TO: Rural Development State Directors

ATTN: Administrators
            National Office Officials

FROM: Jacqueline Ponti-Lazaruk   /s/ *Jacqueline Ponti-Lazaruk*
            Chief Innovation Officer
            Innovation Center

SUBJECT: Strategic Economic and Community Development (SECD) Field Instructions for Fiscal Year 2020

PURPOSE/INTENDED OUTCOME:
This document outlines the process for FY2020 scoring and review of Strategic Economic and Community Development (SECD) applications. This process applies only to applications for Rural Business Development Grant (RBDG), Business & Industry (B&I), Community Facilities (CF), and Water and Environmental (WEP) programs that specifically request consideration under SECD. To be considered for SECD, all applications must include Form RD 1980-88, "Strategic Economic and Community Development (Section 6025) Priority," and supporting documentation. Reviewers will use a standard SECD Score sheet.

COMPARISON WITH PREVIOUS AN:
This is a new issue. There are no previous ANs.

BACKGROUND:
Section 6025 of the 2014 Farm Bill enables Rural Development (RD) to prioritize projects that support the implementation of multi-jurisdictional strategic economic and community development plans, either through priority points or a time-limited set-aside of up to 10 percent of program funds from certain RD programs.

Section 6401 of the 2018 Farm Bill re-authorized this provision with some modifications. The agency is in the process of issuing a new regulation to implement Section 6401 of the Farm Bill in FY 2021. Until the new regulation is implemented, RD will use the current regulation under 7 CFR 1980.1004 to administer SECD in FY 2020.

EXPIRATION DATE: FILING INSTRUCTIONS:
September 30, 2020   RD Instruction 1980-K

For FY 2020, RD will set aside funds from the following programs: RBDG, B&I, CF, and WEP. SECD applications (Form 1980-88) are due by the underlying program deadline or 5:00 PM (EST) on June 30, 2020, whichever comes first.

All SECD applications will be scored and reviewed as noted in Table 1 below.

Table 1: Section 6401 SECD Competition Type and Reviewer

Underlying Program	Level of funding allocations	Primary Reviewer	Secondary Reviewer for Concurrence
Community Facility Loans (7 CFR, Part 1942, Subpart A)	State Office	Innovation Center Staff	SECD National Coordinator
Fire and Rescue and Other Small Community Facilities Projects (7 CFR, Part 1942, Subpart C)	State Office	Innovation Center Staff	SECD National Coordinator
Community Facilities Grant Program (7 CFR, Part 3570, Subpart B)	State Office	Innovation Center Staff	SECD National Coordinator
Community Facilities Guaranteed Loans (7 CFR, Part 3575, Subpart A)	State Office	Innovation Center Staff	SECD National Coordinator
Water and Waste Disposal Programs Guaranteed Loans (7 CFR, Part 1779)	National Office	Innovation Center Staff	SECD National Coordinator
Water and Waste Loans and Grants (7 CFR, Part 1780, Subparts A, B, C, and D)	National Office	Innovation Center Staff	SECD National Coordinator
Business and Industry Guaranteed Loans (7 CFR, Part 4279, Subparts A and B; 7 CFR, Part 4287, Subpart B)	National Office	Innovation Center Staff	SECD National Coordinator
Rural Business Development Grants (7 CFR, Part 4280, Subpart E)	National Office	Innovation Center Staff	SECD National Coordinator

IMPLEMENTATION RESPONSIBILITIES:

1. Applicants who have proposed eligible projects for RBDG, B&I, CF, and/or WEP that support multi-jurisdictional plans can request the opportunity for SECD set aside funding by submitting Form 1980-88 and other required information in RD Instruction 1980-K, "Strategic Economic and Community Development." Innovation Center staff will assess the packages for completeness.

2. Field Offices will review all underlying program applications for eligibility and score in accordance with the underlying program's regulations and instructions.

3. Field Offices will save all SECD applications to the SECD SharePoint site in the folder named for the underlying program. The SECD SharePoint can be found at: https://usdagcc.sharepoint.com/sites/rd_ic/SECD.

4. SECD National Coordinator will assign an Innovation Center staff member as Primary Reviewer.

5. All complete SECD applications will be reviewed, scored and returned to the National Coordinator and shared with the underlying program official within three (3) business days of uploading of the application to the SECD SharePoint.

6. The Primary Reviewer will use the SECD Scoresheet to document, review, score the application, share additional comments as needed and return to SECD National Coordinator.

7. SECD National Coordinator will confirm the SECD score and share the completed application Score Sheet with the underlying program approval official.

8. The SECD score must be written on the bottom of the SECD Scoresheet. The Primary Reviewer and SECD National Coordinator must sign and date the SECD Scoresheet as recommending officials for the awarded SECD points.

9. The program approval official will combine the underlying program score and SECD score in determining a recommendation for final awarding of program funds.

10. The final decision for awarding program funds from the SECD allocation will be made by the respective National Office Program Director or State Program Director, depending on the level of funding allocation and approval authority.

11. When recording award, information should be entered in Guaranteed Loan System (GLS) or Commercial Program Application Processing (CPAP) using the appropriate Type of Assistance (TOA) codes in Appendix A.

12. National Office will follow the National Office competition review-award-announcement-process, per usual procedures. Obligations must be made prior to June 30, 2020.

ADDITIONAL RESOURCES:

- Relevant review materials (form, scoresheet, checklist) can be found at the SECD SharePoint site here: https://usdagcc.sharepoint.com/sites/rd_ic/SECD
- Links to Sources for Locating Rural Area Multijurisdictional Plans:
    o Stronger Economies Together: Website for Southern Rural Development Center, Mississippi State: http://www.srdc.msstate.edu/set/current-regions/Where-are-SET-Regions
    o EDA-supported Comprehensive Economic Development Strategy (CEDS): http://www.eda.gov/resources/
    o Rural Economic Development Innovation (REDI) Initiative: Cooperators engaged to assist communities/regions prepare economic development plans: https://usdagcc.sharepoint.com/sites/rd_ic/Partnerships/redi

FOR FURTHER INFORMATION CONTACT:

For more information or other inquiries, contact your respective Innovation Center staff as follows:

- National Office – Greg Batson: Gregory.Batson@usda.gov
- Midwest Region - Christine Sorensen: Christine.Sorensen@usda.gov
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- Southern Region - Gregory Dale: Gregory.Dale@usda.gov

APPENDIX A

TOA Description	TOA Code
WATER AND ENVIRONMENTAL PROGRAMS	
ASSOCIATION PROJECTS SECD (Loan Only) Water Only	677
ASSOCIATION PROJECTS SECD (Loan Only) Waste Disposal Only	678
ASSOCIATION PROJECTS SECD (Loan Only) Combination W&W	679
ASSOCIATION PROJECTS SECD (Grant Only) Water Only	680
ASSOCIATION PROJECTS SECD (Grant Only) Waste Disposal Only	681
ASSOCIATION PROJECTS SECD (Grant Only) Combination W&W	682
ASSOCIATION PROJECTS SECD Guaranteed Loan Water Only	683
ASSOCIATION PROJECTS SECD Guaranteed Loan Waste Disposal Only	684
ASSOCIATION PROJECTS SECD Guaranteed Loan Combination W&W	685
ASSOCIATION PROJECTS SECD (Loan/Grant Combination) Water Only	703
ASSOCIATION PROJECTS SECD (Loan/Grant Combination) Waste Disposal Only	705
ASSOCIATION PROJECTS SECD (Combo Loan/Grant) W&W	707

TOA Description	TOA Code
COMMUNITY FACILITIES PROGRAMS	
COMMUNITY FACILITIES SECD Community Facility (Direct and Guaranteed Loan)	686
COMMUNITY FACILITIES SECD Community Facility Grant	687
COMMUNITY FACILITIES SECD Combo Direct Loan and Grant	709
COMMUNITY FACILITIES SECD Combo Guaranteed Loan and Grant	711

TOA Description	TOA Code
RURAL BUSINESS PROGRAMS	
RURAL BUSINESS-COOPERATIVE SERVICE SECD Guarantee Business and Industry-1%	689
RURAL BUSINESS-COOPERATIVE SERVICE SECD Guarantee Business and Industry-2%	690
RURAL BUSINESS-COOPERATIVE SERVICE SECD Guarantee Business and Industry-3%	691
RURAL BUSINESS-COOPERATIVE SERVICE SECD Rural Enterprise Grant	692
RURAL BUSINESS-COOPERATIVE SERVICE SECD Business Opportunity Grants	713