



May 14, 2015

The Honorable Robert Aderholt, Chairman
House Agriculture Appropriations
Subcommittee

The Honorable Sam Farr, Ranking Member
House Agriculture Appropriations
Subcommittee

The Honorable Jerry Moran, Chairman
Senate Agriculture Appropriations
Subcommittee

The Honorable Jeff Merkley, Ranking Member
Senate Agriculture Appropriations
Subcommittee

Dear Chairman Aderholt, Chairman Moran, Ranking Member Farr, and Ranking Member Merkley:

The undersigned organizations urge you to protect and enhance funding for critical rural development programs as you consider agriculture appropriations legislation for fiscal year 2016.

The Campaign for a Renewed Rural Development is a collaboration of national organizations with a strong interest in the sustainability and prosperity of rural America. The Campaign recognizes the significance of strong appropriations for USDA Rural Development programs to the rural communities, residents and industries that we represent.

USDA Rural Development is often the lender of last resort for a broad range of projects that are critical to rural America. The agency's grant and loan programs also help leverage public and private sector funding and expertise to advance small business and renewable energy development and build water/wastewater infrastructure, community facilities, broadband and electric infrastructure, and housing.

The FY 2016 agriculture appropriations bill should build upon these locally led efforts to develop critical infrastructure and business capacity. In particular, we urge you to support the following programs by providing funding levels equal to or greater than the levels listed below:

Rural Business – Cooperative Service

- Rural Cooperative Development Grants program: \$9 million, in addition to subprogram funding requests listed below
- Value Added Producer Grants program: \$15 million in discretionary funding and no Changes in Mandatory Program Spending (CHIMPS)
- Appropriate Technology Transfer for Rural Areas program: \$2.5 million
- Rural Microenterprise Investment Program (also known as the Rural Microentrepreneur Assistance Program, RMAP): \$2.65 million for loans, \$2 million for grants, and no CHIMPS
- Rural Business Development Grant program: \$30 million
- Rural Energy for America Program: \$10 million and no CHIMPS.

Rural Housing Service

- Community Facilities Guarantee Program: Maintain Current Funding Level
- Rural Community Facilities Grants: \$30 million
- Economic Impact Initiative Grants: \$5.7 million
- Rural Community Development Initiative Grants: \$5.9 million

Rural Utilities Service

- Authorize Rural Water and Wastewater Loan Guarantee Program: \$30 million
- Water/Wastewater Disposal Grant Program: \$347 million
- Telecommunications Loan Program: \$690 million, split evenly between “cost of money” and “hardship” accounts
- Broadband Telecommunications Loan Account: \$44.2 million
- Community Connect Broadband Grants Account: \$20.3 million
- Distance Learning & Telemedicine Grants Account: \$24.9 million
- Increased administration and staffing of RUS programs

Additionally, we ask that you include report language expressing concern and highlighting the potential issues associated with the House and Senate Budget Resolutions’ proposals calling for the consideration of so-called Fair Value cash accounting methodologies for federal financing programs rather than the Federal Credit Reform Act accrual method that is currently used. The Fair Value proposal would unnecessarily inflate the costs associated with these programs, leading to lower program authorizations and increasing the difficulty of the fulfilling our the nation’s rural objectives.

We stand ready to work with you as a partner in addressing the fiscal challenges facing our nation, but believe that cutting critical rural development programs is not a viable part of the solution. Federal investments in rural business creation, infrastructure, and housing programs spur private sector job creation and lead to increased economic activity.

As the Subcommittees develop FY 2016 appropriations bills, we urge you to strengthen funding for these vital programs and the public goods they support.

Sincerely,

American Public Works Association
Catholic Rural Life
Center for Rural Affairs
Fair Food Network
Farm Credit Council
Farmer Mac
National Association of Counties (NACo)
National Association of Development Organizations (NADO)
National Association of RC&D Councils
National Association of Towns and Townships
National Sustainable Agriculture Coalition
NTCA – The Rural Broadband Association
Rural Community Assistance Partnership
State Agriculture and Rural Leaders