# *Distance Learning & Telemedicine Program*

*Grant Application Guide*
*Fiscal Year 2007*

# Contents

# Distance Learning and Telemedicine Grant Program

## Administered under Rural Development's Telecommunications Program

Advanced telecommunications services play a vital role in the economic development, education and health care of rural Americans. The Distance Learning and Telemedicine (DLT) Program is specifically designed to meet the educational and health care needs of rural America through the use of advanced telecommunications technologies. With DLT grants, loans, and loan-grant combinations, we help rural communities enjoy enhanced educational opportunities, improved health care services and greater economic development.

Our partnership with rural America is long-standing. For over 55 years, the Telecommunications Program has been at the forefront of providing the infrastructure financing that brought advanced telecommunications services to the most rural areas of our country. Today, Rural Development's Telecommunications Program continues as an essential source of financing and technical assistance for rural telecommunication systems. The DLT Grant Program strengthens that partnership and commitment by continuing to improve the quality of life for rural citizens.

Through its telecommunications infrastructure loan program and DLT Program, we have helped build community partnerships that provide both the infrastructure needed to reach the schoolhouse or clinic door and the equipment required inside that door.

Your organization is to be commended for its interest in providing rural residents - students, teachers, parents, patients and physicians - with innovative and affordable educational and health care opportunities which were once available only in Urban Areas. By submitting an application for financing under the DLT Program, you take a significant step toward improving the quality of life in rural America.

In this guide, you will find information on eligibility requirements; funding purposes and types of financial assistance; the how, when, and where to submit an application; and tips that will be useful in preparing your application.

# Section I - General Information

This application guide will help you apply for a grant under the DLT Program.  Where appropriate, the application guide includes suggestions and samples.  Please note that the suggestions and samples are not a formula for a successful application.  We urge you to use your unique understanding of your community and your project to prepare a compelling case for grant financing.

We endeavor to make this *Application Guide* a complete source of information on how to prepare a successful application and have designed it for the first-time applicant with no previous experience applying for grants.  We hope that you will find it helpful.

## A.  Types of Financial Assistance

The DLT Program provides three kinds of financial assistance.

1.  100% Grant

2.  Combination Loan-Grant

3.  100% Loan

The eligible purposes for 100% grants are the most restrictive.  More purposes are eligible under the combination loan-grant and even more are eligible for a 100% loan.  This guide covers the application requirements for a 100% grant.  <u>If your project includes purposes not eligible under the 100% grant program, please review the *FY 2007 Loan and Combination Loan-Grant (Combo) Application Guide,* and consider one of those financing options.</u>  In particular we note that although EMR is not generally eligible for 100% grant funding, we have introduced special grant provisions for EMR *Combo Loans* in support of the President's Electronic Medical Records initiative.  Some detail is provided later in this guide and the complete program is described in the *FY 2007 Loan and Combination Loan-Grant Application Guide,* which will be made available soon after the NOFA setting the grant application window and 2007 loan and combo levels appears in the Federal Register.

## B.  Fiscal Year 2007 Funding

The amount available for 100% grants is $15 million.  The maximum grant is $500,000 and the minimum is $50,000.

## C.  Who's Eligible?

**To be eligible for a grant, your organization must:**

1.  Currently <u>deliver</u> or propose to <u>deliver</u> distance learning or telemedicine services for the term of the grant.  To receive a grant, the purposes must meet the grant definition of distance learning and telemedicine.  The DLT program is focused on sustainability.  Planning studies, research projects, and short-term demonstration projects of less than two years will not be considered.

2.  Be legally organized as an incorporated organization or partnership; an Indian tribe or tribal organization; a state or local unit of government; a consortium; or other legal entity, including a private corporation organized on a for profit or not-for profit basis with the legal capacity to contract with the United States Government.  Please see 7 CFR 1703.103(a)(1) & 1703.125(k) for specific legal definitions and citations.

3.  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 at rates calculated to ensure that the benefit of the financial assistance passes through to such entities or to residents of rural areas.

**Note:** Electric or telecommunications borrowers financed through the Utilities Programs of Rural Development are not eligible for grants, but are eligible for loans. See the *Loan and Combination Loan-Grant Application Guide* for more information.

## D.  Scoring Criteria

The DLT Grant Program is competitive.  Applications are scored in **objective** and **subjective** categories.  Objective criteria are generally straightforward indicators.  Subjective criteria are more comparative in the sense that the score of one application is based on comparison to other applications received that year.

For each category, these tables display the shorthand name in bold, a simple summary, and the maximum points available.  Although the eight categories appear to add to a maximum score of 235, the maximum score that can actually be earned is 225 points.  This is because the *Additional NSLP* points are available only to applicants who score 15 or fewer of the 35 points possible under the *NSLP* category.  More detailed descriptions of the scoring categories can be found in Section IV of this *Application Guide*.

## Objective Criteria

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| Rural Area (***Rurality***) | This criterion measures how rural the area is.  To be eligible for a grant, the applicant must earn a minimum score in this category based on data from the Census.  (up to 45 Points) |
| Economic Need (***NSLP***) | This criterion measures the general economic need of the area through the use of statistics from the National School Lunch Program (NSLP).  (up to 35 Points) |
| Special Communities  (***EZ/EC***) | This criterion awards points to projects located in a USDA Empowerment Zone/Enterprise Community (EZ/EC) and/or Champion Community.  (up to 15 Points) |
| Matching Funds (***Leveraging***) | The DLT program requires a minimum match of 15%.  Higher matches receive additional points.  There are special matching provisions for American Samoa, Guam, Virgin Islands, and the Northern Mariana Islands.  (up to 35 Points) |

## Subjective Criteria

| | |
|---|---|
| ***Additional NSLP*** | An applicant with an NSLP eligibility below 50% may request additional points based on a well-documented demonstration that the NSLP percentage is not an accurate indicator of the economic need of the area.  (up to 10 Points) |
| Need for Services and Project Benefits (***Needs and Benefits***) | This criterion measures the specific needs of the community and how the proposed project will meet those needs, not the generalized need captured by the NSLP score.  (up to 45 Points) |
| ***Innovativeness*** | This criterion assesses how the objectives of the proposed project are met in new and creative ways.  (up to 15 Points) |
| ***Cost Effectiveness*** | This criterion evaluates the efficiency with which the proposed project delivers educational and/or medical benefits to beneficiaries.  (up to 35 Points) |

# E.  Contacts & the Web

The DLT Program staff is available to answer questions about the application process and program requirements.  We also post the latest DLT developments including the FY 2007 *Application Guide* (includes: Narrative, *Toolkit,* Regulation) and *Notice of Funds Availability* on the DLT Web page.

**www.usda.gov/rus/telecom/dlt/dlt.htm**

Contact us at:

Phone: 202-720-0413

Fax: 202-720-1051

Email: dltinfo@wdc.usda.gov

# F.  Freedom of Information Act

Should your organization win an award, your application must be made available to others if requested under the provisions of the Freedom of Information Act (FOIA).  Under FOIA, some sensitive information is protected from release, but the balance is not.  Costs to assemble and duplicate the material are charged to the entity that requests the information.  If you provide any information in your application that you feel should be protected, please identify it, and provide justification for why it should be withheld.  For more information about FOIA see:

**www.usda.gov/news/foia/main.htm**

It is our experience that the common motivation for obtaining a DLT application under FOIA is so that it can be used as a template.  We do not believe that this is a productive approach to crafting a successful DLT application.  Disregarding the cost of obtaining another applicant's grant under FOIA, which can be considerable, most of that application would be irrelevant as guidance to a prospective applicant.  And while it might seem useful to see another's responses in the subjective scoring categories, the best scores in those categories are awarded for responses specific to the applicant's project.

Good applications do not spring from a template.  As noted above, we endeavor to make this *Application Guide* a complete source of information on how to prepare a successful application and have designed it for the first-time applicant with no previous experience applying for grants.  As an applicant, remember that no one knows your project and special circumstances as well as you.  As a consequence, no one can do a better job of crafting an application than you.

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# Section II - Application Submission

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## A. DLT Program Regulation and FY 2007 Application Guide

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The implementing regulation for the DLT Program is 7 CFR 1703, Subparts D through G (Part 1703) as supplemented by the FY 2007 Notice of Funds Availability (NOFA) and as elaborated upon in this *Application Guide*. The *FY 2007 Application Guide* is designed to be an easy-to-use version of Part 1703 and the NOFA.

## Reminder of 2006 Application Review Process Changes

### Eligibility and Scoring Information to be Complete by Application Deadline

The regulation requires that a "complete" application contain certain information and that it be submitted by the application deadline. Fundamental information such as that necessary to establish eligibility to enter the scoring pool and for the scoring itself are expected to be in the original application. This is confirmed by §1703.129, which concerns an applicant's right to appeal its score. In that section it states that an appeal must be based on inaccurate scoring of the application and "no new information or data that was not included in the original application will be considered." It follows that information submitted after the application deadline is not a basis for eligibility or scoring. To do otherwise gives applicants who do not follow the rules an unfair advantage by allowing them to demonstrate their eligibility and perfect their score after the deadline. This is not fair to applicants who submitted a proper application by the deadline according to the rules.

In our continuing effort to make certain that all applications receive fair and equal consideration, all information necessary for establishing eligibility for the program, for the eligibility of the project, and for determining the score must be submitted by the application deadline. We will not request such information after the deadline as part of the completeness review process.

So that there is no ambiguity about what is required by the application deadline, this *Application Guide* is cross-referenced so that you will know precisely what to include in your application. The three thumbnails that follow give a brief description of how applications will be reviewed:

1. Applications whose eligibility cannot be determined because they did not submit information sufficient to evaluate their project and establish that they meet the minimum set of requirements as specified in the relevant rules (7 CFR 1703, the 2007 Notice of Funds Availability, and as elaborated upon throughout this *Guide*) will be returned as ineligible. In particular, any proposed match that is not properly documented under Tab E-3 will not be credited. This can reduce the applicant's *Leveraging* score from what they expect. It can also result in the applicant's being ineligible for funding consideration because of not meeting the 15% minimum match. Such applications are ineligible and will be returned to the applicant. **See E-3, *Leveraging,* in Section IV of the *Application Guide* for more detail on matching funds and the *Leveraging* score.)**

2. Information not necessary for determining eligibility but necessary for scoring must also submitted by the application deadline. <u>If scoring information is missing, the application will be scored based on the information submitted by the deadline.</u>

3. Applications should be complete when submitted. However, information not required under the previous two paragraphs but necessary in order to be awarded a grant (the information required under Tabs G and H) will be requested as part of the completeness review process.

## Application Format Described in the *Application Guide* Must Be Followed

**The implementing regulation, 7 CFR 1703, is not designed for nor is it intended to be a guide on how to present your application.** That is specified in the *Application Guide*. In order to make it administratively possible to review hundreds of applications and make the grant awards within a reasonable time, all applications must follow the format set in the *FY 2007 Application Guide*. <u>Applications not presented in this format will be returned as ineligible</u>. In particular, matches not properly documented under Tab E-3 of your application will not be credited as an eligible match. <u>Please submit your application in an appropriately sized three-ring binder with tabbed dividers as described below and throughout the *Application Guide*.</u>

**All information relevant to a section must be included under that section.** Information contained elsewhere in the application will not be considered and cannot be a basis for a scoring appeal. For example, the only information that reviewers will consider in scoring *Needs and Benefits* is information which the applicant provides under Tab F-2, *Needs and Benefits*. If the applicant believes that information in another section (such as the *Telecommunications System Plan)* is relevant to the *Needs and* Benefits category, the information should be repeated under that category.

## Proof of Shipping

Paper applications that are not delivered into our hands by the application deadline must carry proof-of-shipping by the application deadline from a third-party shipper such as a commercial carrier or the postal service. Other indications, <u>such as a printed label from a postage meter,</u> do not constitute proof-of-shipping. (**Look at C,** *How to Submit a Paper Application,* **and D,** *How to Submit an Electronic Application, in* **Section II of the** *Application Guide* **for information on submitting your application.**)

## Apportioning DLT Project Benefit

Neither grant nor match funds may be used for ineligible purposes. Nor do ineligible purposes become eligible when they are lumped into a single line-item with eligible purposes. If a line-item will be used for any ineligible purpose, applicants are advised to obtain vendor pricing that apportions the eligible and ineligible purposes into <u>separate</u> line-items so that the eligible portion can be considered for grant or match. Otherwise, the entire line-item is ineligible. Also, to be eligible in full as grant or match, the applicant must <u>demonstrate</u>, not merely assert, that it will be used <u>at least 50%</u> of the time for purposes that <u>meet the grant definition of distance learning or telemedicine</u> and must also demonstrate that <u>none</u> of the other use is <u>for ineligible purposes</u>. Line-items that are used less than 50% of the time will be eligible as match or grant only for the percentage that does meet the grant definition of distance learning and telemedicine. **See D-1,** *Telecommunications System Plan & Scope of Work,* **in Section IV of the** *Application Guide* **for more detail on apportioning DLT project benefit.**

### Third-Party Procurement

All items to be funded with match or grant must be obtained from an organization other than the applicant or other entities participating in the applicant's DLT project as hubs, hub/end-users, or end-users, *i.e.,* items must be procured from a third party. **See D,** *Project Information,* **in Section IV of the** *Application Guide* **for more detail on third-party procurement.**

### Matching Funds from Vendors, Manufacturers and Other Interested Parties

We will not accept cash or in-kind  matching funds from manufacturers, vendors, or service providers whose equipment or services will be used in the project. **See E-3,** *Leveraging,* **in Section IV of the** *Application Guide* **for more detail on matching funds and the** *Leveraging* **score.)**

### In-Kind Matching Funds from Applicant and Participating Sites

The regulation explicitly conveys the expectation that cash will be the usual method of leveraging when it states that "matching contributions must generally be in the form of cash." Cash is unambiguous and can be applied to any eligible item in the budget.  During review of an application, if the Agency were to determine that some items in the budget are ineligible, the removal of those items would not lower the dollar value of the applicant's proposed match.

In-kind matches are also acceptable under the regulation, but we do not recommend that the applicant or other sites participating in the project propose them.  In-kind matches must be closely scrutinized to determine if they are integral to and necessary for DLT purposes, not simply a technology purchase made in the same timeframe.  Unlike cash, in-kind matches are tied directly to the eligibility of the proposed in-kind item.  Should we determine that the item is not eligible, the item would be removed from the grant and match budget and the proposed match would disappear with it.  This may lead to a lower *Leveraging* score than you expected to earn.  If the reductions were to lower your eligible match below 15%, your application would be ineligible for the DLT competition. **Please remember that when you state in your matching documentation or budget that a specific line-item will come from matching funds, that is a proposed in-kind match, not a cash match.  As such, its eligibility to be credited as a match is tied directly to the eligibility of that line-item.**

As a practical matter, there is no compelling reason for an applicant to propose an in-kind match. Because items acquired before the application deadline are not eligible for grant or match, any items that the applicant would propose as an in-kind match must be obtained with cash after the application is submitted.  In other words, when an applicant proposes an in-kind match, it is in effect committing cash with which the proposed in-kind item will be purchased at some point after the deadline.  Applicants should instead propose true cash matches which can be applied against any eligible item in the budget as a whole. **See E-3,** *Leveraging,* **in Section IV of the** *Application Guide* **for more detail on matching funds and the** *Leveraging* **score.)**

### Consistent Site Information

DLT Grants are awarded as a result of a competition based on scoring.  The nature and location of the sites and service territory in a DLT project are the basis for that competition. **Sites and service territory must be consistent throughout the application.**  Otherwise, the application cannot be properly evaluated as to eligibility or score. **Applications without consistent site information will be returned as ineligible.**  In particular, the sites must be consistent throughout the application including the:

1. **Standard Form 424,** *Application for Federal Assistance* (Tab A of your application package). The applicant provides the most detailed site information on the *Site Worksheet* as an attachment to the SF 424. The *Site Worksheet* provides space to respond to information requested on the SF 424 and is designed to link that information to the project as described throughout the balance of the application package. The information includes the precise name and location of the site or service territory. If the applicant wishes to use a shortened name for a site, the abbreviation must be shown here and that abbreviation must then be used consistently throughout the application.
2. *Telecommunications System Plan* (Tab D-1)
3. *Budget* (Tab D-2)
4. *Rurality Worksheet* (Tab E-1)
5. *NSLP Worksheet* (Tab E-2)

## Application Review Process Changes for 2007

### Refinement of the Tool for Evaluating *Rurality*

In our continuing effort to ensure fairness in the competition and to simplify the application process, we have adopted a new tool for use in calculating the *Rurality* score of a project. As before, the score will be based on data of the US Census. We will use their objective and extensive urban and rural area analysis while remaining consistent with the words and intent of the statute and regulation. More detail is provided below and elsewhere in the *Application Guide.*

If you are familiar with previous *Application Guides,* one of the first things you may notice is that this year's guide is considerably longer. This is due almost entirely to the additional guidance we have provided about how to use the Census website for determining your *Rurality Score*. This guidance contains many images of the relevant portion of Census web pages highlighting the navigational techniques needed to gain access to the data.

**Background -** The DLT program was created and operates under three pieces of legislation – the Farm Bill of 1990, an Amendment to the Farm Bill of 1992, and the Farm Bill of 1996. The program was conceived in the first of these bills, implemented in the second, and had features added to it in the third.

The statutory authority directs the Agency to finance "the construction of facilities and systems to provide telemedicine services and distance learning services in rural areas," but leaves the determination of "rural areas" largely to the Agency, which is instructed to consider the "population sparsity of the affected rural area."

Without new guidance in the legislation, the Agency adapted the definition of "rural" from the Rural Electrification Act under which we have operated our Telecommunications Program since 1949 and the Electric Program since 1935. As guided by the "sparsity" language and other guidance in the statute, we set an "urban" threshold of over 20,000 and divided populations under 20,000 into scoring ranges.

We repeat the DLT regulatory definition here for ease of reference:

EXCEPTIONALLY RURAL AREA – **5000 and under**. Any area of the United States not included within the boundaries of any incorporated or unincorporated city, village, or borough having a population in excess of 5,000 inhabitants. (45 points)

RURAL AREA – **5,001-10,000**. Any area of the United States included within the boundaries of any incorporated or unincorporated city, village, or borough having a population over 5,000 and not in excess of 10,000 inhabitants. (30 Points)

MID-RURAL AREA – **10,001-20,000**. Any area of the United States included within the boundaries of any incorporated or unincorporated city, village, or borough having a population over 10,000 and not in excess of 20,000 inhabitants. (15 Points)

URBAN AREA - **Over 20,000.** Any area of the United States included within the boundaries of any incorporated or unincorporated city, village, or borough having a population in excess of 20,000 inhabitants. (Zero Points)

In short, the lower the population, the more points are scored. Clearly, the regulatory intent is to target program benefit to the most rural (sparsest) areas by giving those areas the highest score.

As the awareness of the DLT Program has spread through the education and medical communities and from its intended rural constituency to suburban and urban America, we have been receiving more applications to serve areas that no observer would characterize as "rural," but if scored on the individual city, village, or borough jurisdictions, would receive a higher score than if the entire population center were considered. This is because the larger urban population is often divided into a number of separate jurisdictions whose individual populations may each be a small percentage of the overall urban population.

To ensure accuracy in a competitively scored program aimed at sparsely settled areas, the tools used to evaluate "rural" and "urban" should lead to a genuine characterization of how rural an area is. In other words, given two otherwise identical population centers, they should be scored similarly. The score should not be the result of varying jurisdictional peculiarities.

**Analysis** - There are two striking characteristics of the definition that must be considered in refining the scoring tool:

1. The language in the regulation refers to "any incorporated *or unincorporated* city, village, or borough" having a certain population. Because an "unincorporated city, village, or borough" has no defined boundaries or even a legal existence, the definition can be construed as referring to a collection of people in a population center that has characteristics typical of population centers such as cities, villages, and boroughs. In other words, in a state where towns are often not incorporated, a collection of 700 people living around a crossroads could be considered an unincorporated village. In another state, several adjacent boroughs that share the population characteristics of a city could be considered an unincorporated city.

   The jurisdictional nature of population centers varies greatly from state to state. Townships, which are not mentioned in the regulation, are borough-like entities in some states. In others, a borough does not even describe a population center. A borough in Alaska is more like a county. Using a borough population would greatly overstate the population of a specific end-user site located outside of any town but within an Alaskan borough. Similarly, some cities have limits that extend far beyond the Urban Area and include significant rural area(s). Sites in the rural area, but within the city limits, would be scored inaccurately if based on the population inside the city limits.

Otherwise identical collections of people are organized politically in many different ways across the country. It is clear that using population data only from individual incorporated cities, villages, and boroughs provides non-uniform and unfair outcomes in the *Rurality* scoring category between projects and among states. Complicating this, prior to this year, we had not found a satisfactory tool for evaluating the population of an "unincorporated city, village, or borough" that is accurate, objective, and publicly available at no cost to applicants.

2. The word "boundaries" is plural. This suggests that we consider not only the individual boundary of each city, village, or borough, but the collective boundaries should such jurisdictions be part of one population center. It also directs us to consider the *de facto* boundaries of similarly populated unincorporated areas.

There is a compelling reason for looking at urban populations as a whole rather than by jurisdiction. As noted above, in some states, areas that have large populations are divided into multiple adjacent jurisdictions. Such individual jurisdictions within a larger population do not look or feel rural in the way that an isolated jurisdiction with a similar population does and they do not share the isolated community's challenges that flow from an overall low population.

**Conclusion -** Similar populations should produce similar scores. We believe we must use an objective, nationally consistent, and publicly available (at no cost to applicants) tool to evaluate *Rurality* and that we have found that tool in the extensive data and objective analysis of the Department of Commerce's US Census. The Census defines Urban Areas by the collective urban characteristics of a population center independent of political jurisdictions. We know of no other objective measure that is free and easily available to the public that comes closer to capturing the intent of the statutory direction to consider the "population sparsity of the affected rural area" while remaining consistent with the words and intent of the DLT regulation.

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**Census Designated Urban Areas** - The Census defines two sizes of Urban Area:

1. **Urbanized Area (UA) -** An Urbanized Area is a statistical geographic entity comprising a central core and adjacent densely settled territory that together contain at least 50,000 people, generally with an overall population density of at least 1,000 people per square mile. An Urbanized Area can include all or part of one or more city, village, or borough as well as adjacent areas not incorporated as a city, village, or borough. An Urbanized Area does not share any area with another Urbanized Area or Urban Cluster. To learn more about Census geography, terms and criteria see www.census.gov/geo/www.

2. **Urban Cluster (UC) -** An Urban Cluster is a new statistical geographic entity designated for the 2000 Census, consisting of a central core and adjacent densely settled territory that together contains between 2,500 and 49,999 people. Typically, the overall population density is at least 1,000 people per square mile. Urban Clusters are based on Census block and block group density and do not coincide with official municipal boundaries. An Urban Cluster can include all or parts of one or more city, village, or borough as well as adjacent areas not incorporated as a city, village, or borough. An Urban Cluster does not share any area with, or touch another Urbanized Area or Urban Cluster.

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The example that follows is for illustration. Guidance on how to use the website from which this Census Data is obtained is provided under E-1, *Rurality,* in Section IV of this guide. In addition to population data, the Census site has a wealth of information, including mapping of school and Congressional Districts, which can be of assistance in completing the Site Worksheet attachment to the Standard Form 424, *Application for Federal Assistance.*
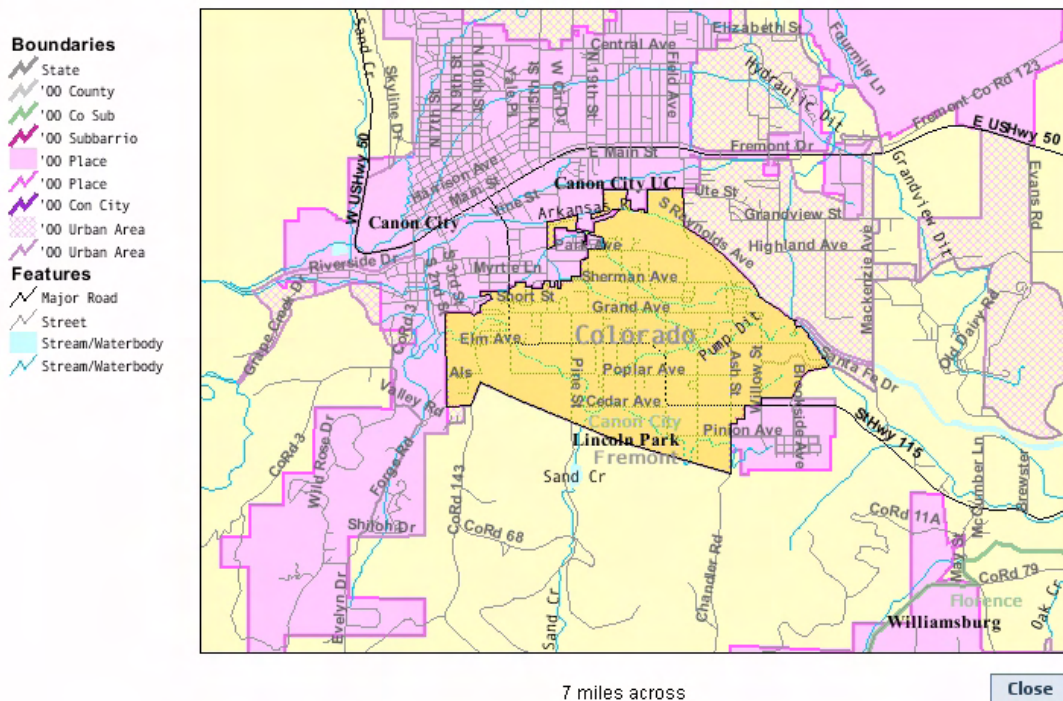
**Example:** Lincoln Park is a Census-designated place in Colorado. Here is how its population and area (in yellow) are displayed on *Fact Finder* if you use the "fast access to information" lookup on its main page (factfinder.census.gov/home/saff/main.html?_lang=en).



Lincoln Park's population is given by *Fact Finder* as 3,904, but if you click on "reference map," it is clearly part of the greater Canon City population center. A site located in Lincoln Park, immediately adjacent to the Canon City population of 15,431 is not as rural as one located in an isolated town of 4,000. It does not share the reduced access to goods, opportunities, and services, particularly telecommunications, typical of the more thinly populated isolated town.

However, even adding Lincoln Park to Canon City doesn't capture the actual size of the population center. The total population, as determined by the Census' Urban Cluster analysis, comprises Canon City, Lincoln Park, and parts of other adjacent places for a total in the contiguous built-up Urban Area of 26,332.



If a site is located in Lincoln Park, the Canon City Urban Cluster population is a better indicator of *Rurality* than is Lincoln Park's individual jurisdictional population. The situation is similar in many major metropolitan areas. Highland Park is an independent city in Texas with a population of 8,842. But it is surrounded by the City of Dallas, and is an integrated piece of the Dallas-Fort Worth Urbanized Area, which the Census shows as having a population of 4,145,659. Clearly, the Census' Urbanized Area population gives a more accurate picture of whether a site in Highland Park is located in an urban or rural area.

> **Throughout this guide, we will use population data from Census designated Urbanized Areas (≥50,000), Urban Clusters (2,500-49,999), and Census Rural (<2500) as the tool for determining populations located "within the boundaries of an incorporated or unincorporated city, village, or borough." Guidance for completing your *Rurality* Worksheet and for finding population data are provided in this guide under E-1, *Rurality*, in Section IV of the *FY 2007 Application Guide*.**

## *Rurality* and *NSLP* Scoring for Applicants with Non-Fixed End-User Sites

Applicant eligibility and scoring, particularly with respect to the *Rurality* category, is based on the location of the specific end-user sites such as schools or rural health clinics where people will benefit from the distance learning or telemedicine project. In recent years, we have received increasing numbers of applications from projects in which the end-user sites are not fixed. An example of this is a home health monitoring project where the equipment is moved over time from one patient's home to another as medical needs arise. Another example is an ambulance-based telemedicine project, where the equipment will serve an entire area.

These types of projects were not contemplated when the regulation was adopted. As a consequence, there is no established method for the applicant to estimate and for us to evaluate such an applicant's *Rurality s*core or its *NSLP* score. *Rurality*, in particular, is central to the process because it is important not only in scoring, but in determining if the applicant is eligible for the program.

Because these types of projects are becoming more common, we must specify a fair scoring method that meets the spirit of the regulation while providing a measure of rural benefit that is reasonably comparable to that captured by the method for fixed-site projects. We have provided such a method in this *Application Guide.* Applicants for such projects will base their *Rurality* calculation on the total population within their service territory that is located in each population zone using the *Urban Area* and *Rural* designations of the US Census as described above and under E-1, *Rurality,* in Section IV of this guide. In other words, each person, or <u>potential</u> end-user, is treated as if it were an <u>actual</u> end-user.

Because this method will not look at specific sites but on the population as a whole, such applicants will base their *NSLP* calculations on the average for all school districts in the service territory. Also, because we must be able to evaluate the population that benefits from the project, the applicant must have a defined service territory (and end-users) that can be definitively shown on a map. Projects to serve undefined users (fixed sites or not) cannot be evaluated or scored, which makes them ineligible for the competition.

Finally, an application must be exclusively for one or the other, either fixed or non-fixed sites. The service areas of fixed and non-fixed site projects are not directly comparable because they are unlikely to benefit the same universe of people. As a consequence, we have no administratively practical way to score an application that contains both types of projects. An example would be an application for a fixed site teleradiology project that connects four clinics operated by technicians with the radiology department of a hospital as well as a non-fixed site project such as placing a videoconferencing system connecting an ambulance to the emergency room for purposes of triage. In other words, if you have both components in your plans, and you include both in one application, we cannot evaluate or score it, which will result in its being ineligible. See E-1, *Rurality,* and E-2, *NSLP,* for more detail about developing the *Rurality* and *NSLP* data and scores for projects with non-fixed end-user sites.

### New Worksheets

In an effort to make certain that applicants know exactly what to submit and that it is submitted in a form that will speed the grant award process, we modified several worksheets in the *DLT Grants Toolkit* in FY 2006*.* <u>This year we have added *Site, Rurality,* and *NSLP Worksheets* specifically designed for projects with non-fixed end-user sites as described in the preceding paragraphs</u>.

**We stress that all the *Worksheets* are there to guide you through the process and will prevent your making errors in the application.** For example, the *Leveraging Worksheet* reminds you to document each donation in your proposed match under Tab E-3 behind that *Worksheet*. If you do not do so, the undocumented matches can not be credited, which could result in your application's being ineligible. (See the *Toolkit* for all the worksheets and forms you need to complete your application.)

## B. FY 2007 Application Deadline – June 11, 2007

All applications must either be delivered and into our hands or carry third-party proof of shipping (or electronic submission, if applicable) by the June 11, 2007 application deadline to be eligible for funding under the FY 2007 DLT program. **Applications will not be accepted by fax or e-mail. Late applications will be returned without being considered for funding.**

## C. How to Submit a Paper Application

Paper applications must either be delivered and in our hands by the application deadline or show proof-of-shipping **no later than the application deadline. (See "Application Format must be Followed" under A, *DLT Program Regulation and FY 2007 Application Guide,* in Section II of this guide.)** The proof-of-shipping must be from a third party such as the Postal Service or a commercial carrier. Evidence of shipping <u>not</u> under direct control of such a third party, such as a **printed label from a postage meter, does not constitute proof-of-shipping.** The following proofs are acceptable:

- A legibly dated U.S. Postal Service postmark
- A legible mail receipt with the date of mailing stamped by the USPS
- A dated shipping label, invoice, or receipt from a commercial carrier

**Ship <u>at least</u> one copy with <u>original signatures</u> and two additional copies of your application to:**

**Director, ASD**
**Telecommunications Program, STOP 1550, Room 2844**
**1400 Independence Ave., SW**
**Washington, D.C. 20250-1550**

Note: Packages arriving at USDA via ordinary first-class mail (USPS) are irradiated, which can damage the contents. We encourage you to consider the impact of this procedure in selecting your shipping method.

## D.  How to Submit an Electronic Application

In past years, applicants attempting to use the Grants.gov website near the application deadline have experienced technical difficulties and delays.  **If you plan to use electronic submission close to the application deadline, we urge you to have an alternative plan for physical shipment of your application in the event you experience similar problems.**  Delays caused be Grants.gov in accepting your application do not constitute a basis for submitting your application after the deadline.

We accept electronic applications submitted by the deadline though we may request original signatures on paper later.  **(See "Application Format must be Followed" under A, *DLT Program Regulation and FY 2007 Application Guide,* in Section II of this guide.)**  Use the Federal government's e-grants web site (Grants.gov):

**www.grants.gov**

Allow yourself plenty of time.  **If you want to submit an application on-line, we strongly encourage you to obtain all the necessary sign-ups, credentials and authorizations well in advance of the application deadline.**  You will need a Central Contractor Registry (CCR) registration before you can submit electronically.  In addition, Grants.gov requires some one-time credentialing and online authentication procedures.  These procedures may take several business days to complete.

Please follow the instructions at Grants.gov.  If you experience a technical problem retrieving or submitting an electronic application, make the Grants.gov customer support resources your first stop (click the "Customer Support" tab on any page of Grants.gov to get started).  Grants.gov is operated by a Federal Agency that is not part of the USDA.  The DLT staff has no control of Grants.gov.  Neither does it have specific knowledge of how the process works or ability to assist with technical problems.

# Section III - Application Process

## A.  Review Process

The Agency reviews each on-time grant application for completeness to determine whether it includes all items required by the regulation.  If the application is complete, the applicant will be so informed.  **Eligibility and scoring information will not be requested after the application deadline.  Applications that do not meet the minimum set of requirements as specified in the relevant rules (7 CFR 1703 and the 2007 Notice of Funds Availability) and as elaborated upon throughout this *Application Guide* will be returned as ineligible. Applications will be scored only on information submitted by the application deadline.**

In cases where we have minor questions about an item, we may request clarification. Also, missing information not necessary for determining eligibility or scoring, but necessary for the award of a grant will be requested. The applicant has fifteen calendar days to deliver a response to this request. If that response is satisfactory to the Agency, the applicant will be informed that its application is complete. If not, the application will be returned as ineligible. All complete applications are scored as described in the regulation and this *Guide*.

## B. Appeal Process

After scoring, the Agency will notify you in writing of your preliminary score. We will also include an <u>estimate</u> of the minimum score necessary to receive a grant. We stress that this threshold score for funding is an estimate that can go up or down depending on several factors including appeals (as described below) and budgetary factors that cannot be known with certainty at the time the estimated score is reported to you. If your preliminary score is below the threshold, it does not mean that you have been denied a grant. Conversely, if your score is above the threshold, it does not ensure that you will receive a grant.

You have the right to appeal your preliminary score. For an appeal to receive consideration, you must **deliver** **your written appeal into our hands** **<u>within ten calendar days</u>** of the date of our correspondence informing you of your preliminary score. We cannot consider information that was not part of the application as submitted by the deadline so do not submit such additional information in support of your appeal.

To be successful, the applicant must demonstrate that the Agency made a <u>scoring</u> error based on the application as submitted by the deadline. In general, this means that the appeal of an objective score is more likely to result in a scoring change. This is because objective scoring is based on objective data. If the applicant can demonstrate an error on our part in evaluating the objective data in the application, the appeal will be successful.

<u>Appeals of Subjective Scores</u> - An applicant is free to appeal a subjective score, but it should be aware that such an appeal is much less likely to be successful. As the name suggests, subjective scores are based on the <u>subjective</u> reaction of our scoring teams to the supporting arguments made in the application. Just as in the review of a football play by the replay officials, it takes indisputable evidence to alter a scoring judgment made by the subjective reviewer. Not only are these scores subjective, they are also relative, in the sense that each application is scored in comparison to other applications in the competition. Without knowledge of how the other applicants made their case and how the supporting documentation in your application compares to that submitted by others, it is difficult for an applicant to demonstrate scoring error on our part.

## C. Grant Awards

Following the appeals process, we rank applications by their final scores. Applications are selected for funding based on scores, availability of funds, and 7 CFR 1703.127.

<u>Regardless of the number of points your application receives, the Administrator may take any of the following actions:</u>

1. Limit the number of applications selected for projects located in any one State during a fiscal year. (This authority allows the Administrator to limit awards to any one state. It does not allow the Administrator to make awards in other states regardless of score.)

2. Limit the number of selected applications for a particular project.

3. Select an application receiving fewer points than another application if there are insufficient funds during a particular funding period to select the higher scoring application. If the Administrator makes this kind of selection and it affects your application, we will provide you an opportunity to reduce the amount of your grant request to the amount of funds available.

# Section IV - The Complete Application

**Tips:**

- **An application that does not include each required item listed in this section cannot be evaluated and will be returned as ineligible. An application that does not include required scoring information will be scored as is.**

- It is important that the person who signs the Standard Form 424, *Application for Federal Assistance,* document his or her authority to do so. For example, the Director of Information Systems at a school may have the authority to obligate the school system, but in most cases, we have no means of confirming this authority, or even of determining if the title shown on the SF 424 is correct. It is crucial that the person who signs the SF 424 properly document his or her authority as described in the instructions for Block 21, which you will find in the *Toolkit*.

- Before you begin to work on your application, read the entire *Application Guide* including the *Toolkit* so that you have an overall sense of what is expected.

- Use the 2007 *Grant Application Guide Toolkit (Toolkit).* It contains all the forms, worksheets, and sample certifications that you will need to assemble your application. **Do not ignore guidance on the worksheets. It is there to help ensure that your provide all the required information. Remember that we will not request information necessary for determining eligibility and scoring after the application deadline.** In addition to being included with the printed version of the *Application Guide,* you can find the *Toolkit* at the DLT Web site.

  **www.usda.gov/rus/telecom/dlt/dlt.htm**

- When you prepare your application, **try to imagine that you are the Agency reviewer** responsible for making certain that the competition is fair and that

the federal funds designated for this program accomplish the goals of the program. In every section, **provide the level of detail and support that would satisfy you** if you were that reviewer. For example, reviewers are unlikely to have first-hand knowledge regarding your specific locale or circumstances so always provide source documentation to substantiate the information in your application.

- Remember that scoring of the application is based in large part on who benefits. <u>Do not, for example, try to make your project appear to have more rural impact by not including all the end-users that will benefit from the project.</u> **Pay careful attention to the sections in the application guide on apportioning benefit.**

- Avoid upholstering your application with generic information concerning the value of distance learning or telemedicine (such as magazine articles and web page printouts). We are well aware of how these technological solutions can benefit rural areas. Concentrate instead on the specifics of your project.

- Remember that only rural areas qualify for this program and other applicants will share the general characteristics of rural areas with you. You are not trying to distinguish yourself from the cities and the suburbs. Concentrate instead on the specifics of your rural area.

- **To be considered, information must be included under the proper Tab of your application (as described below in *Putting It All Together*).** Place all of the information supporting a scoring category together in the section of the application that responds to that category. **(See "Application Format must be Followed" under A, *DLT Program Regulation and FY 2007 Application Guide,* in Section II of this guide.)** Submit your application package in a properly tabbed three-ring binder.

## A. Standard Form 424 and Attachments

### SF424

The SF-424, (Standard Form 424, *Application for Federal Assistance* is required to apply for DLT grants. We use the latest version of the SF 424, which is that prepared by the Office of Management and Budget (OMB) for electronic applications. It carries a date of October 2005. We have reproduced the form and included a copy suitably adapted to paper applications in the *DLT Toolkit.* In previous years, we have included additional guidance and specific Agency instructions for completing the SF 424 under this heading in the *Application Guide.* This year, we have combined the general instructions provided by OMB along with specific Agency instructions into one set, marking through the OMB instructions that do not apply to the DLT Program. These instructions follow the SF 424 in the *Toolkit.* We hope it will be more convenient for applicants to look in one place for instructions specific to the form itself.

Place the completed SF 424 under Tab A of your application, along with the *Site Worksheet and* voluntary survey described below. The worksheet and survey are also included in the *Toolkit.*

# Attachments to the SF 424

There are two attachments to the SF 424.  One is a *Site Worksheet* (required) and the other is a *Survey on Ensuring Equal Opportunity for Applicants* (optional).  With regard to some of the information requested on the Site Worksheets, please note that the Census web site has a wealth of data beyond that described under E-1, *Rurality,* in Section IV of this guide.  For example, the same mapping tool we instruct you to use to show Census Population Data can display school and congressional districts among many other things.

**Site Worksheets -** Complete identification of project sites is central to our ability to evaluate and score your project. The space provided for this information on the SF-424 is insufficient for DLT projects which by their nature generally involve multiple sites.  We have created two *Site Worksheets* to provide extra space*,* one for traditional fixed-site projects (such as for schools or hospitals), the other for non-fixed sites, (such as a visiting nurse project).

You will attach the *Site Worksheet* appropriate to your type of project.  The worksheets have been designed not only to provide additional space to respond to the information requested in Blocks 14, 15, & 16 of the SF 424, but also to link the project as described there directly and specifically to the project as described throughout the balance of the application package.

With regard to the two types of project, there is no administratively practical way to score a project that combines elements of both, i.e., fixed and non-fixed sites.  As a consequence, we must require that applications are for one or the other, *i.e.,* either exclusively for fixed sites or exclusively for non-fixed sites.

## *Fixed Site Worksheet*

If your project operates at fixed sites, you will use the *Fixed Site Worksheet* that is provided in the *Toolkit.*  Complete that *Worksheet* and place it directly behind the SF-424 under Tab A of your application.  Include every site involved with your project (*e.g.,* hub, hub/end-user or end-user) regardless of whether grant or match funds will be expended at that site or whether the sites are included in your estimated scores.  **Applications that do not provide all of the site information requested on the *Site Worksheet,* and which do not use the set of sites described on that worksheet consistently throughout the application, cannot be evaluated or scored and, as a consequence, will be returned to the applicant as ineligible.**

For each site (hub, hub/end-user, or end-user), show:

- The complete and formal name of the site.  If you wish to use an abbreviation, show that abbreviation and use it consistently throughout the balance of the application.

- A complete street address.  The address must be one that can be recognized by the United States Census *Fact Finder* website:

> **factfinder.census.gov/home/saff/main.html?_lang=en**

Data from the *Fact Finder* website is required to document your estimated *Rurality* score.  See "E-1 Rurality" in Section IV of this *Application Guide* for more detail about the *Fact Finder* site and about completing the *Rurality Worksheet.*

We must know the exact location of every site.  If the only address available for a site is a PO Box, Star Route, Rural Route, or other address not recognized by *Fact Finder* such as a new address, give that address supplemented by the precise

latitude and longitude in Degrees, Minutes, and Seconds (DD/MM//SS) or decimal form (DD.DDDD). Latitude and longitude can be determined from mapping software as well as many publicly available sources including, for example, websites hosted by Northern Arizona University, topozone, and mapquest:

**jan.ucc.nau.edu/~cvm/latlon_find_location.html**

**www.topozone.com**

**www.mapquest.com/maps/latlong.adp**

- The applicant's designation of the type of site, *i.e.,* a pure hub, a combination hub/end-user, or a pure end-user. The distinction between a hub and a hub/end-user is important because pure hubs are not included in the *Rurality, NSLP,* or *EZ/EC* calculations. As a consequence, their inclusion or exclusion can have a significant effect on the applicant's score. See D-1, Telecommunications System Plan & Scope of Work, in Section IV of this *Application Guide* for detail on how to categorize sites in your application. Remember that we start our review of an application with the presumption that most hubs are actually hub/end-users. To designate a site as a pure hub, the applicant must provide a convincing demonstration that no benefits flow to the site or to users at that site. The Agency will review the evidence provided by the applicant to determine whether the site is a pure hub or a combination hub/end-user. If the latter, we will include that site in the appropriate scoring categories. For this reason, we recommend that you provide population and NSLP data for every site including sites that you believe are pure Hubs so that we can correct these scores if necessary.

- The County, School District, and Congressional District in which the site is located.

### *Non-Fixed-Site Worksheet*

If your project is for non-fixed sites like the service territory of a visiting nurse association, use the *Non-Fixed Site Worksheet.* Complete that *Worksheet* and place it directly behind the SF-424 under Tab A of your application. Non-fixed site projects are evaluated over the officially designated service area. To be eligible for grant funding, a non-fixed site project must have defined service territory that can be unambiguously represented on a map. **Applications that do not provide all of the service territory information requested on the *Site Worksheet,* and which do not show a consistent service territory throughout the application cannot be evaluated or scored and, as a consequence, will be returned to the applicant as ineligible.**

For the service area of the non-fixed site project:

- Provide a succinct, but thorough, narrative description of the territory in the space provided. Attach a map showing its defined boundary.

- If the service is operated out of one service center, a hospital or ambulance garage, show the complete street address of this site. (The address must be one which can be recognized by the Census website. See the bullet "A Complete Street Address" above under the heading "Fixed Site Worksheet" for information on providing this address.) If it is operated out of several centers, show the precise address of each such site and describe in the narrative whether the service territory is served jointly or is divided into specific autonomous regional operations. If the latter, show the service territory boundaries of each autonomous region.

- Show each County, School District, and Congressional District in the service territory that will be served by the grant project, whether in whole or in part.

**Not-For Profit Survey** - The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal Funds, we are asking not-for-profit private organizations (not including public universities) to fill out a survey. You will find a copy of the Survey Form in the *Toolkit.* Place the completed form in a sealed enveloped behind the SF 424 and the appropriate *Site Worksheet* under Tab A of your application. Information provided on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of the survey is voluntary.

## B.  Legal Eligibility - Legal Existence - Authority to Contract

**You must provide evidence with respect to your legal eligibility, legal existence, and legal authority to contract with The United States Government (See 7 CFR 1703):**

1. Legal Eligibility:  An applicant must be legally organized as an incorporated organization or partnership, an Indian tribe or tribal organization, as defined in 25 U.S.C. 450b (b) and (c), a state or local unit of government, a consortium, or other legal entity, including a private corporation organized on a for profit or not-for profit basis. **Evidence of tax status from the Internal Revenue Service or a state department of taxation is not evidence of legal eligibility.**

2. Legal Existence:  You must provide us with acceptable evidence of your legal eligibility. Such evidence includes a certification as to legal existence from the Secretary of State in the applicant's state of incorporation, a certified copy of the applicant's Articles of Incorporation, or a copy of the state or local statute establishing an applicant. **Evidence of tax status from the Internal Revenue Service or a state department of taxation is not evidence of legal existence.**

3. Legal Authority to Contract with United States Government:  You must provide written evidence of your legal authority to contract with the Federal government. Such evidence includes a copy of the applicant's bylaws or Articles of Incorporation, applicable state or local statutes, a resolution from the applicant's board of directors, or an opinion of counsel showing that the applicant has the legal power to contract with the government. The provision of such a document in and of itself, a copy of the applicant's bylaws for example, does not provide evidence of the authority. The document text must make specific reference to the authority. Evidence of recent federal grants, or other contracts with the federal government, does provide this evidence. If a consortium lacks the legal capacity to contract, each individual entity must contract with RUS on its own behalf.

For example, some applicants have provided evidence that a related entity such as the school board has legal authority to contract with the Federal government. Such evidence does not demonstrate the legal existence of the school district that is the applicant or of the school district's ability to contract with the government. **Applications that do not demonstrate both**

**the applicant's legal existence as an entity that is eligible to apply for a grant and its legal authority to contract with the United States Government will be returned as ineligible.**

## C.  Executive Summary

The Executive Summary gives reviewers their first overall view of the project area, the problems that residents face, and how the proposed project will address those problems.  This is your opportunity to discuss the core aspects of the project.  It should contain a **concise** description of the project including:

1.  **<u>A two paragraph abstract</u>** that describes your project in a nutshell.

2.  A general **<u>overview</u>** of the telecommunications system to be developed, including the types of equipment, technologies, and facilities proposed.

3.   A description of the participating sites (hubs, hub/end-user, and end-user) or service territory (for non-fixed site projects) and the number of rural residents who will be served at each hub/end-user or end-user site.  The sites or service territory must be consistent throughout your application including the SF-424, the *Telecommunications System Plan,* the *Budget,* the *Rurality Worksheet,* and the *NSLP Worksheet.*  <u>If your sites are not consistent throughout the application, your application will be returned as ineligible.</u>  See D-1, *Telecommunications System Plan & Scope of Work* in Section IV of this *Application Guide,* for extended discussion of how to categorize sites in your application.

4.  A description of the **types of distance learning or telemedicine services** proposed and whether those services will be offered via a fixed-site project or to a service territory where the sites vary over time, such as a home health monitoring service.  Remember that DLT projects must propose specific projects to provide distance learning and/or telemedicine to specific people.  <u>The DLT Program does not fund speculative proposals, *i.e.,* the purchase of equipment or software whose function will be determined later.</u>

5.  An explanation of **how the project will address community needs**, **why your organization requires financial assistance,** and how the project **benefits rural residents**.  A summary of the total project cost including a breakdown of the grant requested, the proposed match, and any other financial assistance required for purposes that are ineligible for grant or match but which you feel are necessary for the project.

# D. Project Information

## Eligible Grant Purposes are Identical to Eligible Match Purposes

In other words, to be considered as eligible matching funds, cash and in-kind contributions must go toward items which would be eligible for grant funding if included as part of a grant request.

All items to be funded with match or grant must be obtained from an organization other than the applicant or other entities participating in the applicant's DLT project as hubs, hub/end-users, or end-users, *i.e.,* items must be procured from a third party. In the *Application Guides* of years prior to 2006, third party procurement explicitly applied to category 2 (acquiring instructional programming) and category 3 (technical assistance and instruction) items because it was in these categories that applicants had requested to provide the items themselves. However, the logic that leads to this restriction for category 2 & 3 items applies equally to category 1 (equipment). There are a number of regulatory requirements that make this the only practical way to administer the DLT program:

1. Salaries and administrative costs of the applicant are not an eligible purpose. If an applicant is also a vendor, it is administratively impossible to determine if the applicant's salaries and administrative costs are part of the vendor's selling price.

2. Items acquired before the application deadline are not eligible for grant or match. If the applicant is selling facilities to itself, we have no way to determine when the facilities were obtained.

3. Should a grant be made to an applicant, grant and match are administered on the basis of invoices from and purchase orders to third-party vendors. When the applicant obtains facilities from a third party, it is in the applicant's interest to obtain the lowest price and the invoice is evidence of the actual price. If the applicant is selling facilities to itself, we lose the assurance of reasonable pricing that third-party procurement provides.

> Note: A vendor is eligible to participate in a DLT project either as the applicant or other participant. However, actual advances and reimbursements of grant funds, and crediting of matching funds, will be based on invoices submitted to the vendor from an entity not participating in the project - in other words, what the vendor pays for the equipment, not what it charges to others.

### Eligible Purposes for Grant and Match

**All equipment and services must be obtained from entities other than the applicant. By applicant, we mean the organization that signed the SF-424 and the organizations that have sites in the DLT project whether their participation is informal or part of a formal consortium.** There are three categories of eligible purposes:

1. The first includes acquiring **eligible equipment**. The following are examples of eligible equipment. This list is not exhaustive. Neither does it convey blanket eligibility. Remember that the purpose of the DLT Grant program is to deliver education or medicine between remote sites via telecommunications, not simply to furnish educational or medical technology. For example, applicants will sometimes argue that all proposed

equipment is eligible because it is used 100% of the time to provide medical services. This is not always true. To be eligible, it must be providing medical services that meet the grant definition of telemedicine, *i.e.,* via telecommunications between remote sites, not within one facility.

- Computer hardware and software
- Audio and video equipment
- Computer network components
- Terminal equipment
- Data terminal equipment
- Interactive audio/video equipment
- Original Equipment Manufacturer (OEM) or OEM authorized extended warranties on eligible equipment up to the 3 year life of the grant
- Inside wiring

In general, equipment not electronically interconnected to the grant and match funded equipment is not eligible. **The application must <u>demonstrate</u> both that the predominant purpose (50% or more of use) of every line-item in the grant and match budget meets the DLT Grant definition of distance learning and/or telemedicine, and further, that none of the use is for ineligible purposes.** <u>If not the primary purpose (less than 50% ), the applicant can propose that a portion of the line item be budgeted for grant or match based on the proportion that does provide distance learning or telemedicine.</u> **(See D-1,** *Teleocommunications System Plan & Scope of Work* **for more detail on apportioning DLT project benefit.)**

2. The second provides for **acquiring instructional programming** (including the purchase or lease of instructional programming already on the market).

3. The third includes **technical assistance and instruction for using eligible equipment** (TA&I), including any related software; developing instructional programming (including the development and modification of an existing instructional programming package); and providing engineering or environmental studies relating to the establishment or expansion of the phase of the project to be financed with the grant. The costs for **this category cannot exceed 10% of the grant amount requested or 10% of the eligible matching funds.**

## Ineligible Purposes for Grant or Match

None of the following purposes are eligible (see 7 CFR 1703.123):

- Salaries, wages, or employee benefits to medical or educational personnel.
- Salaries or administrative expenses of the applicant or the project. Administrative expenses of the applicant include the normal costs of operation. For example, software designed to keep track of student attendance or hospital billing is an administrative expense, not a function of distance learning or telemedicine. Another example is operational supplies such as paper, blank CDs, or spare ink cartridges. So is rental of space, the cost of utilities, and maintenance, except for OEM extended warranties as described above under eligible purposes.

- Acquiring, installing or constructing telecommunications transmission facilities. Remember, although DLT projects are intended to deliver education or medicine between remote sites via telecommunications, they do not cover the transmissions facilities themselves. DLT eligible purposes end at the terminal equipment that connects to a transmission facility.
- Medical equipment not having telemedicine as its essential function.
- Purchasing equipment that will be owned by a local exchange carrier or another telecommunications service provider *unless* that service provider is the applicant. Remember that entities financed through loans from Rural Development Utilities Programs are not eligible for DLT grants.
- Duplicating facilities already in place which provide distance learning or telemedicine services.
- Reimbursing your organization or others for costs incurred prior to the date we received the completed application. For administrative convenience, we assume that date is the last possible date for submission, the application deadline for this year's program.
- DLT application preparation costs.
- Projects that only provide links between people located at the same physical facility. This includes projects where several facilities are involved, but all the links are within each facility. For projects that do not meet the DLT Grant Program definition of distance learning or telemedicine, organizations should consider the DLT Loan or the Combo Grant/Loan Program. In the lending programs, the definition of Distance Learning and Telemedicine is less specific to the delivery of services via remote sites by telecommunications.
- Site development, or the destruction or alteration of buildings. Equipment specific modifications needed for the project to work such as soundproofing and lighting for a video conferencing room are eligible. Building an addition, knocking out walls, or replacing an electric service are not.
- Purchasing land or buildings or for building construction.
- Projects located in areas covered by the Coastal Barrier Resources Act.
- Recurring or operating project expenses or costs such as monthly fees for telecommunications and electric service. (Leases to obtain equipment as described above (under **Eligible Purposes for Grant and Match)** are not considered recurring costs.)
- Any other purposes not specifically contained in 7 CFR 1703.121.
- Any other purpose that the Administrator has not specifically approved.
- Except as otherwise provided in 7 CFR 1703.112, grant funds shall not be used to finance a project, in part, when success of the project is dependent upon the receipt of additional financial assistance under Part 1703, Subpart E, or is dependent upon the receipt of other funding that is not assured.

**Eligible Purposes – Special Discussion about Electronic Medical Records (EMR) and other technologies such as Picture Archive Communications System (PACS)**

Because the subject of this discussion concerns telemedicine technologies, the following will be restricted to that subject, but similar principles govern our administration of distance learning technologies.

The Distance Learning and Telemedicine (DLT) Program is administered through three funding options – a 100% grant, a mixture of loan and grant, and a 100% loan. Each option is tailored to balance rural benefit and the cost to the government. In the 100% Grant Program, we have implemented the statutory guidance by strictly targeting the to projects that extend and improve the delivery of medical benefits into rural areas using the unique capabilities and efficiencies of telecommunications to link medical providers and patients who are not at the same facility.

We do this because it provides the greatest medical benefit to rural people through reduced travel time and access to services previously unavailable close to home, thus mitigating the effects of distance and low population density. Not every medical technology provides telemedicine as defined and implemented under the 100% Grant Program. Some technology improvements, such as replacements of physical records or analog technologies, do not meet the grant definition, or do so only in part.

In short, the focus is on the patient, not the provider. While we recognize that technology that benefits the doctor or hospital may trickle down to the rural person, we look for more direct benefit under the grant program to maximize the medical benefit delivered by each grant dollar. For example, we implemented the statutory direction not to not fund "administrative expenses" of the applicant in the strictest sense. That is, we exclude from eligible grant and match purposes all facilities except those that are clearly and unambiguously for the purpose of medical care.

Also, in line with this targeting of grant funds to provide the greatest medical benefit to rural people, the 100% Grant Program specifically prohibits funding projects for communications within one site (which we refer to as "on campus" systems) because there is little direct benefit to the rural person. If that person had to drive to the site before the project was implemented, that person would still have to drive there after the project is built.

Electronic Medical Records - The fundamental purpose of electronic records is to replace physical records. The purpose of such records is, at least in part, for things such as billing and scheduling. EMR is marketed largely on this capability. Following the strict implementation of the statutory direction appropriate to the 100% Grant Program as described above, we consider billing and scheduling as examples of administrative functions of a medical facility, and therefore, an administrative expense of the applicant. As such, they are not eligible for funding under the 100% Grant Program.

In addition, the overwhelming use of EMR for medicine will be between a medical professional and a patient within the same facility and little will be for transfers of records taken at one facility so as to benefit a patient at another facility. It is of little benefit to a rural patient whether the records consulted by the medical professional are paper, electronic stored at that site, or electronic stored elsewhere, if they are collected and used at only one facility. This simply amounts to communications within a site, which is not an eligible purpose under the 100% Grant Program.

This is not to say that EMR never provides telemedicine or that we will never fund it under the Grant Program. We recognize that EMR allows for telemedicine to occur, such as when a

patient visits an emergency facility that is not the usual place to which that patient goes for medical care. We also recognize that there will be growing use of EMR for telemedicine as time goes on. While EMR allows for telemedicine, it is unlikely that the use of EMR will ever be primarily for telemedicine as defined and implemented under the Grant Program, and we feel it would not be a prudent use of scarce grant funds, to fund in full, or to credit in full as match, items which only provide a small percentage of such benefit when there are projects that do meet the grant definition and have a greater impact on improving rural lives.

The concerns about whether equipment meets the grant definition of telemedicine apply to other technologies. PACS and various technological replacements of earlier technology often have a predominant "on-campus" benefit. For example, when a hospital replaces its analog radiology facility to PACS, there may be little or no use that meets the grant definition of telemedicine because it is just a change from film to electronic storage with no medical benefit flowing through telecommunications to a remote site. <u>Applicants must thoroughly address how their project will provide telemedicine that meets eligible purposes under the 100% Grant Program definition of telemedicine, not just medical care.</u>

**EMR Under the Grant Program -** In 2007, entire EMR <u>systems</u> remain partially fundable based on a credible demonstration of the portion that meets the grant definition of telemedicine as described above and elsewhere in this guide. We also will consider funding specific pieces of EMR systems that provide service that meets the Grant Program definition.

**EMR Under the Combo Program –** In 2007, entire EMR systems are fully eligible under the Combination Loan/Grant Program. This is partly because "on campus" facilities are an eligible purpose under the Combo Program. Also, we implement the DLT Loan Programs (Combo and 100% Loan) differently than the 100% Grant Program. In the Loan Programs, features that are not exclusively medical but that are indirectly related to and very useful in the delivery of medical care are not considered administrative costs of the applicant. Thus a feature such as scheduling is an eligible purpose under the Combo Program. Another feature of the Combo Program is that it is operated on a first-come, first-served basis, not as a competition. Because EMR is a better fit in the Combo Program, and in support of the President's Electronic Medical Records Initiative, we have introduced special grant provisions for EMR in the 2007 Combo Program.

In 2007, EMR system Combos will consist of $1 of grant for every $4 of loan (instead of $1 of grant for every $9 dollars of loan, as will be done in the balance of the Combo Program). In other words, twenty percent of the eligible project total funding can come from grant funds up to a maximum loan of $1 million ($250 thousand in grant). For more detail on this and other DLT loan programs, please refer to the *FY 2007 Loan and Combination Loan/Grant Application Guide,* which will be made available shortly after we publish the Notice of Funds Availability (NOFA) in the Federal Register establishing the FY 2007 grant and loan amounts.

## D-1.  Telecommunications System Plan & Scope of Work

A Telecommunications System Plan (TSP) is required as part of a complete application.  The TSP provides the reviewer with a thorough understanding of the project.  The TSP in tandem with the *Budget* is the foundation of the application.  In particular, it shows the sites (hubs, hub/end-users, or end/users) that will participate in the project and shows where the equipment will be located.  In addition, the TSP shows how the equipment is interconnected and how it accomplishes the distance learning or telemedicine purposes of the project.

### Categorizing Sites

The distinction between sites is important throughout the application.  Scoring is based in large part on the beneficiaries of the project, *i.e.,* the end-users.  In particular, the *Rurality* and *NSLP* scores are directly tied to the end-users.

As such, it is important that the end-users on which the application is scored are an accurate representation of who will benefit from the grant and match funds.  If grant or match funds will benefit users at a site, that site must be accounted for in the scoring and budget.  This is true even if no grant or match funds are expended at that site.  If you wish to exclude a site that will benefit from the project because of its potential to reduce a score, you will also need to remove any funds from the grant or match budget that benefit that site.

> **Tip -** Do not attempt to improve your score by excluding sites that will benefit from your project.  If your organization has 20 locations, and you do not include them all in the scoring calculations, address why you did so.  If you do not explain the exclusion, we cannot evaluate whether or not the scores generated by the sites you did include are an accurate reflection of the rural benefit of the project.

Remember, sites must be consistent throughout your application including this section, the SF-424, the *Budget,* the *Rurality Worksheet,* and the *NSLP Worksheet*.  If your sites are not consistent throughout the application, your application cannot be evaluated and will be returned as ineligible.

**HUB** - A pure hub receives no benefit of any kind from the project.  It is either an electronic connection point or a source of distance learning or telemedicine.  Because no benefit flows to a pure hub, it is not counted in the *Rurality* and *NSLP* score.  This can be important when the hub would have a negative effect on the applicant's *Rurality* or *NSLP* score if included.

However, most DLT project hubs are actually hub/end-users as described below and we start our evaluation of an application with that presumption.  To be considered a pure hub, the applicant must provide compelling evidence that no benefit flows to the hub site or to users at the hub site.  The following are examples of pure hubs although the third example gives an illustration of a site that would not be funded in its entirety.

Pure Hub Examples:

1.  A server is located in a school administration building.  The server's entire function is to control distance learning equipment remotely located at each of 15 schools in the district.  In other words, it serves as an electronic hub.  In this case, the Administration building site is a

pure hub.  The Administration Building is excluded from the scoring and each of the 15 schools is scored as an end-user.

2.  An urban school provides classes to five other schools that are shown as end-users on the *Rurality* and *NSLP Worksheets*.  The urban school provides classes to students at the five schools but does not receive any courses from them.  The DLT project items placed at the urban school are dedicated to the five rural schools in the project.  No grant or match items are used at the urban school to provide courses to or receive courses from within the school <u>or from schools that are not shown as part of the DLT project</u>.  The urban school is a pure hub.  The five rural schools are scored as end-users on the *Rurality* and *NSLP Worksheets*.

3.  A state operated Educational Resource Center serves students at all 804 public schools in the state.  No students are served at the Resource Center itself.  The applicant proposes to install video conferencing equipment at the Resource Center in order to provide distance learning to seven rural schools.  If the applicant can demonstrate that the equipment at the Resource Center is dedicated to and will benefit only the seven schools shown as end-users, it would be an example of a pure hub.  The *Rurality* and *NSLP Worksheets* would show the seven rural schools as end-users.

    If, however, the Resource Center will use that equipment to provide distance learning to any of the other 797 schools which it serves, the seven schools shown on the scoring sheets as the end-users are not the sole beneficiaries of the grant.  <u>All sites that benefit from the project</u> must be accounted for in the scoring and budget even if no funds are expended at some of those sites.  If the applicant does not wish to include the other schools that will benefit from the DLT project investment at the Resource Center because of their negative effect on the applicant's score, it is possible that grant and match amounts for the equipment at the resource center can be adjusted in proportion to the usage that can be attributed to the seven rural schools included in the scoring.  **See below for detail on apportioning DLT project benefit.**

**Hub/End-User** - A hub/end-user may perform functions associated with a hub such as electronic switching or origination of content, but it also receives benefit at that site.  Hub/end-users are much more common in the DLT Program than pure hubs.  <u>A hub/end-user is considered the same as an end-user for scoring purposes.</u>

Hub/End-User Examples:

1.  A university medical center wants to create a teleradiology system along with seven rural hospitals.  The equipment at the university hospital will be used within the hospital and to connect with national centers of expertise for the benefit of patients at the university medical center and the seven rural hospitals.  Because benefits flow to the university medical center, it is a hub/end-user and must be accounted for.  In most cases, the applicant will include it in the *Rurality* and *NSLP* Calculations along with the seven rural hospitals.  If the applicant does not wish to show this site as an end-user because of a negative effect on those scores, it is possible that grant and match amounts for the equipment at the hospital can be adjusted in proportion to the usage that can be attributed to the seven rural end-users.  **See below for detail on apportioning DLT project benefit.**

2.  A suburban High School houses the server that interconnects itself and three other schools.  Video-conferencing equipment is installed at all four schools.  The suburban high school and the three other schools both provide classes to and receive classes from other schools in the

project. The *Rurality* and *NSLP* Calculations show four hub/end-user sites, the suburban high school and the three other schools.

**End-Users -** An end-user is purely a beneficiary. Grant or match funds do not have to be expended at a site to make it an end-user for scoring purposes. If grant or match funds expended anywhere will benefit users at a site, that site must be accounted for in the scoring and budget.

End-User Examples:

1. A rural high school will receive foreign language and higher mathematics courses via video-conferencing equipment that is part of the DLT project. These courses will come from a larger high school that is a hub/end-user. The rural school will not provide any classes to others and is classified as a pure end-user.

2. An urban high school that is not included in the grant or match budget. If it will receive distance learning information via the DLT project which is the basis of the grant request, or if grant or match funded equipment will benefit this site, it must generally be shown as an end-user for scoring purposes. If the applicant does not wish to include this site because it would have an adverse effect on the applicant's score, it is possible that the grant and match amounts at other sites could be adjusted in proportion to usage by the end-users included in the scoring. **See below for more detail about apportioning DLT project benefit.**

## Apportioning DLT Project Benefit

DLT Grants are intended to reduce the effects of low population density and lack of economic resources by using telecommunications to bring education and medical services to rural areas. In short, the focus is on students and patients, not on teachers and doctors or institutional administrators. The scoring system (*Rurality* and *NSLP* in particular) is intended to measure the benefit of the project to rural people by using population and economic characteristics of the end-user sites where the service is provided as a proxy for the rural people the project is designed to benefit. As part of our review of the application, we must make certain that the project actually provides distance learning and/or telemedicine and that the end-users on which the scores are calculated are an accurate representation of who will benefit from the project. If sites not included in the scoring benefit from the project, they must be accounted for in some manner so that the funding considered for grant and match is proportional to the benefit that goes to the sites on which the application is scored.

For a line-item to be eligible in full for grant or match funding, the application must demonstrate that:
1. None of the use is for ineligible purposes,
2. None of the use is to benefit sites not accounted for in the scoring, and
3. The predominant purpose (over 50% of use) of that line-item is for purposes that meet the DLT Grant definition of distance learning or telemedicine.

If any part of a line-item is for an ineligible purpose, the line-item cannot be budgeted for grant or match. If not the predominant purpose (over 50% of use) or if some of the use will benefit sites not included in the scoring, the applicant can propose that a portion of the line-item be budgeted for grant and/or match. That portion eligible for grant or match is that attributable to the sites on which the project is scored. The balance must come from other funds.

**Apportioning Illustrations:** How does apportioning benefit work in practice?

Illustration 1 - No Apportioning Needed: In many cases, there will be no need to apportion. Imagine a typical distance learning system in which ten rural schools are equipped with video conferencing classrooms so that they can all exchange classes with each other. None of the video conferencing equipment is used for communications within the school. All the equipment is used for distance learning, *i.e.,* transmitting and receiving classes via telecommunications to and from one of the other schools in the project and none is used to connect to schools not shown as end-users. All ten schools are scored as hub/end-users on the *Rurality* and *NSLP Worksheets.* The DLT percentage of use of the video-conferencing equipment is 100% for distance learning.

Illustration 2 - Ineligible Purposes: Other cases are not so straightforward. Grant and Match funds cannot be used in the DLT Program to fund ineligible purposes. Bundling an ineligible purpose with an eligible purpose does not change this. For example, a medical software package might bundle billing and insurance functions along with functions that can be used to provide telemedicine. Administrative costs of the applicant (billing and insurance) are not eligible purposes **(See eligible and ineligible purposes under D,** *Project Information***, in Section IV of this Guide).** In cases like this, have the vendor apportion (break out) the costs of eligible and ineligible purposes so that you can show them as a separate line-items in the budget. The line-item for ineligible purposes must come from other funds - not grant or match.

The apportionment must be reasonable. If a software bundle provides thirty functions, and only one is a DLT eligible purpose, it is not reasonable to suggest that 100% of the cost of the bundle is for the one eligible purpose. The Agency will review the apportionment for reasonableness and may adjust it. If breakout pricing to apportion the ineligible purposes is not provided, the entire line-item is ineligible and must come from other funds.

Illustration 3 - Purposes that are Neither Eligible Nor Ineligible: In some cases, a portion of a line-item is for a purpose that while not specifically ineligible, does not meet the DLT Grant Program definition of distance learning. Consider a computer that is integrated into a distance learning classroom system. Imagine that it is used 55% of the time for distance learning and 45% of the time for ordinary Internet access and local use such as word processing. This computer has a predominant use of distance learning. The balance of use, Internet access and word processing, does not meet the DLT Grant definition of distance learning, but it is not specifically ineligible. In this case, because the predominant use is for distance learning, the entire computer would be eligible in the grant or match budget.

However, schools routinely purchase large numbers of computers for general use. While connected to the Internet, they may not be integrated into the distance learning functions of the DLT project in any way. In such a case, none of the computer's use can be attributed to distance learning so none of the computer's cost can be included in the grant or match budget. In other cases, the predominant use of the computer is not for distance learning. If a computer is used 5% of the time for distance learning, it is not a good use of scarce grant funds to fund it in its entirety, or to consider the entire computer an eligible match. In this case, only the portion attributable to DLT use (5%) is eligible for grant or match. The balance must come from other funds.

Reasonable Basis for Apportioning:

The applicant may choose any reasonable method to demonstrate usage**, but this is important, it must demonstrate usage, not merely assert it**. Among the bases for apportioning use would be

time of usage or numbers of users.  However, as with apportionment of ineligible purposes discussed above, the basis for apportionment must be demonstrated and must be reasonable.  The Agency will review the reasonableness of the apportionment and may adjust it if the proposed basis is unreasonable.

Illustration 4:  Consider this hypothetical example.  Imagine a type of educational project where every student and teacher is electronically connected to every other student and teacher.  Assume that the educational information that flows between students and teachers would meet the definition of distance learning if each student were at a separate site connected through telecommunications.  An urban school plans to install this system to serve its 2000 students at one site.  Because it is a single site system that does not connect remote sites via telecommunications, it would not meet the DLT Grant Program definition of distance learning.

If the urban school were to connect twenty rural students at one rural school to their system via telecommunications, the project would acquire a distance learning component.  Based on the number of students ($20 \div 2{,}020 = 0.01$), it would be reasonable to attribute 1% of the investment at the urban school to distance learning and that amount would be eligible for grant or match.  The balance would have to come from other funds.  If the applicant demonstrated that the rural students will use the system twice as much as the urban students, it would be reasonable based on usage to attribute 2% of the urban site equipment to distance learning.  In this case, 2% of the investment at the urban school would be eligible as grant or match.  It would not be reasonable to attribute 100% of the equipment at the urban school as benefiting the 20 rural students and seek to fund 100% of the urban school equipment with grant or match.

The situation would be the same for an urban medical center that installs an in-hospital system.  A one-site system does not meet the Grant Program definition of telemedicine.  If it were to connect one rural clinic, it would add a telemedicine component.  If 100 medical professionals use the system within the hospital and only one uses it from the rural clinic, it would be reasonable to attribute 1% of the equipment at the hospital to telemedicine.  It would not be reasonable to attribute 100% of the equipment at the hospital as benefiting the one rural clinic and seek to fund 100% of the hospital equipment with grant or match.

Returning to the school illustration, if instead of 20 rural students, the urban school were to connect 3000 rural students at seven sites to its 2000 urban student system serving 5,000 students in all, it would be reasonable to attribute 60% of the equipment used at the urban school to distance learning use ($3{,}000 \div 5{,}000 = 0.6$).  This would make distance learning the predominant use (greater than 50%) of the equipment and the entire amount would be eligible for grant or match.  For scoring purposes, the applicant would show eight end-users, the urban school and the seven rural schools.  The urban school is included because benefit flows to the site from either grant or match funds.  If the applicant did not wish to include the urban school as an end-user in the scoring, it could propose that the portion attributable to the seven rural schools be funded with grant and/or match.  In this case, 60% of the equipment at the urban school would be attributable to the seven rural schools.

## Telecommunications System Plan Details

The TSP will aid the Agency in comprehending and evaluating your project.  It is crucial that the TSP provide the information in the numbered items below.  Keep in mind that **the purposes for grant and match are identical and the support information you provide here and elsewhere**

**in the application should be just as thorough and complete whether for items in your grant request or in your proposed match.**

## Include the Following in your TSP:

1. A description of the types of distance learning and telemedicine services proposed and a statement that the project is either for a distance learning or telemedicine purpose. Describe how the project as a whole meets the regulatory definition of distance learning and telemedicine. If the project provides both distance learning and telemedicine services, identify the predominant use of the system.

   Remember, that **distance learning** as defined by the regulation implies a curriculum with measurable results delivered via telecommunications and stresses the connection of students and teachers at remote sites. Not every use of technology is distance learning. Some examples of technology that in isolation are not distance learning include:

   - Attendance software. Attendance is an administrative function. Administrative costs are not an eligible purpose.

   - Ordinary access to the Internet, *i.e.,* not part of a structured curriculum obtained via the Internet. Giving a student access to the Internet for "research" is not distance learning any more than giving them access to the library is formal education. The e-rate program is targeted directly at the goal of wiring schools and connecting them to the Internet. The DLT Program is focused on connecting students and teachers at remote locations.

   - Providing classroom monitors that could potentially be used for distance learning throughout a school, but without a demonstration in the application that the applicant has a specific and coherent plan on how to do so.

   - Providing computers for word processing, homework, or for improving a student's "technical literacy." These are all worthy goals, but they do not meet the Grant Program definition of distance learning.

   - Video-streaming of archived classes recorded at one school and viewed at the same school on a server located at that school. Video streaming of archived material can be a valuable adjunct to a distance learning system, but in isolation it is not distance learning because the transfer does not involve telecommunications between sites. In essence, this is like looking at a video tape, which is not distance learning.

   **Telemedicine** as defined by the regulation implies the delivery of medicine from medical professionals at one site to patients and their medical professionals at other sites via telecommunications. Telemedicine should reflect some benefit to rural residents either in reduced travel time or access to services not otherwise available. If before the technology is installed, the patient visits the doctor's office in a hospital for a consultation, and after the technology is installed, the patient still visits the same doctor's office for a consultation, and the technology doesn't provide any delivery of additional medicine from a remote site, your project doesn't provide any telemedicine or benefit to the rural resident. Some examples that in isolation are not telemedicine include:

   - A computerized patient billing system where the physician and patient are at the same site. This fails on two counts. First, the billing system does not deliver medicine. It is an administrative function and administrative costs are not an

eligible purpose.  Second, even if this function were eligible, the interaction is between doctor and patient at the same site.  It is a matter of indifference to the patient whether the billing is manual or electronic.  There is no medical benefit delivered to the rural resident in terms of reduced travel time or access to previously unavailable services that occurs through telecommunications.

- Equipment not electronically interconnected with the equipment that comprises the telemedicine project.  For example, a portable computer used for data entry by a medical professional at a patient's home and carried back to another point where the data is transferred to another system.  No telemedicine occurs at the home because there is no telecommunications link out of the home.

- Connecting physicians at home so they can attend to paperwork or consult records, but not for use in delivery of medicine from that site to another.

2. A general description of the telecommunications facilities proposed for the project including an explanation of how they will enable the project's interconnection with other networks, if that is relevant.  This discussion should cover the entire project, including interconnected sites for which no grant or match funds are budgeted.  The discussion should be sufficiently straightforward that a reasonably intelligent but non-expert person would understand how your project delivers distance learning or telemedicine across the system and would also be capable of explaining that operation to another person.

3. **A map and/or a network diagram of the telecommunications system, and how the distance learning or telemedicine equipment relates to that system.**  Each site must be represented on the map/diagram.  This representation need not be to scale, but it must be representational of your project, not generic.  **An application that does not contain a map/diagram that shows each site cannot be evaluated and will be returned as ineligible.**

4. A list that can be cross referenced with the map/diagram and the *Budget* of every line-item in the *Budget.*  Provide detailed descriptions of each line-item.  Both here and in the *Budget,* make certain that the line-items are specific, not lump sums that cannot be evaluated by us as to eligibility or reasonableness of cost.  Provide specifics such as the brand and model number, *i.e., "*VideoKing TX-90," as opposed to "One Video System."  **An application that does not include this list and detail cannot be evaluated and will be returned as ineligible.**

Include the following detail for each line-item:

- The DLT capabilities of all equipment and software that will be provided.

- Information which supports the costs shown in the budget such as vendor quotations.  Quotes from multiple sources are recommended and such information is valuable in preparing the *Cost Effectiveness* section (Tab F-4).  Include discussion of how the budgetary cost estimates were determined to be reasonable, when the equipment will be obtained, and whether it will be purchased or leased.

- The percentage of use that can be attributed to purposes that meet the DLT grant definition of distance learning and/or telemedicine and a demonstration of how those percentages were determined.  Both here and in the *Budget*, the DLT percentage of use number is greater-than-zero for grant and proposed match funds.  All funds for ineligible purposes are shown with a DLT % of use of zero

percent. (**See page 24 for more detail about apportioning DLT project benefit. This percentage is entered on the *Overall Budget Worksheet which is discussed on page 30 of the *Guide*.** Examples are also provided in the *Budget* section.) Remember that to be eligible in full for either grant or match, the predominant use of each line-item must be for distance learning and/or telemedicine and none of the use can be for ineligible purposes. If the line-item will provide any ineligible purpose, no portion of the line-item can be funded with match or grant. For items that provide no ineligible purposes, but where the predominant use does not meet the DLT Grant Program definition of distance learning or telemedicine, only the portion attributable to DLT purposes is eligible for grant or match. The balance must come from other funds.

5. Documentation of discussions with various technical sources, such as consultants, engineers, product vendors or internal technical experts. Provide detailed cost estimates for operating and maintaining the end-user equipment. Provide evidence that you evaluated alternative equipment and technologies. These types of documentation will also be useful in the *Cost Effectiveness* Category.

6. A discussion of the whether the project will duplicate any adequate, established telemedicine or distance learning services. As part of the application package, you will need to complete a *Nonduplication of Services* Certificate, which is part of the *Toolkit*. **Applications submitted without a certification of nonduplication will be returned as ineligible.**

7. A description of the consultations with the appropriate telecommunications carriers (including interexchange carriers, cable television operators, enhanced service providers, providers of satellite services and telecommunications equipment manufacturers and distributors) and the anticipated role of such providers in the proposed telecommunications system.

### Scope of Work

The scope of work explains what you plan to do. It is your opportunity to make a clear and convincing presentation of how you will achieve the goals of your project. The scope of work completes the picture for the reviewer. It discusses how your organization proposes to proceed with the project, if funded. **An application that does not include a scope of work cannot be evaluated and will be returned as ineligible.** The scope of work must include, *at a minimum*, the following:

- The specific activities to be performed under the project.

- Who will carry out the activities.

- The timeframes for accomplishing the project **objectives** and activities.

## D-2. Budget

**The purposes for grant and match are identical and the support information you provide here and elsewhere in the application should be just as thorough and complete whether for items in your grant request or in your proposed match.**

A budget is required.  In tandem with the TSP discussed above, the budget is the foundation of your application.  This section shows how to present a budget for your organization's proposed project.  Your *Budget* should show each cost as a **line-item** similar to the sample below.  **Both here and in the *Telecommunications System Plan,* make certain that the line-items provide item-by-item detail.  Do not enter lump sums that cannot be evaluated by us as to eligibility or reasonableness of cost.**  Provide detail such as the brand and model number, *i.e., "*VideoKing TX-90, $5,600," as opposed to "One Video System, $75,000 each site" or "Wiring, $100,000."  Remember that we evaluate the entire project so show each site in the *Budget* whether it will be funded with the grant, matching funds, or other funds.  Even if a site does not need any funding, enter a placeholder in the *Budget* so that it is clearly identified as part of the project.

As is discussed more thoroughly in **E-3, *Leveraging,* in Section IV of this Guide,** we recommend that applicants propose cash matches and avoid in-kind matches.  Cash matches are unambiguous as to value and can be applied against any eligible item in the entire budget.

An in-kind match is harder to value and is specific to the in-kind item proposed.  If the applicant cannot demonstrate that the item has an established monetary value or if the item is determined to be ineligible, the proposed match disappears when that item is removed from the grant and match budget.

As a practical matter, there is no compelling reason for an applicant to propose an in-kind match.  Any in-kind items will generally be obtained by the applicant with cash after the application is submitted.  In other words, when an applicant proposes an in-kind match, it is in effect committing cash with which the proposed in-kind item will be purchased at some point after the application deadline.  However, by proposing a specific in-kind item rather than cash, the existence of the match is tied to the eligibility of that item.  If that item is not eligible, either categorically or because the Agency finds that it is not integral to eligible DLT purposes as described in the application, the item would be removed from the budget and the proposed match associated with that item disappears.  This would reduce the proposed match which can affect the *Leveraging* score and could even make an application ineligible, should the remaining match not meet the 15% minimum required under the DLT Program.

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**Tip** - Describing a match for a specific item as a cash match does not make it so.  If matching documentation specifies to which line-items the match must be applied, that proposed match is in-kind, not cash.  As such, it should be entered on the *In-Kind Match Worksheet* described below.  Remember that the crediting of a proposed in-kind match is dependent on the eligibility of that line-item as discussed above.

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Of course, projects typically require resources that are not eligible (see page 20 for a list of ineligible purposes) for grant or match funding and, as a result, are not part of the eligible costs described above.  Costs incurred by your organization or contributed by others for ineligible purposes typically include salaries, rent, fringe benefits, supplies, office space, Internet access charges, utility expenses and other recurring charges.  These should be shown in full on both the *Overall Budget Worksheet* and the *Other Funds Worksheet.*  Budget worksheets are described below.

**Budget Worksheets -** The *Toolkit* provides three budget worksheets:

*Overall Budget Worksheet:* Show the entire project budget on this sheet in line-item form. Include every line-item that will be part of the project regardless of the source of funds. In other words, this sheet will show every aspect of the project, whether it is funded by the grant, by matching funds, or by other funds.

Number each line-item in the first column. **To assist us in our review, we ask that when you show these line-items on other worksheets, you use the same line-item number rather than numbering each sheet independently.** For example, you may show 100 line-items on the *Overall Budget Worksheet.* If line-items 9, 11, & 15 on that sheet are proposed as an in-kind match, show them as line-items 9, 11, & 15 on the *In-Kind Worksheet.*

For each line-item, identify the site where the item will be placed. Provide a description, a unit cost, the number of units, and the extended cost. In the last column, *DLT % of use,* enter the percentage of use that is attributable to purposes that meet the DLT Grant Program definition of distance learning and/or telemedicine. Remember, this column is for use of eligible equipment that meets the grant definition, not simply how much it will be used. **This percentage must be developed and supported in the TSP. Undocumented assertions of use cannot be evaluated as to eligibility by the Agency and can result in the item being moved to the *Other Funds Worksheet.*** All ineligible purposes are shown as zero % in the "DLT % of Use" column. Also, otherwise eligible items for which no grant funds are requested or which are not proposed as match are also shown as zero % in the "DLT % of Use" column. See below for detail about apportioning DLT project benefit. Examples are also provided.

At the bottom of the sheet is a block labeled *Budget Summary.* Line A, *Overall DLT Project Budget*, is the total project budget. The number entered here should match the number entered in Block 18g of the SF-424, *Application for Federal Assistance.*

*In-kind Match Worksheet:* If any in-kind match items are proposed, show them on this sheet. This includes any specific items identified in the match documentation letter. Listing specific items makes them a proposed in-kind match, regardless of whether they are represented in that letter as a cash match. If you truly wish to propose a cash match that can be applied against any eligible purpose, do not specify the items to which you want the funds to apply. Remember to identify each line-item in the same manner as on the *Overall Budget Worksheet* (line-item number, site, description, etc.).

*Other Funds Worksheet:* Show all purposes that will not be funded with grant or match on this sheet. This would include each line-item that is either ineligible or for which grant or match funds will not be requested or proposed. This includes every item on the *Overall Budget Worksheet* that is entered as having as a "DLT % of Use" of zero. In addition, it includes any portions of line-items that are not predominantly for purposes which meet the Grant Program definition of distance learning or telemedicine. For example, if the applicant demonstrates that the use of a line-item can be apportioned as having a 25% "DLT % of Use," the 75% that is not included in the grant or match budget is shown on this sheet. **(See D-1, Telecommunications System Plan & Scope of Work for detail about apportioning DLT project benefit.)** Remember to identify each line-item in the same manner as on the *Overall Budget Worksheet* (line-item number, site, description, etc.).

**Tip** - The "**DLT % of Use"** column on the *Overall Budget Worksheet* is used to show the percentage of use attributable to approved grant and match purposes. It is not a measure of the source of funding nor is it an indication of how much the line-item is used in the project. For example, on a line-item proposed by the applicant as an in-kind match, do not enter zero % because you intend it to come from your match. Remember that items shown at zero percent are not eligible for either grant or match. For example, attendance software is not eligible under the grant program because it is an administrative cost. If shown on the *Overall Budget Worksheet,* it would be entered as zero % in the "DLT % of Use" column, regardless of whether it is used 100% of the time over the equipment financed by the project.

**Budget Example - *Overall Budget Worksheet*:**

Center City CC Site: The applicant, Center City Community College (Center City CC), plans a Distance Learning Project with three high schools; Woodland, Valley, and Southland. Center City CC will use the budgeted videoconferencing equipment to provide courses to the three high schools, but will not receive distance learning from them. Neither will it use the budgeted equipment to exchange distance learning on its campus or with any other sites not accounted for in the Budget and scoring. This makes Center City CC a true hub, so can be excluded from the *Rurality* and *NSLP* scoring.

Southland High is located in a relatively wealthy and more densely populated area. The applicant could request grant funds for Southland and include it as an end-user in the scoring, but this would result in a much lower *Rurality* and *NSLP* score. Instead, the applicant chooses to use other funds for Southland and apportion the funds budgeted at the hub to reflect the benefit that flows to the two end-users who will earn the higher *Rurality and NSLP* scores, Woodland and Valley. In this case, the applicant convincingly demonstrated in its *Telecommunication Systems Plan* that 40% of the coursework will be provided to Southland with the balance going to the two rural schools. This means that 60% of the videoconferencing investment at the hub (lines 1-7) can be attributed to the sites that benefit from the DLT project funded by the grant and on which it is scored. This percentage is entered onto the *Overall Budget Worksheet* in the "DLT % of Use" Column.

Line-items 8 and 9 are for a software package that includes ineligible purposes. The *Total School* package includes administrative functions such as attendance software and other academic record-keeping that is ineligible for funding with either grant or match. However, the package also provides functions that meet the DLT definition of distance learning. The applicant has obtained pricing and the basis for that pricing from its vendor. The apportionment by the vendor breaks out this software package into two line-items. The ineligible purposes are shown as having zero percent DLT purpose on line eight, even though they will be used in the project. The funds for this portion of the package must come from other funds. The eligible purposes are shown as having a 60% percent DLT purpose based on the same demonstration of use discussed above for lines 1-7. The 40% balance must come from other funds.

Line-items 9 and 10 are correctly shown as having zero percent DLT Use. Center City CC is not an end-user in this project. Classroom computers (and the wiring associated with them) are end-user equipment. As such, they are not part of this DLT project and could have been left out of the Budget.

<u>Woodland and Valley High Sites</u>:  The project will provide both schools with essentially identical equipment.  Each will get a distance learning classroom and lab equipped with video conferencing equipment (line-items 15-21 & 24 for Woodland and line-items 27-33 & 36 for Valley).  The applicant demonstrated in the *Telecommunications System Plan* that the conferencing equipment will be used solely to receive distance learning so it is correctly entered at 100% in the "DLT % of Use" column.

In addition, the schools will install computers in other rooms (line-items 22, 34 and 35).  The classroom computers will be used primarily for word processing and ordinary access to the Internet, which while not meeting the DLT Grant Program definition of distance learning, are not specifically ineligible.  However, they will also be used at times to take formal online course work from the community college as part of the high school curriculum.  The applicant demonstrated in the TSP that 20% of the computer's usage will be for this purpose.  As a consequence, it shows 20% DLT Use for the computers (line-items 22 and 34) as well as the classroom wiring associated with the installation at Valley (line-item35).

<u>Southland</u>:  As discussed above, the applicant did not wish to include Southland in the scoring because it would significantly reduce the *Rurality* and *NSLP* scores.  As a consequence, the funds budgeted at that site have a "DLT % of Use" of zero for this project and the funds must be provided from sources other than grant or match.

## Budget Example - *In-Kind Match Worksheet*:

In this example, the applicant followed expected practice and provided a cash match.  If, for example, a local store, not involved with the project as a vendor, wished to contribute the LCD projector for Woodland High, it would be entered on this worksheet identified by the same line-item number as on the *Overall Budget Worksheet.*  **(See E-3, *Leveraging,* in Section IV of this guide for a more thorough discussion of cash and in-kind matching.)**

## Budget Example - *Other Funds Worksheet*:

Some line-items that are part of a DLT project are not eligible as either grant or match.  These funds must come from other sources.  In addition, some line-items may not be predominantly attributable to the DLT project.  **(See D-1, Telecommunications System Plan & Scope of Work for more detail about apportioning DLT project benefit.)**  The balance of these line-items must also come from other sources.  The applicant shows these line-items on the *Other Funds Worksheet.*  Identify each line-item with the same line number used for that item on the on the *Overall Funds Worksheet*.

Items that are partially attributable to the project are shown on this sheet in the amount not attributable to the project.  Grant and match funds cannot be used to benefit sites not shown in the scoring.  In this case, the applicant had demonstrated in the TSP that 60% of line-items 1-7 were attributable to the sites on which the application is scored and 40% would benefit sites not shown in the scoring.  The 40% that must come from other funds is shown here.  Similarly, the applicant had demonstrated that 20% of line-items 22, 34, & 35 is attributable to the DLT project.  The balance of these line-items (80%) is shown here.

Items not eligible for grant or match are shown on this sheet in the full amount as shown on the *Overall Funds Worksheet.*  In this case, the applicant proposes a software package that provides both administrative functions (ineligible) and DLT functions (eligible).  The applicant had the vendor provided breakout pricing and the basis for that pricing so that it could present the

ineligible and eligible purposes on separate lines.  Line 8, for the ineligible purposes must come entirely from other funds.  Line 9, for the DLT Purposes has a 60% DLT percentage of use based on the same attribution used for lines 1-7 described in the previous paragraph.  The balance, 40%, must come from other funds and is shown on this worksheet.

Other ineligible items would also be shown here.  For example, a building addition is not an eligible purpose for grant or match.  If an addition were part of the project, it would be shown on both the *Overall Budget* and *Other Funds Worksheet* in the full amount.  In this case, Center City and Suburban High are not shown as end-users in the Rurality and *NSLP* calculations, so 100% of line-items 9 & 10 as well as items 40-49 are shown on the *Other Funds Worksheet.*

# DLT Project
# Overall Budget Worksheet
(See D-1 and D-2 in Section IV of the *Application Guide*)

| Line Item No.[1] | Site Name[2] | Description | Unit Cost | No. | Extended Cost | DLT % of Use[3] |
|---|---|---|---|---|---|---|
| 1 | Center CC | Moderncom 3000 Server | $2,125 | 1 | $2,125 | 60 |
| 2 | Center CC | Poliburg 1776 Video Codec | $9,675 | 1 | $9,675 | 60 |
| 3 | Center CC | Tobsung T-98.6 DVD VCR Combo | $1,480 | 1 | $1,480 | 60 |
| 4 | Center CC | DV 2020X Digital Video Camera | $940 | 1 | $940 | 60 |
| 5 | Center CC | Illumimax 120/80 LCD Projector | $1,420 | 1 | $1,420 | 60 |
| 6 | Center CC | Micropixel P-5 5 Megapixel Document Camera | $870 | 1 | $870 | 60 |
| 7 | Center CC | Opus-infinity No. 4601 Mixer w lavalier and handheld microphones | $1,870 | 1 | $1,870 | 60 |
| 8 | Center CC | Total School Sftwr Pkg - Ineligible (see TSP) | | | $37,600 | 0 |
| 9 | Center CC | Total School Sftwr Pkg- DLT Eligible (see TSP) | | | $97,400 | 0 |
| 10 | Center CC | Omigosh Model 3-TBSP Classroom computers | $750 | 200 | $150,000 | 0 |
| 11 | Center CC | Wire Classroom computers into system | $14,800 | 1 | $14,800 | 0 |
| 12 | | **Center City CC Subtotal** | | | **$318,180** | |
| 13 | Woodland HS | Poliburg Intl 1776 Video Codec | $9,675 | 1 | $9,675 | 100 |
| 14 | Woodland HS | Tobsung T-98.6 DVD VCR Combo | $1,480 | 1 | $1,480 | 100 |
| 15 | Woodland HS | DV 2020X Digital Video Camera | $940 | 1 | $940 | 100 |
| 16 | Woodland HS | Illumimax 120/80 LCD Projector | $1,420 | 1 | $1,420 | 100 |
| 17 | Woodland HS | Micropixel P-5 5 Megapixel Document Camera | $870 | 1 | $870 | 100 |
| 18 | Woodland HS | Opus-infinity No. 4601 Mixer w lavalier and handheld microphones | $1,870 | 1 | $1,870 | 100 |
| 19 | Woodland HS | Dull 24 computer distance learning cart for Distance Learning Lab | $21,780 | 1 | $21,780 | 100 |
| 20 | Woodland HS | Omigosh 3TBSP Classroom computers | $750 | 150 | $112,500 | 20 |
| 21 | Woodland HS | Existing classroom wiring sufficient | n/a | n/a | 0 | n/a |
| 22 | Woodland HS | Wire Dist Learning Lab and video-conf. equip into system | $11,340 | 1 | $11,340 | 100 |
| 23 | | **Woodland HS Subtotal** | | | **$161,875** | |
| 24 | | | | | | |
| 25 | | | | | | |

| | | |
|---|---|---|
| **Overall Project Budget – Page 1 Subtotal →** | | 480,055 |
| **Budget Summary** | | |
| A. | (Sum of page 1 and continuation sheet subtotals) **Overall DLT Project Budget[4]** | **$790,065** |
| B. | (as documented under **Tab E-3**) **Less Proposed Cash Match[5]** | **$43,000** |
| C. | (from *In-Kind Match Worksheet*) **Less Proposed In-Kind Match[5]** | **0** |
| D. | (from *Other Funds Worksheet*) **Less Other Funds** | **$586,851** |
| E. | **DLT Grant Request (A – B – C – D = E)** | **$160,214** |

1. For ease of reference, use the line-item number established on the *Overall Budget Worksheet(s)* on the other budget worksheets. If line-item 16 on the Overall Budget Worksheet is ineligible, show it on the *Other Funds Worksheet* as line-item 16. Don't start a new consecutive numbering system on each sheet.
2. For non-fixed site applications, show the operational service center out of which the financed equipment will operate.
3. This number refers to the % of use that meets the DLT Grant definition of distance learning or telemedicine, the portion that is eligible for either grant or match funding.  Ineligible items are shown as zero percent, regardless of their use in the project.
4. Line A is the sum of all DLT project extended costs as shown on this page and any continuation sheets.  It includes both the grant request and all proposed matches, as well as ineligible funds that have been included in the budget.
5. **Matching funds (lines B & C) must be properly documented under Tab E-3 of your application as described in detail in the *Application Guide*.  Any portion that is not will not be credited as an eligible match.**

## Place this Worksheet under Tab D-2 of your Application

# Overall Budget Worksheet (Continuation)

| Line Item No.[1] | Site Name[2] | Description | Unit Cost | No. | Extended Cost | DLT % of Use[3] |
|---|---|---|---|---|---|---|
| 26 | Valley HS | Poliburg Intl 1776  Video Codec | $9,675 | 1 | $9,675 | 100 |
| 27 | Valley HS | Tobsung T-98.6  DVD VCR Combo | $1,480 | 1 | $1,480 | 100 |
| 28 | Valley HS | DV 2020X Digital Video Camera | $940 | 1 | $940 | 100 |
| 29 | Valley HS | Illumimax 120/80 LCD Projector | $1,420 | 1 | $1,420 | 100 |
| 30 | Valley HS | Micropixel P-5  5 Megapixel Document Camera | $870 | 1 | $870 | 100 |
| 31 | Valley HS | Opus-infinity No. 4601 Mixer w lavalier and handheld microphones | $1,870 | 1 | $1,870 | 100 |
| 32 | Valley HS | Dull 24 computer distance learning cart for Distance Learning Lab | $21,780 | 1 | $21,780 | 100 |
| 33 | Valley HS | Omigosh 3TBSP Classroom computers | $750 | 80 | $60,000 | 20 |
| 34 | Valley HS | Wire additional classrooms | $2,480 | 1 | $2,480 | 20 |
| 35 | Valley HS | Wire Dist Learning Lab and video-conf. equip into system | $11,340 | 1 | $11,340 | 100 |
| 36 | | **Valley HS Subtotal** | | | **$111,855** | |
| 37 | Southland HS | Poliburg Intl 1776  Video Codec | $9,675 | 1 | $9,675 | 0 |
| 38 | Southland HS | Tobsung T-98.6  DVD VCR Combo | $1,480 | 1 | $1,480 | 0 |
| 39 | Southland HS | DV 2020X Digital Video Camera | $940 | 1 | $940 | 0 |
| 40 | Southland HS | Illumimax 120/80 LCD Projector | $1,420 | 1 | $1,420 | 0 |
| 41 | Southland HS | Micropixel P-5  5 Megapixel Document Camera | $870 | 1 | $870 | 0 |
| 42 | Southland HS HS | Opus-infinity No. 4601 Mixer w lavalier and handheld microphones | $1,870 | 1 | $1,870 | 0 |
| 43 | Southland HS | Dull 24 computer distance learning cart for Distance Learning Lab | $21,780 | 1 | $21,780 | 0 |
| 44 | Southland HS | Omigosh 3TBSP Classroom computers | $750 | 180 | $135,000 | 0 |
| 45 | Southland HS | Wire additional classrooms | $11,450 | 1 | $11,450 | 0 |
| 46 | Southland HS | Wire Dist Learning Lab and video-conf. equip into system | $13,670 | 1 | $13,670 | 0 |
| 47 | | **Suburban HS Subtotal** | | | **$198,155** | |
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| **Overall DLT Project Budget – Page _2_  Subtotal →** | $310,010 |
|---|---|

1., 2., & 3.  See footnotes on 1st page of *Overall Budget Worksheet*

**Place this sheet with other budget sheets under Tab D-2**

## DLT Project
# In-Kind Match Worksheet
(See D-1, D-2, & E-3 in Section IV of the *Application Guide*)

Proposed Matching Funds are generally cash. If any of the line-items shown on the *Overall Budget Worksheet* are specified in the match documentation, they are in-kind. Show them below in the same manner (line-item #, site name, description) as on the Overall Budget Worksheet. If only a portion is attributable to the DLT project, show that portion here and the balance that is not eligible on the *Other Funds Worksheet.* In the right column, clearly identify the source. Remember to document proposed matching funds under Tab E-3, otherwise they will not be credited as an eligible match.

| Line Item No. | Site Name | Description | In-Kind Cost | Source |
|---|---|---|---|---|
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| **C. Total Proposed In-Kind Match →** (Insert this number in line C of the Budget Summary on the Overall Budget Worksheet) | |
|---|---|

**Make copies of this sheet if needed and label them "continuation." Place this sheet with other budget sheets under Tab D-2**

# DLT Project
# Other Funds Worksheet

(See D-1 & D-2 in Section IV of the *Application Guide*)

Some line-items included in a DLT Project Budget are not eligible as either grant or match.  The funds for these must come from other sources and are designated "Other Funds."  Some line-items are only partially eligible as grant or match.  The balance of these must also come from other sources.  Show all other funds below in the same manner (line-item #, site name, and description) as on the *Overall Budget Worksheet.*  Show the ineligible line-item cost (or portion thereof) in the "other fund cost" column adjacent to the source of that funding.

| Line Item No. | Site Name | Description | Other Fund Cost | Source |
|---|---|---|---|---|
| 1 | Center CC | Moderncom 3000 Server | $850 | Center CC |
| 2 | Center CC | Poliburg 1776  Video Codec | $3,870 | Center CC |
| 3 | Center CC | Tobsung T-98.6  DVD VCR Combo | $592 | Center CC |
| 4 | Center CC | DV 2020X Digital Video Camera | $376 | Center CC |
| 5 | Center CC | Illumimax 120/80 LCD Projector | $568 | Center CC |
| 6 | Center CC | Micropixel P-5  5 Megapixel Document Camera | $348 | Center CC |
| 7 | Center CC | Opus-infinity No. 4601 Mixer w lavalier and handheld microphones | $748 | Center CC |
| 8 | Center CC | Total School Sftwr Pkg - Ineligible (see TSP) | $37,600 | Center CC |
| 9 | Center CC | Total School Sftwr Pkg- DLT Eligible (see TSP) | $38,960 | Center CC |
| 10 | Center CC | Omigosh Model 3-TBSP Classroom computers | $150,000 | Center CC |
| 11 | Center CC | Wire Classroom computers into system | 14,800 | Center CC |
| | | | | |
| 20 | Woodland HS | Omigosh 3TBSP Classroom computers | $90,000 | Woodland HS |
| | | | | |
| 33 | Valley HS | Omigosh 3Tbsp Classroom computers | $48,000 | Valley HS |
| 34 | Valley HS | Wire additional classroom | $1,984 | Valley HS |
| | | | | |
| 37 | Southland HS | Poliburg Intl 1776  Video Codec | $9,675 | Suburban HS |
| 38 | Southland HS | Tobsung T-98.6  DVD VCR Combo | $1,480 | Suburban HS |
| 39 | Southland HS | DV 2020X Digital Video Camera | $940 | Suburban HS |
| 40 | Southland HS | Illumimax 120/80 LCD Projector | $1,420 | Suburban HS |
| 41 | Southland HS | Micropixel P-5  5 Megapixel Document Camera | $870 | Suburban HS |
| 42 | Southland HS | Opus-infinity No. 4601 Mixer w lavalier and handheld microphones | $1,870 | Suburban HS |
| 43 | Southland HS | Dull 24 computer distance learning cart for Distance Learning Lab | $21,780 | Suburban HS |
| 44 | Southland HS | Omigosh 3Tbsp Classroom computers | $135,000 | Suburban HS |
| 45 | Southland HS | Wire additional classroom | $11,450 | Suburban HS |
| 46 | Southland HS | Wire Dist Lrn :Lab and vid-conf. equip into system | $13,670 | Suburban HS |
| | | | | |

| **D.  Total Proposed Other Funds →** (Insert this number in line D of the Budget Summary on the Overall Budget Worksheet) | $586,851 |
|---|---|

Make copies of this sheet if needed and label them "continuation."  **Place this sheet with other budget sheets under Tab D-2**

**Notes for Budget Example**

Total Grant Request:        $160,214
Total Proposed Match:        $43,000

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**DLT grants require a 15% minimum match**

To calculate the match percentage:

Matching contributions ÷ Proposed Grant Amount x 100 =  Match %

($43,000 ÷ $160,214) x 100 = 26.84%

---

**Calculation of 10% Rule for Category 3 Costs (See D,** *Project Information,* **in Section IV of this** *Application Guide*)

There are three categories of eligible costs.  The third category includes things like training and the development of instructional programming.  Category three costs are limited to 10% of the grant request and/or match.  The budget above does not include any of these costs.  If it did, the costs could would be limited as follows:

10% of the Grant Request = $16,021
10% of the match = $4,300

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## D-3.  Financial Information and Sustainability

Provide a narrative description that demonstrates your project's feasibility.  Address the technical and programmatic expertise necessary to undertake and complete the project.  Show how this expertise will ensure a sustainable project.  You should also address the resources devoted to the project, and whether these resources will sustain the project.  **Applications submitted without a** *Financial Information and Sustainability* **Section cannot be evaluated and will be returned as ineligible.**  Place this section under Tab D-3 of your application.  Your narrative should include all assumptions and the following information:

1. A description of the project's revenues and expenses.

2. Evidence of cost sharing arrangements among hub and end-user sites, if applicable.

3. Identification of any other items that may affect feasibility or sustainability of the project.

4. A demonstration that the benefits, including cost savings, of the DLT grant pass through to those receiving services from the project.

## D-4.  Statement of Experience

Provide a written narrative describing your organization's demonstrated capability and experience in operating an educational or health care endeavor and any project similar to the proposed project. Experience in a similar project is desirable but not required.  If your organization does not have experience with projects similar to the proposed project, you should explain how you plan to overcome this.  Place this narrative under Tab D-4 or your Application.

# E.  Objective Scoring Supporting Documentation

## E-1.  Rurality

Rurality is the term we use to describe how rural your DLT project's service area is.  We ask you to present an estimated *Rurality* score in your application.  A *Rurality Worksheet* is provided in the *Toolkit* for this purpose.  The Agency will review your estimate and correct it if necessary.

This category is scored on average population as described below:

- Your project must score <u>at least 20 points</u> to qualify for the DLT Program competition.
- Your project may obtain a higher score, up to a total of 45 points, depending on the relative rurality of the project service area.

**We use the following definitions as determined by the 2000 US Census to evaluate *Rurality*.**  (For additional discussion on the use of Census data, see *Refinement of the Tool for Evaluating Rurality,* and *Rurality and NSLP Scoring for Applicants with Non-Fixed End-User Sites* starting on page 9)**:**

1. EXCEPTIONALLY RURAL AREA – **5000 and under**.  Any area of the United States **not included within** the boundary as defined by the US Census of an Urbanized Area (UA) or of an Urban Cluster (UC) having a population in excess of 5,000 inhabitants.  This includes areas within the boundary of urban clusters of 5000 and under as well as areas that are outside of any Urbanized Area or Urban Cluster.
2. RURAL AREA – **5,001-10,000**.  Any area of the United States included within the within the boundary as defined by the US Census of an Urban Cluster having a population over 5,000 but not in excess of 10,000 inhabitants.
3. MID-RURAL AREA – **10,001-20,000**.  Any area of the United States included within the boundary as defined by the US Census of an Urban Cluster having a population over 10,000 and not in excess of 20,000 inhabitants.
4. URBAN AREA - **Over 20,000.**  Any area of the United States included within the boundary of an Urbanized Area or within the boundary of an Urban Cluster in excess of 20,000 inhabitants.

| Site Location | Points |
|---|---|
| Exceptionally Rural Area | 45 |
| Rural Area | 30 |
| Mid-Rural Area | 15 |
| Urban Area | 0 |

# The *Rurality* Score by Type of Project – Fixed and Variable Sites

Most DLT projects operate at fixed sites such as schools or medical facilities. For these traditional DLT projects, the *Rurality* score as described below is based on the population of the area where the end-user sites are located.

In recent years, we have begun to receive applications from projects where the end-user sites are not fixed. Although we can contemplate distance learning projects along this line, to date, the non-fixed category comprises two types of telemedicine projects. In both cases, the end-user sites vary over time with need:

> Home Health Care Systems – These typically involve either the placement of medical monitoring equipment at the home or the provision of equipment for visiting nurses so that they and the patients they visit can interact with medical professionals located at a distant site. In this way, medical monitoring can be performed elsewhere via telecommunications and care can be delivered into the home via telecommunications.

> Ambulance Systems – These typically involve monitoring, pre-admittance testing, and interactions between the medical professionals in the ambulance and those in the emergency room, all conveyed via telecommunications.

End-user sites that vary over time were not contemplated when the regulation was written. It is clearly not a fair measure of the rural benefit of such projects to base the *Rurality* score entirely on the fixed sites of such a system, such as the location of the nurse's hospital headquarters or the facility where the ambulance is parked when off duty. (This was the method used when these types of applications were first submitted.) In the first place, those sites do not represent the sites where the benefit of the project is delivered. Second, both the nurse's headquarters and ambulance storage area are likely to be located in the most urban community in the area regardless of the extent of their rural service territory. On the other hand, it is not a fair method of determining rural benefit if we allow the applicant to choose its *Rurality* score by selecting to include in its *Rurality calculation* only the rural locations in its service area when some, or even the majority of the people it serves, are in Urban Areas. Neither can we rely on an applicant's assurance that it will only use the funded equipment in its rural areas. We must operate under the assumption that from both a practical standpoint and from a medical ethics standpoint, equipment will be used based on <u>medical need</u>, not customer location.

In as much as we recognize such uses of telecommunications can provide important benefits to rural areas, we are specifying a method of determining *Rurality* for non-fixed site projects - a method based on the idea that each potential end-user in the service territory is an actual end-user. This is a method that is consistent with the intent and spirit of the regulation while providing a measure of rural benefit that is reasonably comparable to that captured by the fixed-site method. In the discussion below, we will discuss two methods for determining a *Rurality* score based on the nature of the project, *i.e,* fixed site or variable site. We have no administratively practical way to evaluate and score projects that combine fixed and variable sites, so do not submit an application that mixes the two. If you have this situation, you may separate the projects and submit two applications that will be evaluated and scored independently.

## *Rurality* Score for Projects in which all End-user Sites are Fixed

Enter each hub, hub/end-user and end-user site on the *Rurality Worksheet*, showing its location in parentheses. Although pure hubs are not included in the calculation, the Agency will need this data to recalculate the score in the event that we determine that a site you designated as a pure hub is actually a hub/end-user. <u>Place the sites in the same order and use the same numbering as on the *Site Worksheet*</u>

and *NSLP Worksheet*.  Use Census Urban and Rural Area population data along with the table above (it is also printed on the *Rurality Worksheet*) to determine *Rurality* points for each site.  To document the numbers, attach a 2000 Census population sheet and map for each site's location behind the *Worksheet* as described below:

The population to be used will be Census "Urban Area" data.  A good place to start the process is from the main Fact Finder Page on the Census at this website:

**http://factfinder.census.gov/home/saff/main.html?_lang=en**

(You may find that your browser blocks certain "pop-up images" from the Census site.  If so, you will need to turn off the blocker to use every feature.  Internet Explorer will tell you it has blocked a pop-up under the toolbar.  Click on that message and it will allow you to turn it off for this site.  In Netscape under "Tools," choose "Pop-up Manager" and "Allow Pop-ups From This Site."  Other browsers provide similar adjustments.)

Imagine that you have a facility located in College Township, Pennsylvania.  You can enter an address, but since the site in this example is hypothetical, we enter College Township.  This brings up a page that shows population data for the township.  Do not use this population without further investigation:



Image 1

Click on "Reference Map," which is circled in the view above.  It will bring up the map below, which shows College Township (in yellow) and adjoining jurisdictions.  The applicant knows its territory and will have a good idea before it looks at a map if it is part of a larger population center that must be considered.  Also, when you see the abbreviation UA or UC in the vicinity of your site, you can assume this is a question you must deal with.  In this case, at least part of College Township appears to be in the State College UA (Urbanized Area, underlined in red below).



Image 2

49
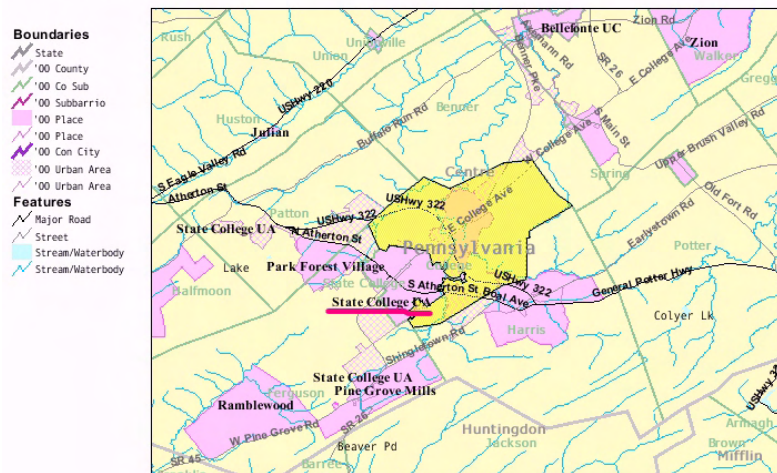
To make a more precise determination, close this map box. Look at the left column and click on "data sets" and the dropdown menu "Decennial Census."



Image 3

The data sets of interest are circled below. The first is "reference maps." The mapping tool found here is much more capable than that used to obtain image 2. This tool allows zooming and precise identification of a site's location with respect to whether it is inside a Census Urban Area.



Image 4

When you click on "reference maps," it will bring up this page.  Click on "Reposition on A street address or zip code."  Entering the zip code, 16801, brings up a detail map.
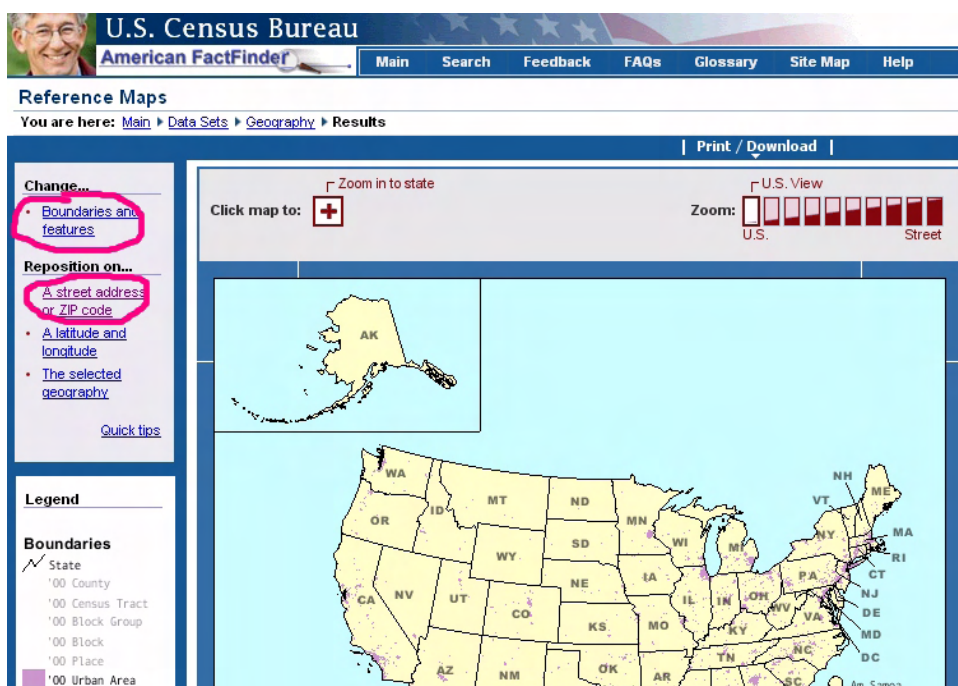


Image 5

When this map appears, click on "Change Boundaries and Features."  Remove the checks from every item except "2000 Urban Areas," then click the "Update" Button.
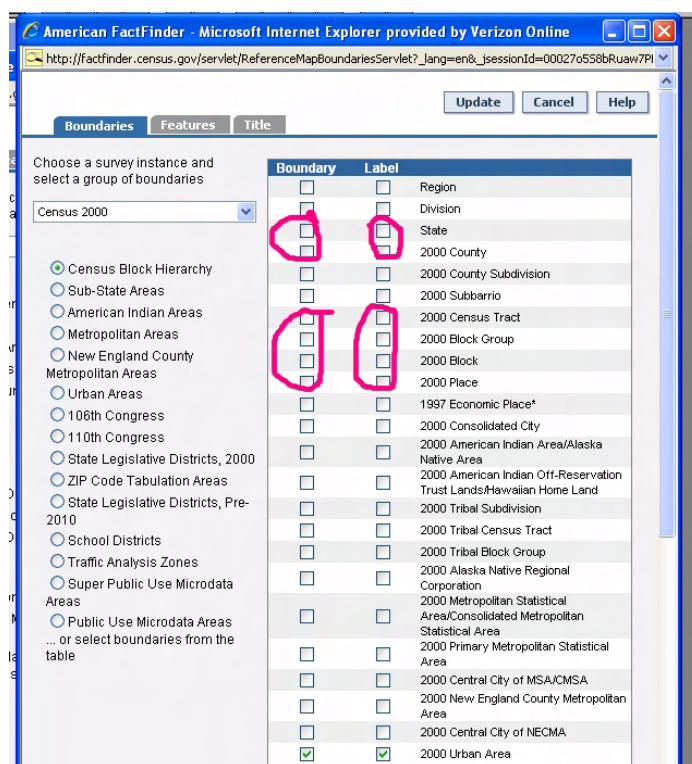


Image 6

This will bring up the same map showing only the checkered area of the State College Urbanized Area. You can use the circled features to re-center and zoom until you precisely locate your site. To re-center, click on the "hand" button, move your cursor to the location you wish to center, and drag it to the center while holding down the left mouse button.
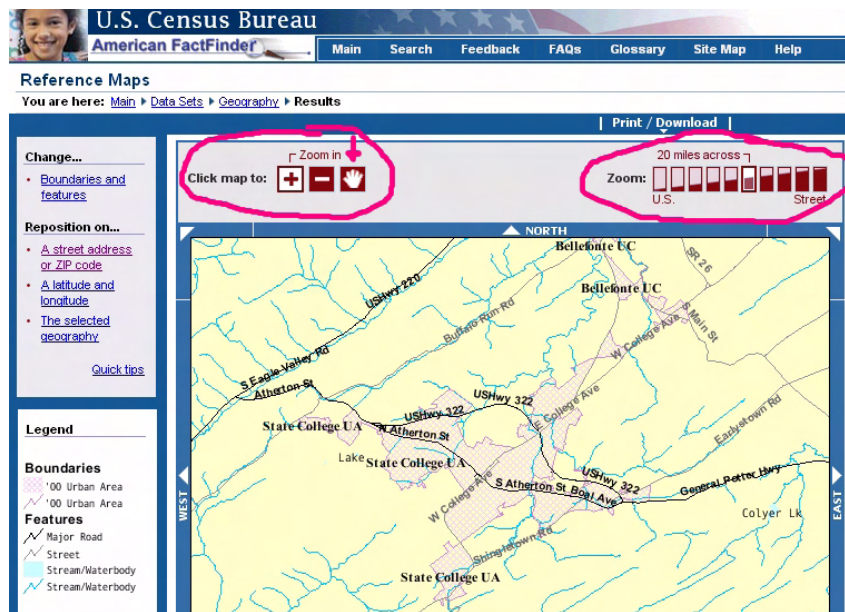

Image 7

Print a Census page with a detail map like the one below. Include it in your application as documentation for this site behind your *Rurality Worksheet.* Pencil in the site's exact location on this map. In this case, if it is in the yellow area of College Township at the top, it is outside the boundary of the Urbanized Area. You can designate that site as Census Rural and score it at 45 points. If it is inside the checkered part, you designate the site "Urbanized Area" and you use the State College Urbanized Area population, which is determined as described below.
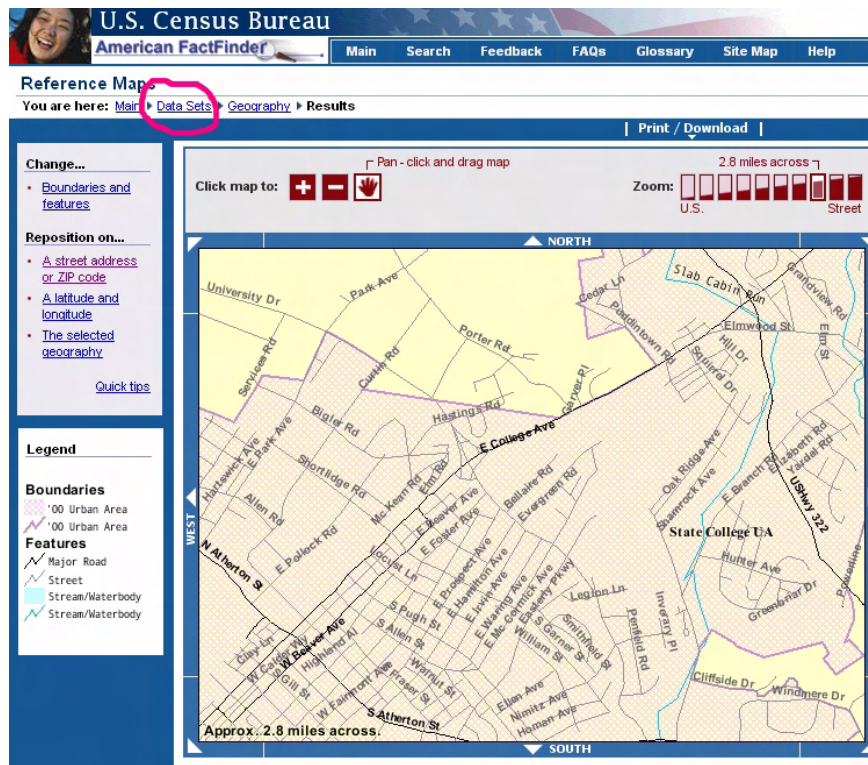

Image 8

Click on "Data Sets," circled in image 8. This will return you to Image 4. Click on "Detailed Tables." It will bring up the screen below. First select "Urban Area" from the drop down menu under "Select a geographic type." Wait while the website populates the next block with every "Urbanized Area" and Urban Cluster" in the country. Scroll down to "State College Urbanized Area," highlight it, then click the "add" button. When it appears under "current geography selections," click on "next."



Image 9

Choose P1, P2, and any other items in which you are interested and which may prove useful for your *Needs and Benefits* Section. Add them to the selection then press "show results."



Image 10

This will bring up the page below.  Enter this population on your *Rurality Worksheet,* which yields a score of zero points, and attach a copy of this page as documentation behind the *Worksheet*.



Image 11

If outside a place designated urban by the Census, print a Census Urban Area map that clearly shows the location of the site as being outside of the checkered Urban Area using the techniques described above.  In extremely rural areas with no nearby population centers, this may require that you zoom out until the closest Census Urban Area shows on the map.  Print this map, pencil in your site's location, and include it as documentation behind the *Rurality Worksheet.*  **Any end-user site for which the applicant does not provide Census documentation will be evaluated as urban (zero points).**

Remember that for fixed sites, the information must be consistent throughout the application including on the *Rurality* and *NSLP Worksheets,* the *Site Worksheet* attachment to the SF-424, the *Executive Summary,* the *Telecommunications System Plan, and* the *Budget.*  **If the end-user sites are not consistent, your application cannot be evaluated and will be returned as ineligible.  (For projects where the sites are not fixed as described above, see below.)**

After you have entered all your sites and the corresponding population on the *Rurality Worksheet,* calculate your estimated score by taking the average of the sites you designated as hub/end-users and end-users.  Do not include pure Hubs in the calculation.  Remember that we will evaluate sites you designate as pure hubs to determine if they are also end-users.  If we make that finding, we will recalculate your score on that basis.

**Excluded Sites -** Your project may benefit sites that would not score well in the *Rurality* and *NSLP Categories.* Should you wish to exclude such sites from the calculations, show the excluded sites separately on the *Worksheets* with a clear indication that they have been excluded from the calculations. **In such cases, all funds that benefit the excluded sites must come from other funds. None can be included in the grant or match budget. This is true even if the funds are used for facilities located at a Hub/End-user site that is included in the *Rurality* calculation. (See D-1, *Telecommunications System Plan,* for detail on apportioning DLT project benefit.)**

## Example of a Fixed Site Rurality Calculation for a Project:

Springfield Hospital proposes to share teleradiology services among itself, two medical centers, and two clinics. The hospital will be the electronic hub but it is designated a hub/end-user because patients there will use the services of radiologists from Faryer and Fall City Medical Centers in the absence of their own. This example project would receive 21 points (105 ÷ 5 = 21) the average of all end-user sites.

Remember, to be eligible to apply for a grant, the project must score at least 20 *Rurality* points. In this case, Faryer, Fall City, and Middleburg are all designated Urban Clusters, but each receives a different score based on the population of the cluster.

| | **Site Name (Location)**<br>(Same numbering and order as *Site & NSLP Worksheets*) | **Site Type**<br>(Hub, etc.) | **Census Designation** | **Census Population** | **Rurality Points** |
|---|---|---|---|---|---|
| 1 | Springfield Hospital (Springfield Urbanized Area) | Hub/End-User | Urbanized Area | 56,403 | Zero |
| 2 | Faryer Clinic (Faryer Urban Cluster) | Hub/End-User | Urban Cluster | 27,298 | Zero |
| 3 | Fall City Medical Center (Beechwood Urban Cluster) | Hub/End-User | Urban Cluster | 12,398 | 15 |
| 4 | Middleburg Medical Center (Middleburg Urban Cluster) | End-User | Urban Cluster | 2,790 | 45 |
| 5 | Strinic Clinic (Windswept Crossroads) | End-User | Census Rural | N/A | 45 |

| **Applicant's Estimated *Rurality* Score**<br>(Sum of Rurality Points ÷ # of End-User Sites) | 21 | ***Rurality* Score**<br>(For Agency Use) | |
|---|---|---|---|

(You may wish to refer to the *Rurality Worksheet*-for *Non-Fixed Sites* in the *Toolkit,* or the excerpt of that *Worksheet* that appears several pages below at the end of the non-fixed site example.)


## *Rurality* Score for Projects in which all End-user Sites are Non-fixed

Enter each Census Urbanized Area and Urban Cluster in the service territory on a separate line. Show the name of the Urban Area in column 1, its Census Designation in column 2, and its Census Population in Column 3. In most cases, the service territory will include all of the Urban Area, and the same population that is shown in column 3 will be entered in column 4. If the applicant does not serve the entire Census Urban Area, demonstrate the portion that is in the service territory and enter that population in column 4. Enter the entire Census Rural population in the service territory on one line. *Rurality* Points are based on the size of the Census Urban Area or the Census Rural Designation as entered in column 3, regardless of whether the applicant serves it in whole or in part. In other words, if the Urban Area is an Urban Cluster of 15,675, it will be scored as 15 points. If an Urban Cluster of 4,324, or in a Census Rural Area, it is scored as 45 points. On each line, multiply the population shown in column 4 by the points shown in column 5 to obtain the product, which is entered in column 6. Divide the total of column six by the total of column 4 to obtain the *Rurality Score.* Document the Urban Area populations with Census printouts in the manner described above under fixed sites and as demonstrated in the example that follows. Before reviewing the example of a non-fixed site project, you may find it useful to review the use of the Census tool as described above under "*Rurality* Score for Projects in which all End-user Sites are Fixed."

## Example of a *Rurality* Score for a Non-Fixed Site Project:

Imagine that a visiting nurse association serves Centre County Pennsylvania. As shown below, Center County contains 3 Census Urban Areas: State College Urbanized Area and the Bellefonte and Philipsburg Urban Clusters. The Philipsburg cluster straddles the border with another County. The balance of the County is Census Rural. For purposes of illustration, we will assume that this organization's defined service territory includes only Centre County residents.
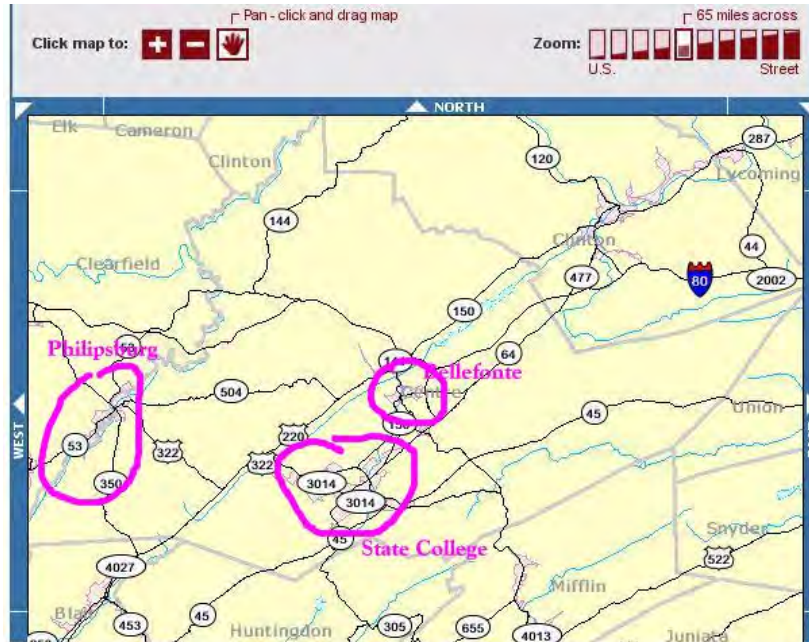


Image 12

Start by going to the main Fact Finder website and click on the dropdown menu "Decennial Census" under "Data Sets." (You may find that your browser blocks certain "pop-up images" from the Census site. If so, you will need to turn off the blocker to use every feature. Internet Explorer will tell you it has blocked a pop-up under the toolbar. Click on that message and it will allow you to turn it off for this site. In Netscape under "Tools," choose "Pop-up Manager" and "Allow Pop-ups From This Site." Other browsers provide similar adjustments.)
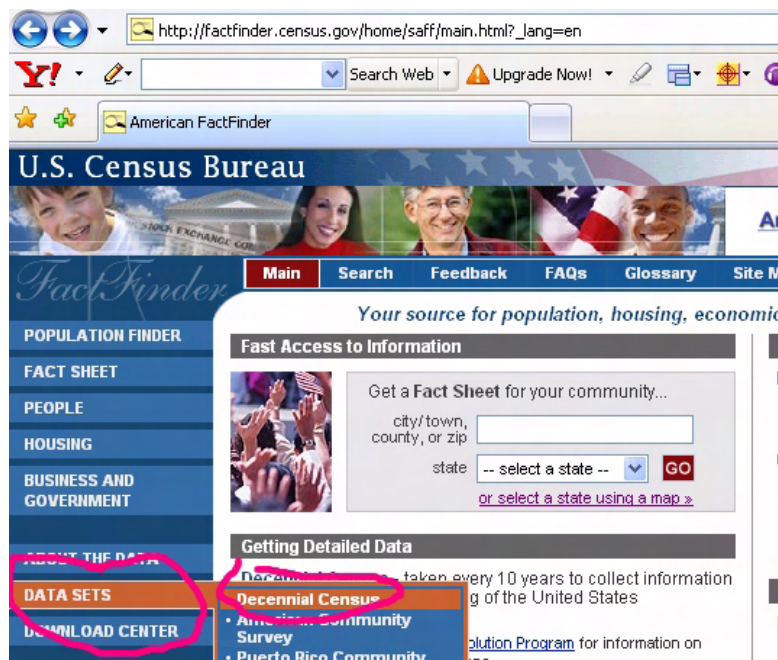


Image 13

On the next screen, choose "Detailed Tables."  Choose "County" and "Pennsylvania" from the drop down menus as shown below.  Wait for the website to populate the list of counties.  Choose "Centre" and then "add" and finally "show results."



Image 14

The next screen will look like image 10.  Choose P1 and P2, "add," then "show results."  The next screen shows the population of Centre County (135,758), the population in Urbanized Areas (71,301), the population in Urban Clusters (16,021), and the population in Census Rural Areas (48,436).
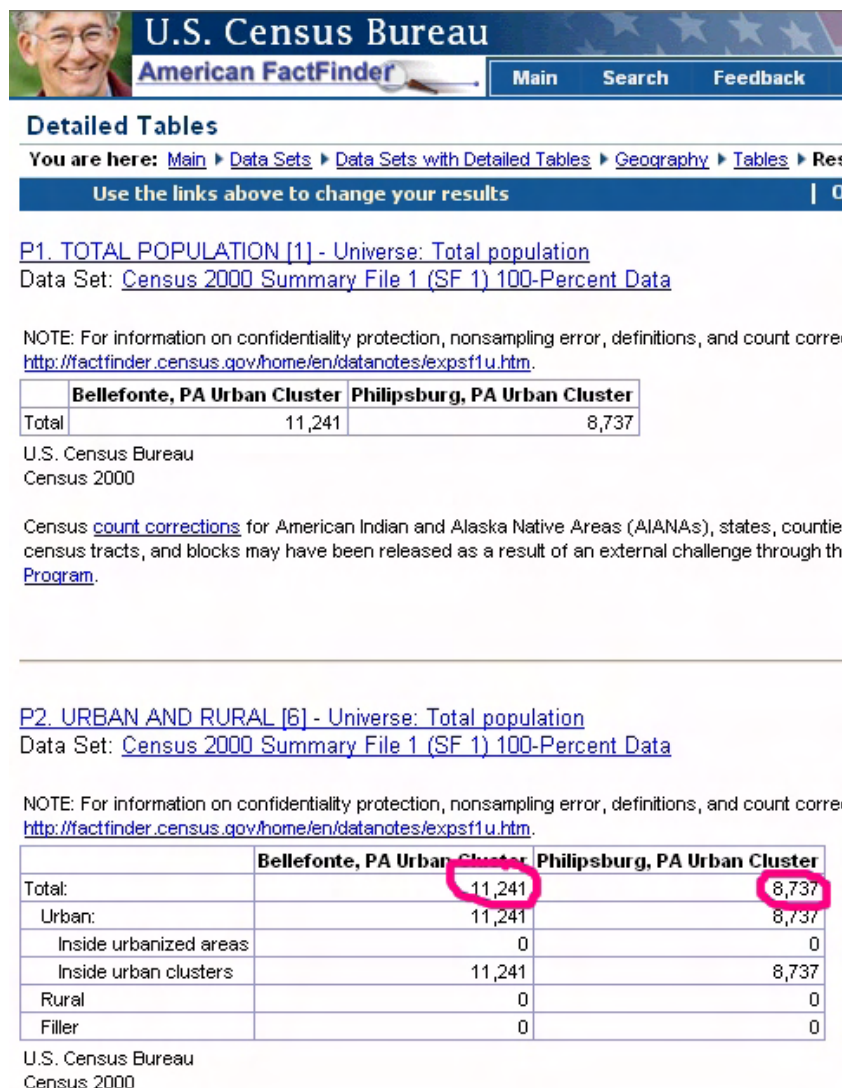


Image 15

With knowledge of its service territory, the applicant can guess that State College is the Urbanized Area, and that Bellefonte and Philipsburg are the Urban Clusters.  If you refer to image 11 from the previous section on Fixed Sites, you will see that State College Urbanized Area's population of 71,301 accounts for the entire "Inside Urbanized Areas" population in Centre County.  To find the size of Bellefonte and Philipsburg, return to the screen shown in Image 14, select "Urban Areas," wait for the website to populate the list, choose "Bellefonte Urban Cluster," "add," "Philipsburg Urban Cluster," "add," then "show results."

Image 16

The sum of these two (19,978) exceeds the County Urban Cluster Population (16,021) shown in image 15 by 3,957. By looking at the maps for Bellefonte and Philipsburg, and recentering throughout the county, it can be determined that that Bellefonte Urban Cluster is entirely within Centre County, whereas Philipsburg Urban Cluster is partly in Clearfield County. It can also be determined that there are no other urban clusters in Centre County. Therefore, the portion of the Phillipsburg Urban Cluster Population within Centre County is 8,737 less 3,957, or 4,780.

The applicant would complete the *Rurality Worksheet* as shown below. In this case, the hypothetical project's score would be 18.35. This project would not be eligible for DLT Grant funding, because the minimum required *Rurality* score is 20 points. If the score were eligible, the applicant would attach the appropriate Census Data Sheets like the ones above as documentation behind a copy of the *Rurality Worksheet – Non-Fixed Sites*, which would look as follows:

| | 1. Service Territory Population Centers (List each urbanized area & urban cluster on a separate line. Show the entire Census Rural Area on one line.) | 2. Census Designation | 3. Census Population | 4. Population in Service Territory | 5. Rurality Points | 6. Product (4 X 5 = 6) |
|---|---|---|---|---|---|---|
| 1 | State College | Urbanized Area | 71,031 | 71,031 | Zero | Zero |
| 2 | Bellefonte | Urban Cluster | 11,241 | 11,241 | 15 | 168,615 |
| 3 | Phillipsburg | Urban Cluster | 8,737 | 4780 | 30 | 143,400 |
| 4 | Centre County Rural | Census Rural | 48,436 | 48,436 | 45 | 2,179,620 |
| 5 | | | | | | |
| | Sum Rows 1-5 (of columns 4 & 6) including any additional rows from continuation sheets. | **SUM** | | 135,758 | | 2,491,635 |

| Applicant's Estimated *Rurality* Score (Sum of Column 6 ÷ Sum of Column 4) | 18.35 | *Rurality* Score (For Agency Use) | |
|---|---|---|---|

**Autonomous Service Territories –** We operate under the assumption that a non-fixed site project will operate over the entire area served by the applicant/organization. In other words, that any grant or match funded equipment will be used throughout the entire service territory based on medical need, not the location of the person to whom the service is provided. As such, the entire population of the service territory must be used in determining the *Rurality* score because the entire population benefits from the grant and/or match.

However, we are aware that in some cases a service provider will have multiple, discrete service territories that are essentially stand-alone operations. For example, a visiting nurse association may serve three counties, but operate as three discrete and autonomous units, each providing their service out of a separate physical facility in one of the three counties and providing service only in that county. Such an organizational arrangement can be referred to as a regional division.

In cases such, where an applicant serves more than one service territory, and those territories are well defined, already in existence, and operating autonomously out of a separate physical facility as a regional division, we can have reasonable confidence that if a grant is awarded to such a regional division, its benefit will flow only to the residents within that regional division. As a consequence, we will entertain an application specific to one (or more) regional division(s) of the operation and consider scoring the application on the specific regional division(s).

The burden of proof will be on the applicant to demonstrate that the equipment and personnel will work out of an existing physical location separate from other territories served by the organization and that the division provides service only within that defined territory. Future service territory divisions, pledges to reorganize by territory, organizational service territories on paper, and other types of arrangements, that are not distinct and physically autonomous regional divisions will not be considered. To be considered as stand-alone, the regional division must be existing and genuine. Otherwise, the applicant must base its scores on the population of the entire service area.

## E-2.  National School Lunch Program (NSLP)

This criterion uses National School Lunch Program (NSLP) eligibility statistics as a way to measure the financial need of the beneficiaries of the DLT project.  We ask you to present an estimated *NSLP* score in your application.  An *NSLP Worksheet* is provided in the *Toolkit* for this purpose.  The Agency will review your estimate and correct it if necessary.  For purposes of the DLT Program, the NSLP percentage reflects the percentage of students **eligible** for reduced-price or free lunches for each area served by a hub/end-user or end-user site, **not the percentage of actual participation**.

### Background of the NSLP

The NSLP is a federally assisted meal program providing nutritionally balanced, low-cost or free lunches to millions of children in thousands of schools and childcare institutions.  School districts and independent schools in the program receive cash support and donated commodities from USDA for each meal they serve.  In return, they must serve lunches that meet Federal requirements and they must offer reduced-price or free lunches to eligible children.  The Food and Nutrition Service of USDA administers the program at the Federal level.  At the State level, state education agencies and local school districts usually administer the NSLP.

## The *NSLP* Score by Type of Project – Fixed and Variable Sites

Most DLT projects operate at fixed sites such as schools or medical facilities.  For these traditional DLT projects, the *NSLP* score is based on NSLP data for the sites where the end-users are located.

As discussed with greater elaboration above with respect to the *Rurality* score, other projects serve end-users that are not fixed but vary over time such as home health care.  For these types of projects, the *NSLP* score is based on NSLP data for the <u>entire service territory</u>.

### Determining the *NSLP* Score for Projects in which all End-user Sites are Fixed

The *NSLP* score is based on the average of the relevant NSLP eligibility percentage for all hub/end-user and end/user sites.  Use the following guidelines in preparing the *NSLP Worksheet.*

Does the applicant use **specific school or district-wide** statistics?

1. If the hub/end-user or end-user site is a **public school or non-profit private school of Kindergarten through Grade 12 (K-12),** use the eligibility percentage for that s**pecific school**. If you are in a small district, where K-12 is in one school, or on one campus where the lunch facility is shared so that separate NSLP data is not available for the individual high, middle, or elementary school, make this clear in the supporting documentation you supply behind the *NSLP Worksheet.*

2. If the hub/end-user or end-user site is **any other entity** (college, private for-profit school, library, hospital, clinic, etc.) use the NSLP eligibility score for the **school district** in which the site is located.

How does the applicant enter data on the *NSLP Worksheet?*

1. Enter each hub, hub/end-user, and end-user site onto the *NSLP Worksheet* <u>placing them in the same order as on the *Site Worksheet and Rurality Worksheet*</u>.  Identify the site by type.  Provide data for hubs.  Although pure hubs are not part of the calculation, the Agency will need this data

if it determines that the site is actually a hub/end-user. Place pure hubs at the beginning of the list separated by a space and <u>do not</u> include them in your NSLP calculations as described below.

2. Your sites must be consistent throughout the application. **If the end-user sites are not consistent, your application cannot be evaluated and will be returned as ineligible.**

3. Applicants **must document** each site's NSLP percentage with a <u>certification</u> from the organization that administers the NSLP in your area that the data is accurate and the most recent available. **Any site without verifiable documentation will be evaluated at zero percent eligibility.** Provide the source of your data on the *NSLP Worksheet*. Some official NSLP data is posted on state and/or local governmental websites. If so, you may provide printouts from these official sites and enter the URL in the contact column. <u>Data from unofficial sites, such as commercial websites that report information about schools, is not acceptable.</u> Place all NSLP certifications and any other documentation behind the *NSLP Worksheet* under Tab E-2 of your application.

---

**NSLP Documentation Errors to Avoid:**

1. A statement from the certifying NSLP official that the data is correct and the most recent available, but with no evidence in the letter of what the data is.

2. An unsigned letter from the certifying official.

3. A letter from the certifying official without a clearly printed name and title.

4. No documentation of any kind. <u>Your application will receive an *NSLP* score of zero.</u>

---

How is the score calculated?

1. The "Average NSLP" entered on the *NSLP Worksheet* is the rounded average of the relevant NSLP eligibility percentages for all the hub/end-user and end-user sites or, in the case of a non-fixed site project, all the school districts that serve within the project service territory. When calculating the average, use the eligibility percentages exactly as received from the source of the NSLP data. In other words, if the administrator of the lunch program provides data to two decimal places, enter that data for each site on the *NSLP* Worksheet to two places.

2. **Use rounding**: After calculating the average, round the result to an integer in the standard manner. (If less than 0.5, round down - 39.379% rounds to 39%. If 0.5 or greater, round up - 39.571% rounds to 40%.) Enter the rounded average in the "Average NSLP" block on the *Worksheet*.

3. Use the decision table below (it also appears on the *NSLP Worksheet*) to enter the score in the "Applicant's Estimated NSLP Score" block.

| Decision Table | |
|---|---|
| **NSLP Percentage:** | **Points** |
| NSLP < 25% | 0 |
| 25% ≤ NSLP < 50% | 15 |
| 50% ≤ NSLP < 75% | 25 |
| 75% ≤ NSLP | 35 |

**Excluded Sites -** Your project may benefit sites that would not score well in the *Rurality* and *NSLP Categories.* Should you wish to exclude such sites from the calculations, show the excluded sites separately on the *Worksheets* with a clear indication that they have been excluded from the calculations. **In such cases, all funds that benefit the excluded sites must come from other funds. None can be included in the grant or match budget. (See D-1,** *Telecommunications System Plan and Scope of Work,* **for detail on apportioning DLT project benefit.)**

### Example of *NSLP* Calculation for a Project with Fixed Sites:

Central Community College will link itself, a community library, and two schools to the Deepwoods Nature Center for the purpose of receiving environmental distance learning courses via teleconference. The Deepwoods Nature center is the source of the distance learning content and does not receive any content from the other sites nor will it use equipment placed at Deepwoods to benefit users not shown on the *Worksheet.* As such, the applicant considers it a pure hub and does not use it in the calculation. The applicant correctly provides the NSLP data anyway so that if the Agency finds that the site is an end-user, it can recalculate the score. Central Community College will be the electronic hub of the network, but it will receive distance learning content from the Nature Center so it is a hub/end-user. The average of the four relevant percentages is 36.125% which rounds to 36%. The applicant looks at the decision table and enters 15 points in the "Applicant's Estimated *NSLP* Score" block.

| | **Site Name** (Same numbering and order as *Site & Rurality Worksheets*) | **Site Type** (Hub, etc.) | **Total Students** | **% Eligible** | **Source of Attached Certified Data (or URL, if applicable)** |
|---|---|---|---|---|---|
| 1 | Deepwoods Nature Center (school district data) | Hub Not Incl. | 347 | 37.1 | State NSLP Office Letter Attached |
| 2 | Central Community College (use school district data) | Hub/End-User | 3200 | 24.2 | State NSLP Office Letter Attached |
| 3 | Kingstown Library (use school district data) | End-user | 1200 | 28.9 | State NSLP Office Letter Attached |
| 4 | Farwell High School (use specific school data) | End-user | 235 | 34.1 | State NSLP Office Letter Attached |
| 5 | Clarksburg High School (use specific school data) | End-user | 432 | 57.3 | www.officialstatenslp.st.gov See Printout |
| | **Average NSLP** (Sum of NSLP Percentages ÷ # of Sites & then rounded to an Integer) | | | 36% | |

| **Applicant's Estimated *NSLP* Score** (Enter Points from Scoring Table) | 15 | **NSLP Score** (for Agency Use) | |
|---|---|---|---|

### *NSLP* Score for Projects in which all End-user Sites are Non-Fixed

The *NSLP Worksheet* for Non-Fixed Sites is quite similar to that for Fixed Sites except that it focuses on the Public School Districts that serve the non-fixed site service territory, whether in whole or in part.

| | School District Name | Total Students | % Eligible | Source of Attached Data (URL) |
|---|---|---|---|---|
| 1 | Valley Falls School District | 658 | 37% | Valley Falls NSLP Office Letter Attached |
| 2 | Great Meadow School District | 345 | 56% | Great Meadows NSLP Office Letter Attached |
| 3 | Sandy Beach School District | 532 | 42% | www.officialstatenslp.st.gov See Printout |
| 4 | Roosevelt Public Schools | 439 | 32% | www.officialstatenslp.st.gov See Printout |
| 5 | | | | |
| **Average NSLP** (Sum of NSLP Percentages ÷ # of School Districts rounded to an Integer) | | | 42% | |

| Applicant's Estimated *NSLP* Score (Enter Points from Scoring Table) | 15 | | *NSLP Score* (for Agency Use) | |
|---|---|---|---|---|

## E-3. Leveraging (Matching Funds and other Assistance)

The *Leveraging* score is based on the eligible matching fund contribution of the applicant and others. The applicant proposes a match. The Agency determines what is eligible. Based on what you believe to be eligible, we ask you to present an estimated *Leveraging* score in your application. The Agency will correct your estimated score if necessary.

This criterion is intended to measure the level of commitment in the local community for the project. A DLT project that is widely supported within a rural community is more likely to be strong and successful.

Eligible purposes for matching funds are identical to eligible purposes for a DLT grant. For a line-item to be eligible in full for match funding, the application must demonstrate:

1. That none of the use is for ineligible purposes,

2. That none of the use is to benefit sites not shown in the scoring, and

3. That the predominant purpose (over 50% of use) of that line-item is for purposes which meet the DLT grant definition of distance learning or telemedicine as described in the application.

If any part of a line-item is for ineligible purposes, the line-item cannot be budgeted for match. If not the predominant purpose (50% or more of use) or if some of the use will benefit sites not shown in the scoring, the applicant can propose that a portion of the line-item be budgeted for match. The portion eligible for match is that attributable to the sites on which the project is scored. The balance must

come from other funds.  **(See D-1,** *Telecommunications System Plan and Scope of Work,* **for detail on apportioning DLT project benefit.)**

- To be eligible, **items proposed as match must be integral to the project** in exactly the same way as items the applicant proposes to obtain with the grant.  Keep in mind that the DLT Program is not simply a technology support program.  The purpose of matching funds is not to give an advantage to institutions for general technology purchases that are not part of the project and which they would have made in any case such as annual computer purchases.  It is intended to build distance learning and/or telemedicine systems by encouraging support for a project that would not exist if not for the grant.

- Your project must have non-Federal matching funds equal to at least 15% of the DLT grant requested to qualify for the DLT Program.  The minimum match receives no points.  Matches that exceed 15% can earn points on a sliding scale.  There are special matching provisions for American Samoa, Guam, Virgin Islands, and the Northern Mariana Islands.  Applications from these areas are not required to provide a minimum match in order to be eligible for the DLT Program.  However, they must meet the same thresholds (30%, 50%, etc.) in order to earn points in the *Leveraging* category.

- Frequently, a complete project requires items that are ineligible as grant or match such as a building addition.  Although not eligible as matching funding, financial support and in-kind contributions from the local community (other than the applicant) that goes toward such items shows evidence of the commitment of the community to the project.  Detail this support in the *Budget* and provide evidence of this type of support under F-2, *Needs and Benefits.*

## Sources of Eligible Matching Funds:

- The Applicant.  During this discussion of matching funds, when we speak of the applicant, we include the formal applicant (the organization that signs the SF -424) and also those entities that participate in the project as a hub, hub/end-user and or end-user site regardless of whether grant or match funds are budgeted for that site.

- Parties not participating in the DLT project either as a hub, hub/end-user or end-user site or as manufacturer, vendor, or service provider that will benefit from the grant through the prospective sale of goods or services.  Parties not participating in the project include donors such as individuals, community groups, state and local governments, and charities.  It also includes businesses whose products or services will not be purchased for the project.  In general, federal funds cannot be used for match.  An important exception is funding from the **Appalachian Regional Commission** (ARC).  Please see www.arc.gov for a list of eligible counties under the *Counties in Appalachia* heading.  Applying ARC funds as a match requires coordination with ARC State Program Managers and States in the Region.  See the *ARC Members, Partners and Staff* link also at www.arc.gov for ARC State Program Managers contact information.  DLT applicants considering an ARC match are <u>strongly</u> encouraged to contact their ARC State Program Manager(s) early in the process to explore the feasibility of an ARC grant.

## Sources that Cannot Be Considered for Matching Funds

- Except as provided for under Federal law, funds from other Federal sources cannot be used for matching.
- Manufacturers, vendors, and service providers whose equipment or services will be used as part of the DLT Project.

**Note:** The regulation (7 CFR 1703) specifically states that in-kind items must have an "established monetary value" and that "manufacturer's or service provider's discounts are not considered in-kind matching." Because the purposes for grant and match are identical, a discount cannot be considered a cash match either. The reason for not considering discounts is that, in the world of telecommunications, list prices are nominal. They are not an established monetary value. Actual prices are flexible and it is impossible for us to evaluate whether a discount has an actual established monetary value. The same logic applies to any proposed match (cash or in-kind) from a manufacturer, vendor, or other service provider that stands to benefit from the grant or match funds through the prospective sale of equipment or services. A match from one of these entities is indistinguishable from a discount and impossible to evaluate as to its value. As a consequence, we will not accept cash or in-kind matching funds from manufacturers, vendors, or service providers whose equipment or services will be used in the project.

## Types of Matching Funds:

**Cash:** The regulation conveys explicitly the expectation that cash will be the usual method of leveraging when it states that "matching contributions must generally be in the form of cash." Cash is unambiguous and can be applied to any eligible item in the budget. During review of an application, if the Agency were to determine that some items in the budget are ineligible, the removal of those items would not lower the dollar value of the applicant's proposed match.

From time to time, applicants characterize their match as "cash," but specify particular items that they will acquire with their matching funds. When linked to a specific item, such a proposed match is "in-kind," not cash. As such, the eligibility of the proposed match is directly related to the eligibility of the item as described in the next paragraph.

**In-Kind Match:** In-kind matches are also acceptable under the regulation, but we do not recommend that the applicant propose them. In-kind matches must be closely scrutinized to determine if they have the same relevance and credibility as a cash match. Remember, an in-kind match must be integral to and necessary for the DLT project, not simply a technology purchase made in the same timeframe. Unlike cash, in-kind matches are tied directly to the eligibility of the proposed in-kind item. Should we determine that the item is not eligible, the item would be removed from the grant and match budget and the proposed match would disappear with it. This may lead to a lower *Leveraging* score than you expected to earn. If the reductions were to lower your eligible match below 15%, your application would be ineligible for the DLT competition.

As a practical matter, there is no compelling reason for an applicant to propose an in-kind match. Because items acquired before the application deadline are not eligible for grant or match, any items that the applicant would propose as an in-kind match must be obtained with cash after the application is submitted. In other words, when an applicant proposes an in-kind match, it is in effect committing cash with which the proposed in-kind item will be purchased at some point after the deadline, except that if the item is not eligible, neither is the match. A true cash match (unspecified) can be applied against any remaining eligible purpose.

Proposed in kind matches from organizations not affiliated with the applicant and whose products or services will not be purchased as part of the DLT project are acceptable. Remember that the established monetary value of any proposed in-kind match must be demonstrated through evidence

such as actual selling price. List prices and valuations assigned outside of the marketplace by the donor or others are not evidence of an established monetary value.

## Funding Commitments

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### MATCH DOCUMENTATION ERRORS TO AVOID

1. Only documented matches will be credited. If you have nothing under Tab E-3 in your application, or nothing but a *Leveraging Worksheet* without proper documentation behind that *Worksheet* as described below, you have <u>no</u> match. As a consequence, your application is ineligible and will be returned without being considered for funding.

2. A signature on the SF 424, *Application for Federal Assistance,* does not document the commitment of matching funds in a form satisfactory to the Agency. Neither is a reference to matching funds, say in the *Budget* or *Telecommunications System Plan,* unless properly documented by the donor under Tab E-3.

3. The person signing letters documenting matching funds must have authority to commit funds on behalf of the donor. If you are not clearly such a person, for example, a chief executive officer, a board chairman, or school superintendent, you should attach evidence of your ability to commit matching funds. Examples of titles that do not convey clear authority are "technical coordinator," "IT Manager," or "Radiology Department Manager."

4. An unsigned letter or a letter that does not carry the donor's title is not acceptable. Neither is a letter that is signed "for" the responsible party and initialed, unless the person who initialed for the responsible party provides evidence not only of the responsible party's authority to commit the organization, but of the initialing party's authority to sign on the responsible party's behalf.

5. You cannot commit funds on behalf of any organization except your own. If you are the superintendent of XYZ High School, you cannot commit funds on behalf of ABC middle school, a school over which you have no authority. The commitment for ABC school must come from that organization.

6. Conditional Matches are not acceptable. For example, "We commit ZYX Funds, subject to Board Approval." Until the Board Resolution is passed, no match exists. If it is not passed before the application deadline, no proposed match can be credited because the funds were not committed by that deadline as required under the regulation. If it is passed by the deadline, the resolution should be included under Tab E-3 to show that the condition has been satisfied.

7. Remember that proposed matches must be relevant to the project in the same way as items for which grant funds are requested. Do not propose as match items that are not going to the project. For example, if the proposed match is coming from a school district, you cannot be credited for funds going to schools that are not end-users as shown in the application. If you are proposing an in-kind match, specify the line-items in your supporting letter by the line-item number shown in the budget.

</div>

**The applicant must document the project's proposed matching funds in form and substance satisfactory to the Agency. The documentation must be placed under Tab E-3 of your application. We have modified the *Leveraging Worksheet* to provide a place to enter each contribution, not just the total as was done in previous years. Each proposed match entry on the worksheet must be supported by a signed letter from the individual donor proposing the match.**

1. **Be signed by a person capable of obligating the donor organization.** Include the printed name and title of the person signing the letter. The letter must clearly indicate the name of the donor organization and state that the funds are committed to the proposed DLT project as described in the *Budget* and elsewhere in the application. <u>If your name and title do not appear on the donor organization's letterhead, attach evidence of your position to the letter.</u>

2. If the match is cash, state the amount.

3. If the proposed match is in-kind, give a complete description of the donation <u>identified by the line-item number in the budget and the expected date of purchase</u>. Keep in mind that items acquired before the application deadline are not eligible for grant or match. Also, <u>demonstrate how the established monetary value of the item was determined</u>.

**Proposed matches must be consistent on the SF-424, the *Budget,* and the *Leveraging Worksheet.* Proposed matches not documented under Tab E-3 with a letter as described above will not be credited in the *Leveraging* score.**

## Criterion Point Value and Allocation

Up to **35 points** are available under this criterion. Points are awarded as follows:

| Percentage of Eligible Match Compared to Grant Request | Points |
|---|---|
| 15% < Match % ≤ 30% | 0 |
| 30% < Match % ≤ 50% | 15 |
| 50% < Match % ≤ 75% | 25 |
| 75% < Match % ≤ 100% | 30 |
| Match > 100% | 35 |

**Example:** Applicants receive different scores based on their proposed matching funds:

|  | Grant Requested | Matching Funds | % of GRANT Funds | Points Scored |
|---|---|---|---|---|
| Applicant #1 | $100,000 | $15,000 | 15% | 0 |
| Applicant #2 | $100,000 | $45,000 | 45% | 15 |
| Applicant #3 | $100,000 | $60,000 | 60% | 25 |
| Applicant #4 | $100,000 | $80,000 | 80% | 30 |
| Applicant #5 | $100,000 | $105,000 | 105% | 35 |

# E-4.  USDA Empowerment Zones/Enterprise Communities And Champion Communities (EZ/EC)

This criterion documents project participation in USDA's Empowerment Zone/Enterprise Community (EZ/ECs) and related Champion Community programs, based on end-user site locations within these designated areas.  We ask you to present an estimated *EZ/EC* score in your application.  An *EZ/EC Worksheet* has been provided in the *Toolkit* for this purpose.  The Agency will review your estimate and correct it if necessary.

## EZ/EC Points

Up to **15 points** may be awarded for this criterion.  If your project has:

| At Least 1 End-user Site Located in a USDA: | Your Application will Receive |
|---|---|
| EZ/EC Community | 10 points |
| Champion Community | 5 points |

Check these Web pages to find out whether any of the communities in your project are located in one of the EZ/EC or Champion Communities:

**EZ/EC:**  www.ezec.gov/Communit/ruralezec.html
**Champion Communities:**  www.ezec.gov/Communit/champions.html

Ten points can be earned if at least 1 end-user site is within an EZ/EC.  (Additional sites located in that or another EZ/EC do not earn additional points.  If you have two or more EZ/EC Communities, your application still earns only ten points.)  Five points can be earned if at least 1 end-user site is in a Champion Community.  (Again, additional sites located in that or another Champion Community do not earn additional points.)  The maximum score an applicant can earn in this category is fifteen points for having at least one site in an EZ/EC and another site in a Champion Community.  Remember that the two categories are mutually exclusive.  There are no areas that are both an EZ/EC and a Champion Community so one site cannot earn all fifteen points.

Any end-user site shown on the *EZ/EC Worksheet* must be consistent with the sites shown elsewhere in the application such as on the *Rurality* and *NSLP Worksheets.*  To document the EZ/EC or Champion Community status of the sites, place printouts from the USDA websites shown above behind the *Worksheet* under Tab E-4.  **If not documented under Tab E-4, no points will be awarded in this category.**  USDA EZ/EC designations use Census tracts.  The Census tract information for each EZ or EC is available at the Web page listed above.  You **must** supply the Census tract information if you wish to claim either EZ or EC status.

For further information on the EZ/EC and Champion Community Programs, contact:

USDA Office of Community Development
1400 Independence Ave.  SW  Stop 3203
Washington, DC 20250-3203

202-619-7980 or 800-645-4712
www.ezec.gov

Email: CDPWebmaster@wdc.usda.gov

# F.  Subjective Scoring Supporting Documentation

In the four subjective scoring categories (*Additional NSLP, Needs and Benefits, Innovativeness and Cost Effectiveness*), scoring is relative, not absolute.  The scoring mechanism is intended to create a ranking of projects within these categories.  This means, for example, that an applicant's score is dependent on the qualities of documentation presented by all other applicants.  Applications tend to improve from year to year, so an applicant who uses the same quality of documentation year after year can expect to receive progressively lower scores.

Provide self-contained arguments in each of the four subjective scoring categories.  Reviewers will not consider information outside a category's write-up.  For example, all information that the applicant believes could support its *Needs and Benefits* score must be under Tab F-2 of the application.

Each of the four subjective scoring categories assesses a unique characteristic of the project which is not captured by the other scoring categories.  For example, *Needs and Benefits* assesses the specific educational or health care needs, not the general economic needs, of a project's beneficiaries.  Economic need is captured by other scoring categories.  *Needs and Benefits* also does not attempt to assess the *Rurality* of a project's area, although an applicant can argue that an unusual rural characteristic of its area contributes to its needs in a way that does not affect rural areas in general.

Generally speaking, applicants who apply to the DLT Program are rural and share relatively high levels of need.  For a project to receive a competitive score in this program, the applicant must successfully demonstrate that it exceeds the norm for rural projects in a particular category.

Applicants are reminded that this is a national competition.  Arguments showing only comparisons with other areas *in a state* are not compelling in this program.  Comparative data should be both local and national in coverage.

In presentation in each of the four subjective categories, statements supported by numerical data receive the higher scores.  Statistics about a project should be compared to national averages and ranges.  These comparisons help reviewers understand statistics presented about a project.  Presenting a spreadsheet showing, for example, statistics about end-user sites, with national references, is an especially effective way to support subjective scoring arguments.

## F-1.  Additional NSLP

The primary measure of general economic need for an area served by a proposed project is based on the National School Lunch Program (NSLP as described above under E-1) and is captured in the *NSLP* score.  **The *Additional NSLP* category is intended to provide an opportunity to correct for an *NSLP* score that understates the relative economic need of a project's beneficiaries.**

If an applicant has an NSLP eligibility below 50%, and the applicant can demonstrate that the area it would serve, or the subset of the public it would serve, is not accurately captured by the NSLP percentage, it may request *Additional NSLP* points.  **Based on the strength of the evidence provided by the applicant, the Agency may award up to ten points in this category**.

To score well, it is not sufficient to demonstrate, for example, above average unemployment compared to the state average without putting that statistic into context.  The key to scoring points in this

category is providing a convincing demonstration that the economic plight of the applicant's target beneficiaries is more challenging that that of other areas with similar NSLP scores.

**To gain points in this category, the applicant must specifically request them in Section F-1 of the Application (See *Additional NSLP Worksheet* in the *Toolkit*.).**

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## F-2.  Community Needs and Project Benefits

This criterion measures the extent to which the proposed project meets the goals and objectives of the DLT Program.  We may award up to **45 points** in this category.  You must **document the specific needs of the community and how the proposed project will address those needs**. You must also document evidence of support from the community.

> **Tip:**  Remember, this category is <u>not</u> intended to capture the general economic need of the area served by the project.  That need is captured by the *NSLP* score, and, if applicable, *Additional NSLP* scores described above under E-2 and F-1.  While a brief overall sketch of the local economy and geography is useful for context, extended discussions of the overall economic health of a region generally do not help tell the story of the specific needs to be addressed by your project.

### Define the Community

In some cases, projects propose serving specific communities – the entire population of a town; all adults in several towns; or students in a particular school district.  In others, the community to be served is a subset of the entire community.  Whatever the nature of the community, your narrative should give us a clear picture of it.

### Need for Services

Clearly state the economic, educational, or health care challenges facing the project's respective communities, and provide documentation that explains the challenges.  Use verifiable data and statistics to substantiate and quantify these challenges.  **Demonstrate how the proposed project will help resolve these challenges** and why the applicant cannot afford the project without a grant.

Document support for the project provided by experts in the educational or health care fields.  Remember that the more specific the expert opinion is to your project, the more compelling it is.  Substantiate the underserved educational or health care nature of the project's proposed service area; and **justify, explain and document the specific educational or medical services that will provide direct benefits to rural residents.**

You should demonstrate that rural residents and other beneficiaries want the educational or medical services from the project.  In other words, **show that the reason for the project is to meet local community needs, not simply to install technology that could possibly benefit the community.** Willingness of local end-users or community-based organizations to contribute to the costs of completing, operating, or maintaining the project is a strong indication of community support.  Documentation of support includes letters of financial and non-financial commitment towards the project from local organizations.

Address the participation by local residents and organizations in planning and developing the project. Include evidence of this participation in your application. Examples of evidence of community involvement include community meetings, public forums and surveys.

The Agency will also consider the extent to which the application is consistent with the State strategic plan prepared by the USDA Rural Development State Director. (See IV-G, *Contact With USDA State Director*.)

## Benefits Derived from Services

In addition to documenting the need for services, describe how the project would assist the community in solving these challenges. **Document the specific benefits of your project and quantify them in terms of expected outcomes.** Tie the benefits of your project DIRECTLY to the stated needs you intend to address. Provide measurable targets or goals such as estimates of the number of people that will benefit from the project.

> **Tip: Do not address benefits to your organization in this section, unless they are directly tied to community benefit.** Benefits of the project that accrue primarily to your organization should be addressed under *Cost Effectiveness*.

## Examples:

For a distance learning project that serves secondary schools, provide the **number of schools and students** that will benefit. You should also **document** all other benefits provided by the project with quantifiable goals when possible such as:

- four-year foreign language availability up from 300 to 1200 students
- organic chemistry offered for first time to entire district
- expanded educational facility use, like evening vocational training
- reducing the dropout rate from 17% to 12%

For a telemedicine project that serves a consortium of hospitals, provide the **number of health care facilities and the potential number of patients** to benefit. You should also **document** all other benefits provided by the project such as:

- time and monetary savings to the community from telemedicine diagnoses
- 400 patients receiving at-home monitoring
- 4 doctors retained in your community
- lives saved due to prompt medical diagnosis

Document ancillary benefits or multiple uses that create value in the rural communities which the project will serve. Examples include training, information resources, library assets, adult education, lifetime learning, community use of technology, jobs, and connection to the local and global information networks. If applicable, you should address particular community problems such as out-migration and the extent to which the project would reduce or prevent population loss.

**Tip:** Do not restrict your supporting documentation to the guidance and examples cited here or use them as a template for your application. The material in this section is intended only to provide a starting-point. Neither should you think that gaining a grant requires special expertise or that you will be more successful if you model your application on that of a previously successful applicant. You, the applicant, are the expert about the needs of your community and how your project will meet those needs. Use that expertise to paint a compelling picture of what your project can accomplish.

## F-3.  Innovativeness of the Project

This criterion assesses how the objectives of the proposed project are met in new and creative ways. Up to **15 points** may be awarded for this criterion. There are two obvious ways that a distance learning or telemedicine project can be innovative, *i.e.,* technical and in application. Technical innovation is rare but possible in rural distance learning and telemedicine projects. Most of the innovativeness we encounter is in the application of state-of-the-art technologies to solve problems in new ways.

### Innovation Issues

Technical innovativeness occurs where a new type of device is used to provide a capability. Examples of innovative technologies are the mobile presentation of a capability that previously had only been available in fixed locations, or where a new transmission medium (such as the Internet) is used to deliver data, replacing leased or dial-up telecommunications facilities. We expect applicants to use state-of-the-art equipment, so doing this alone does not contribute to a high score in this category. Technical innovativeness can be risky, so wherever it is truly present, the applicant should address any risks inherent in the approach.

Application innovativeness occurs where a tried and true technology is applied in a unique or unusual way to provide a new capability, or to provide a familiar capability in a new way. Presumably, all proposed projects will provide new capabilities to their beneficiaries, so an application with this characteristic alone would not earn a high score in this category.

The application should explore the following sources of evidence of innovativeness:

- Does the project employ technical innovation?
- Are there educational and medical programmatic innovations proposed?
- Does the project use unique adaptations of technology to better meet the special needs or circumstances of the project's proposed service area or beneficiaries?
- Does the project have the potential to influence or promote changes in how distance learning or telemedicine services can be delivered in other areas?
- Does the project use existing resources (telecommunications facilities) in a new way?

**Tip:** The best examples of innovativeness will come from the imagination of applicants and cannot be suggested here. Technical and application innovativeness are by no means the only forms of innovativeness that will be credited by the reviewer.

## F-4.  Cost Effectiveness of the Project

This criterion evaluates the efficiency with which the proposed project delivers educational and medical benefits to beneficiaries.  Up to **35 points** may be awarded for this criterion.  Generally, efficiency of delivery is accomplished by studying every technology option, considering the use of available resources and using them wherever possible, creating a project that not only accomplishes the primary service delivery, but accomplishes many other functions as well.  The emphasis in this criterion is *value*, not lowest cost alone.

### How is Cost-Effectiveness Evaluated?

Scores are based on:

1.  The extent to which your organization <u>considered</u> alternative technological options for delivering the proposed services. The applicant must provide sufficient documentation reflecting accepted analytical and financial methodologies to substantiate its choice of technology as the most cost effective option.  Cost information such as quotations from multiple vendors that you provide in the TSP and Budget is useful for demonstrating cost effectiveness.

2.  The extent to which the project <u>uses existing telecommunications transmission facilities</u>.  Supporting information may include evidence of considerations of the use of existing facilities, agreements between the applicant and other entities for sharing transmission facilities, and all other measures taken to lower the project's costs for using such facilities.

3.  The extent to which the project will <u>use existing networks</u> at the regional, statewide, national or global levels.  Most projects connect to the Internet, so this use of an existing network has a minimal effect on an application's score.

4.  The extent to which the requested financial assistance will <u>extend or enhance the benefits</u> of the project.

5.  Whether <u>buying or leasing</u> specific equipment is more cost-effective.

6.  Whether a proposed project will accomplish purposes beyond the primary objective. Although the applicant is asked to specify whether distance learning or telemedicine is the predominant use of the project, the facilities funded by the project may benefit the community in other ways.  Generally, a multi-use facility will be a greater asset to a rural area than a single-use facility if the two are equally efficient at performing the project's primary function.

7.  Whether the proposed project creates the appropriate level of capability to reasonably meet the community's needs. This refers to a matching of project capability to the defined need.

**Tips:**

- Unsupported assertions of cost effectiveness are not useful. A spreadsheet showing initial cost and annual costs of all considered alternative technologies and implementations can offer strong support for a good score in this category. Don't forget to explain all assumptions and sources for cost information used in the comparison.

- Be sure that the facts presented are meaningful to the reviewer. For example, a statement that a telemedicine project will provide the capability for 42,000 rural residents to have access to teleradiology facilities at a cost of 29¢ per resident is not meaningful, but a statement that the teleradiology project will reduce the cost to a rural resident of a chest x-ray from $125 to $20, and will save the patient 6 hours of driving time, is meaningful.

# G. Contact with USDA State Director

You must provide evidence that your organization has consulted with the USDA State Director for Rural Development about the availability of other sources of funding available at the State or local level. Include this evidence as part of your application.

You must also provide evidence from the State Director for Rural Development that your application conforms with the State strategic plan as prepared under section 381D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 *et seq.*). Not all states have a strategic plan, so you should indicate if such a plan does not exist. See Section IV, F-2, *Community Needs & Project Benefits*, for our use of this evidence in scoring your application. Include the evidence in your application.

> **Note:** Applicants should contact the USDA State Director as early as possible in the application process. You can find a listing of the State Rural Development Offices here:
>
> **www.rurdev.usda.gov/recd_map.html**

# H.  Certifications

The *Toolkit* contains certification forms to demonstrate compliance with other Federal statutes and regulations.  **Applications submitted without a non-duplication certification cannot be evaluated and will be returned as ineligible.**

- Architectural barriers
- Flood hazard area precautions
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
- Drug-free workplace
- Debarment and suspension rules
- Lobbying for contracts, grants, etc.
- Non-duplication of services
- Environmental impact

# Section V - Putting it all Together

Assemble <u>and</u> tab your grant application in the following order, which is the same order as described under Section IV - *The Complete Application.*  **Material not located under the proper tab will not be considered by reviewers.  If material is relevant under more than one tab, it should be repeated under each relevant tab.  Any supplemental information that the applicant wants to submit should be included under the relevant tab.**  The *Toolkit* provides forms, worksheets, sample certifications, and Web resources to help you find information and present it in your application.

| TAB | ITEM |
|---|---|
| A | SF-424 – Application for Federal Assistance w/attch. (Site Worksheet & Optional Survey) |
| B | Legal Eligibility |
| C | Executive Summary |
| D. | Project Information |
| D-1 | Telecommunications System Plan and Scope of Work |
| D-2 | Budget |
| D-3 | Financial Information and Sustainability |
| D-4 | Statement of Experience |
| E. | Objective Scoring |
| E-1 | Rurality Calculation Worksheet and Supporting Documentation |
| E-2 | NSLP Worksheet and Supporting Documentation |
| E-3 | Leveraging Worksheet and Evidence of Funding Commitments |
| E-4 | EZ/EC Worksheet and Supporting Documentation (If Applicable) |
| F. | Subjective Scoring Supporting Documentation |
| F-1 | Request for Additional NSLP Points Worksheet (If Applicable) |
| F-2 | Need for Services and Project Benefits |
| F-3 | Innovativeness of the Project |
| F-4 | Cost-Effectiveness of the Project |
| G. | Contact with USDA State Director—Rural Development |
| H. | Certifications |