReConnect Program. The ReConnect Program will provide up to \$1.15B in loan and grant funding to assist with building broadband infrastructure in areas of America lacking sufficient access to broadband.

This program was established on March 23rd, 2018 when Congress passed the Consolidated Appropriations Act, 2018. Included in the Funding Opportunity Announcement (FOA) are funding limits, application deadline, defined area eligibility, and the basis of awarding projects.

Program Details

Funding Limits and Deadline

This round of Reconnect will be utilizing funds appropriated under the Infrastructure Investment and Jobs Act, and establishes five funding categories – which is different from prior rounds - and allocates the \$1.15B budget amongst the following categories.

- **100% Grant:** Up to \$150M will be available for projects seeking grant funds of 100%. The maximum amount of request in this category is \$25,000,000. A 25% matching contribution is required.
- **50/50% Loan/Grant:** Up to \$300M will be available for projects seeking a combination of both loan and grant funds (\$150M for grants and \$150M for loans). A 50% combination is the standard with a maximum request in this category of \$25,000,000 in loan funds and \$25,000,000 in grant funds.
- **100% Loan:** Up to \$150M will be available for projects seeking loan funds of 100%. The maximum request amount in this category is \$50,000,000.

- **100% Grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty and Socially Vulnerable Communities:** Up to \$350M will be available for projects seeking grant funds of 100%. The maximum amount of request in this category is \$25,000,000. A matching contribution is NOT required.
- **100% Grant for Projects Serving Areas where 90% Lack Sufficient Access to Broadband:** Up to \$200M will be available for projects seeking grant funds of 100%. The maximum amount of request in this category is \$25,000,000. A matching contribution is NOT required.

For both the 100% Grant and the 100% Grant for Alaska Native Corporations, Tribal Governments, Persistent Poverty and Socially Vulnerable Communities, applicants may request up to \$35,000,000 in grant funds if able to provide supporting documentation that 100% of the proposed funded service area is classified as a FAR Level 4 area by the USDA Economic Research Services.

Applicants are only allowed to apply in one of the funding categories. The application window for **all** funding categories will be from **September 6th, 2022 through November 2nd, 2022**.

Eligible Entities

The ReConnect Program is open for the following entities to apply for funding:

- Non-Profit entities
- For-Profit Corporations
- Limited Liability Companies
- Cooperative or Mutual Organizations
- State and Local Government entities
- Territory or Possession of the U.S.
- Indian Tribe, as defined in section 4 of the Indian Self-Determination and Education Assistance Act

However, as reflected in the Competitive Scoring section below, applications submitted by local governments, non-profits and cooperatives will receive 15 points.

Area Eligibility

The goal of the Re-Connect Program is to expand broadband availability to areas currently lacking sufficient access to broadband in speeds of 100 Mbps download / 20 Mbps upload. Applicants will be required to define the proposed funded service area (PFSA) as a contiguous area. The PFSA will be eligible under each of the funding categories if 50% of the area does not have access to 100 Mbps / 20 Mbps service (unless applying under the 5th funding category – then it is 90%). Applicants proposing to include areas that currently do not have access to broadband in speeds of 25 Mbps / 3 Mbps will receive 25 points.

Successful applicants under each category will be required to provide broadband service to every location in the PFSA at symmetrical speeds of 100 Mbps. The FOA specifically states it is expected each location must be able to receive symmetrical speeds at the same time.

Competitive Scoring

Applicants applying under a funding category with a grant component will be subject to a scoring process based on ten separate evaluation criteria with a total of 175 points possible. Each category of funding will be scored separately.

For example: Applicants in the 100% grant category will be scored against other applicants in the 100% grant category and not against applicants in the 50% loan / 50% grant category.

The ten evaluation criteria, with maximum points available for each, are as follows:

Criteria	Scoring
Rurality of PFSA	25 points
Level of Existing Service (PFSA where at least 50% does not have 25 Mbps / 3 Mbps service)	25 points
Economic Need of Community (Based on county poverty percentage)	20 points
Affordability	20 points
Labor Standards (Prevailing wages)	20 points
Tribal Lands	15 points
Local Govt – Non-Profits - Cooperatives	15 points
Socially Vulnerable Communities	15 points
Net Neutrality	10 points
Wholesale Broadband Services	10 points

Applicants applying under the 100% loan category will be awarded on a first come / first serve basis until the funds have been depleted. Applications will be reviewed for completeness.

Additional Information

For additional information, please contact these members of the Vantage Point Solutions team:

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