

Rural Development Appropriations

Issue: Appropriations for NACo supported rural development programs.

NACo policy: NACo policy supports strengthening rural communities and their economies.

Action needed: Ask your members of Congress to restore funding for USDA Rural Development programs in the FY 2013 appropriations process.

Background: USDA Rural Development funds a broad range of programs that are critical to rural counties. These programs include funding for water/wastewater infrastructure, community facilities, broadband, electric, telephone, housing, renewable energy and business development.

USDA Rural Development programs create jobs and enhance economic prosperity in rural communities. Recent cuts should be restored and at a minimum, these programs must be maintained at level funding; especially grant funding in order for rural communities to overcome impediments to economic development. The FY 2012 enacted level for USDA Rural Development programs provided \$2.2 billion in budget authority that will provide loans, grants and other assistance. This represents a cut of \$732 million or 25 percent in budget authority from the FY 2010 enacted level. These drastic cuts over the past two years decrease the agency's ability to partner with local governments, businesses and rural people to create rural jobs.

NACo calls on Congress to:

- Restore USDA Rural Development program funding levels in FY 2013 to the FY 2010 enacted level of \$2.933 billion and resist efforts to cut these critical rural programs further. This agency has been cut by 25 percent over the last two years. Further cuts will continue to weaken critical economic development opportunities in rural counties.
- Support grant funding for USDA rural water infrastructure and community facilities programs, which are especially critical to economic development efforts in rural communities. NACo supports \$469 million for Rural Water and Waste Program Grants and \$20.37 million in funding for Community Facility Grants.
- Support rural business programs which leverage public and private sector resources to create new jobs. NACo supports \$97.11 million in budget authority for the Rural Business Program Account, which includes the Rural Business Enterprise Grants (\$38.72 million), Rural Business Opportunity Grants (\$2.48 million), and Business and Industry Loans (\$52.92 million). NACo also supports funding the Intermediary Relending Program at \$8.46 million, the Rural Microenterprise Assistance Program at \$2.5 million, the Value Added Producer Grants at \$20.36 million, and the Rural Energy for America Program at \$19.67 million.
- Support Regional Innovation and Flexibility. The FY 2012 Agriculture Appropriations bill that was wrapped into the Minibus, P.L. 112 - 55, included language supporting the Regional Innovation Initiative. NACo urges continued support of this initiative which is designed to give USDA Rural Development the flexibility to focus some agency support on innovative locally-driven projects. The initiative will target 5 percent of several existing rural development programs to economic development projects that represent regional priorities.

For further information, contact: Erik Johnston 202/942-4230 or ejohnston@naco.org
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