

# **Rural Development**<sup>1</sup>

#### INTRODUCTION

This backgrounder highlights the history, context, and content of the Farm Bill's Rural Development Title. Following this introduction, Section I describes the establishment and evolution of the federal rural development programs. Section II summarizes the programs included in the 2018 Farm Bill's Rural Development Title (Title VI). The final section summarizes current issues within and critiques of the Rural Development Titles in contemplation of the next farm bill.

The Rural Development Title first appeared in the 1973 Farm Bill, the first omnibus farm bill.<sup>2</sup> The provisions within the Rural Development Title aim to support rural economic and community development.<sup>3</sup> Most provisions in the Rural Development Title reauthorize and/or amend programs in the Consolidated Farm and Rural Development Act of 1972 or Rural Electrification Act of 1936.<sup>4</sup> The evolution of the Rural Development Title reflects Congress' response to emerging issues in rural America.<sup>5</sup> The main issues the Title addresses now include rural health, broadband and telecommunications, water and wastewater infrastructure, and business and community development.<sup>6</sup>

Though farming was the predominant industry in rural areas during the first half of the twentieth century, today agriculture makes up just 5.6% of rural employment.<sup>7</sup> Farm households earn 80% to 90% of their income from sources outside of the farm.<sup>8</sup> Further, over half of farms are considered to be very small and bring less than \$10,000 in household income.<sup>9</sup> As rural communities have moved away from farming, the scope of rural development programs has shifted from solely supporting agriculture to investing in a more diverse range of sectors and economic opportunities.<sup>10</sup>

Despite the federal government's decades-long effort to support the rural economy, unemployment and poverty persist in rural areas. These areas were hit particularly hard by the Great Recession, with the unemployment rate reaching 10%.<sup>11</sup> While the these rates recovered at a fairly comparable pace in urban and rural areas—by 2017, rural unemployment had reduced to 4.4%—the poverty rate in rural areas remains

<sup>6</sup> TADLOCK COWAN, CONG. RESEARCH SERV., IF11225, 2018 FARM BILL PRIMER: RURAL DEVELOPMENT PROGRAMS (2019), https://fas.org/sgp/crs/misc/IF11225.pdf [hereinafter COWAN, 2018 FARM BILL PRIMER: RURAL DEVELOPMENT].

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<sup>&</sup>lt;sup>2</sup> ALYSSA R. CASEY, CONG. RESEARCH SERV., R46235, RURAL DEVELOPMENT PROVISIONS IN THE 2018 FARM BILL (P.L. 115-334) 1 (2020), https://crsreports.congress.gov/product/pdf/R/R46235.

<sup>&</sup>lt;sup>3</sup> See id.

 $<sup>^{4}</sup>$  *Id* at 2.

<sup>&</sup>lt;sup>5</sup> TADLOCK COWAN, CONG. RESEARCH SERV., RL31837, AN OVERVIEW OF USDA RURAL DEVELOPMENT PROGRAMS 2 (2016), https://fas.org/sgp/crs/misc/RL31837.pdf [hereinafter COWAN, OVERVIEW].

<sup>&</sup>lt;sup>7</sup> CASEY, *supra* note 2, at 4.

<sup>&</sup>lt;sup>8</sup> TADLOCK COWAN, CONG. RESEARCH SERV., R43718, RURAL DEVELOPMENT PROVISIONS IN THE 2014 FARM BILL (P.L. 113-79) 1 (2014), https://www.everycrsreport.com/files/20140904\_R43718\_0a5c74921764e71e7fd3f9e3b54b775fce5b04fc.pdf; CASEY, *supra* note 2, at 4.

<sup>&</sup>lt;sup>9</sup> Farming and Farm Income, U.S. DEP'T OF AGRIC., https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-theessentials/farming-and-farm-income/ (last visited Jul. 5, 2020).

<sup>&</sup>lt;sup>10</sup> See CASEY, supra note 2.

<sup>&</sup>lt;sup>11</sup> TOM HERTZ, ET AL., U.S. DEP'T OF AGRIC., ECON. RESEARCH SERV., RURAL EMPLOYMENT TRENDS IN RECESSION & RECOVERY, (2014), https://www.ers.usda.gov/webdocs/publications/45258/48731\_err172.pdf?v=0.



higher than that of urban areas, at 16.4% and 12.9% respectively.<sup>12</sup> Further, the actual employment rates have not kept up with urban areas, even as unemployment as dropped, due to stagnant or slight population growth and decreasing labor force participation.<sup>13</sup> Recognizing these continuing challenges, recent Rural Development Titles seek to provide more effective and sustainable support.<sup>14</sup>

# I. HISTORY

The evolution of the federal rural development programs has occurred in four phrases. The first phase (pre-1930) took place before the Great Depression. The second phase (1930-1960) began in the New Deal era and focused primarily on the poverty of rural farmers through the provision of basic social infrastructure and technical and financial support for agriculture. As rural areas had experienced rapid out-migration and the decline of agriculture during the second phase, the third phase (1961-2001) was marked by a shift from primarily supporting farmers and agriculture to overall rural economic and community development. In the last phrase (2002-present), Congress increasingly invested in regional planning and non-traditional investment programs for sustainable rural development.

#### A. 1<sup>st</sup> Phase: Pre-Great Depression

The federal government's efforts to improve the living and economic conditions of rural areas began more than a century ago. The focus of the federal government's rural development support during this era was on physical infrastructure.<sup>15</sup> President Theodore Roosevelt issued the Report of the Country Life Commission in 1909, the first nationwide study on rural farm living conditions.<sup>16</sup> At the time of the Report, 54% of the national population was living in rural areas, and over one-third was living on farms.<sup>17</sup> The Report laid the foundation for federal efforts to build "farm-to-market" and post roads in rural areas to end rural isolation.<sup>18</sup> Federal efforts also included programs addressing the basic needs of rural farmers, such as extending bank credit and providing technical assistance for farming.<sup>19</sup>

# B. 2<sup>nd</sup> Phase: Federal Efforts to Aid Impoverished Farmers

Today's rural development programs, which focus on rural poverty, began in the 1930s after the Great Depression.<sup>20</sup> Rural communities in America struggled in the 1920s as the price of produce dropped dramatically after the World War I.<sup>21</sup> These challenges were only exacerbated by the Great Depression<sup>22</sup> and a series of natural disasters, such as droughts and insect infestations.<sup>23</sup> In response, President Franklin Roosevelt initiated federal programs to restore farmers and agriculture to pre-WWI conditions.<sup>24</sup> The Agricultural Adjustment Act,<sup>25</sup> the first Farm Bill, was enacted in 1933 and sought to stabilize the

<sup>&</sup>lt;sup>12</sup> ECON. RESEARCH SERV., U.S. DEP'T OF AGRIC., RURAL AMERICA AT A GLANCE 2018 EDITION (2018),

https://www.ers.usda.gov/webdocs/publications/90556/eib-200.pdf.

<sup>&</sup>lt;sup>13</sup> HERTZ, ET AL., *supra* note 11, at 13, 15.

<sup>&</sup>lt;sup>14</sup> See S. REP. No. 113-88, at 16 (2013); COWAN, OVERVIEW, *supra* note 5, at 5–7.

<sup>&</sup>lt;sup>15</sup> Wayne D. Rasmussen, 90 Years of Rural Development Programs, RURAL DEV. PERSP., Oct. 1985, at 2,

https://naldc.nal.usda.gov/download/AGE86927824/PDF.

 $<sup>16 \,</sup> Id.$  at 2.

<sup>&</sup>lt;sup>17</sup> *Id.* at 6.

<sup>&</sup>lt;sup>18</sup> *Id.* at 2.

<sup>&</sup>lt;sup>19</sup> SANDRA S. OSBOURN, CONG. RESEARCH SERV., 88-487 GOV, RURAL POLICY IN THE UNITED STATES: A HISTORY 16 (1988). <sup>20</sup>See COWAN, OVERVIEW, *supra* note 5, at 1; Timothy Collins, *40 Embattled Years of Rural Development*, DAILY YONDER (Aug.

 $<sup>28,\,2012),\,</sup>http://www.dailyyonder.com/40-embattled-years-rural-development/2012/08/28/4369/.$ 

<sup>&</sup>lt;sup>21</sup> OSBOURN, *supra* note, 19, at 22–23.

<sup>&</sup>lt;sup>22</sup> *Id.* at 23.

 $<sup>^{23}</sup>$  *Id*.

 $<sup>^{24}</sup>$  Id. at 24.

<sup>&</sup>lt;sup>25</sup> Agricultural Adjustment Act, Pub. L. No. 73-10, 48 Stat. 31 (1933).



agricultural sector by restricting production and fixing the prices of certain commodity crops.<sup>26</sup> The federal government also established other programs to support poor farmers through the Resettlement Administration (RA), the predecessor to the Farmers Home Administration (FmHA), and today's Rural Development Administration.<sup>27</sup> The Rural Electrification Act of 1936<sup>28</sup> (REA), a backbone statute of the Rural Development Title, sought to provide electricity and transform the living environment of rural farm households since 90% of farms were without electricity at that time.<sup>29</sup>

After the World War II, rural poverty continued.<sup>30</sup> In 1955, President Eisenhower launched the Rural Development Program to address the problems of small and low-income farmers by targeting the education and employment needs of the rural population, particularly the younger generation.<sup>31</sup> For example, the Program provided vocational training and nonfarm job opportunities for young people. Although the federal government had broadened the scope of its rural policy, the focus remained on combatting poverty among farmers, since agriculture still dominated the rural economy.<sup>32</sup>

# C. 3<sup>rd</sup> Phase: Rural Revitalization Beyond Agriculture

Throughout the entire post-WWII era through the 1960s, rural communities experienced constant and rapid structural changes, such as the decline of agriculture and the dislocation of small farmers to cities.<sup>33</sup> From 1950 to 1960, the farm population plummeted from 25 million to 15.6 million.<sup>34</sup> As traditional agriculture-centric programs no longer met the needs of rural communities, the federal government began to shift its attention to the revitalization of rural communities, further broadening the scope of its rural policies and programs.<sup>35</sup> For example, eligibility for FmHA's water and housing loan programs was extended to nonfarm families.<sup>36</sup>

Despite these efforts, rural poverty and unemployment rates remained high.<sup>37</sup> In the late 1960s and 1970s, both the Nixon Administration and Congress agreed on the need for a national rural development policy to achieve balanced economic growth between urban and rural areas.<sup>38</sup> In 1972, Congress passed the Consolidated Farm and Rural Development Act (CON Act).<sup>39</sup> Rather than focusing on agriculture, the CON Act sought to drive rural economic development more broadly, and authorized various business and community development programs, many of which can be still found in the Rural Development Title.<sup>40</sup> The Act also directed the Secretary of Agriculture (the Secretary) to coordinate national rural development

<sup>&</sup>lt;sup>26</sup> OSBOURN, *supra* note, 19, at 24.

<sup>&</sup>lt;sup>27</sup> Id. at 26–27.

<sup>&</sup>lt;sup>28</sup> Rural Electrification Act of 1936, Pub. L. No. 74-605, 49 Stat. 1363 (codified as amended at 7 U.S.C. §§ 901-918c).

<sup>&</sup>lt;sup>29</sup> Rasmussen, *supra* note 15, at 3.

<sup>&</sup>lt;sup>30</sup> COWAN, OVERVIEW, *supra* note 5, at 1.

<sup>&</sup>lt;sup>31</sup> OSBOURN, *supra* note, 19, at 29–31.

<sup>&</sup>lt;sup>32</sup> See COWAN, OVERVIEW, supra note 5, at 1.

<sup>&</sup>lt;sup>33</sup> Charles Fluharty, Why Rural Policy Now Matters to Agriculture: Rural Development, Regional Innovation, and the Next Farm Bill, 16 DRAKE J. AGRIC. L. 31, 33 (2011).

<sup>&</sup>lt;sup>34</sup> Rasmussen, *supra* note 15, at 4. As of July 2012, only 14.6% of the U.S. population lived in rural areas, and farming accounted for less than 8% of the total rural employment. Further, farm households now earn more than 90% of their income from off-farm sources. The service sector became the major source of job opportunities in rural areas, with manufacturing accounting for only 11% of all rural employment. COWAN, OVERVIEW, *supra* note 5, at 1.

<sup>&</sup>lt;sup>35</sup> COWAN, OVERVIEW, *supra* note 5, at 1; Fluharty, *supra* note 33, at 33.

<sup>&</sup>lt;sup>36</sup> OSBOURN, *supra* note, 19, at 35.

<sup>&</sup>lt;sup>37</sup> *Id.* at 43: Rasmussen. *supra* note 15. at 5.

<sup>&</sup>lt;sup>38</sup> OSBOURN, *supra* note, 19, at 45.

<sup>&</sup>lt;sup>39</sup> Consolidated Farm and Rural Development Act of 1972, Pub. L. No. 92-419, 86 Stat. 657 (codified as amended in scattered sections of 7 U.S.C.).

<sup>&</sup>lt;sup>40</sup> OSBOURN, *supra* note, 19, at 50–51; COWAN, OVERVIEW, *supra* note 5, at 3.



programs across the federal government, working with state and local governments.<sup>41</sup> A year later, the 1973 Farm Bill, the first omnibus Farm Bill, became the first Farm Bill to include the Rural Development Title, mainly through reauthorization of the CON Act and the REA of 1936, and the Farm Bill thus became the main piece of legislation for rural development issues.<sup>42</sup>

During this period, the Farm Bill continuously expanded its support for rural businesses and community infrastructure. The Rural Development Title (Title XXIII) of the Rural Economic Development Act of 1990 (1990 Farm Bill) reinforced federal investments in rural businesses, establishing revolving funds and investment funds for rural businesses.<sup>43</sup> It also authorized various community water and waste facility programs, and provided for access to advanced telecommunications service.<sup>44</sup> The Rural Development Title (Title VII) of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Farm Bill) included funding for telemedicine and distance learning.<sup>45</sup>

With the growth of rural development programs, Congress also augmented USDA's power over rural development and reorganized the Department's internal structure. The Rural Development Policy Act of 1980 explicitly designated USDA as the lead agency for rural development programs at the federal, state, and local levels.<sup>46</sup> The 1990 Farm Bill established the USDA's Rural Development Administration (RDA), which succeeded nonfarm functions of the FmHA.<sup>47</sup> Lastly, the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 authorized the creation of the Under Secretary of Agriculture for Rural Economic and Community Development and established the current structure of Rural Development agencies under USDA: the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service.<sup>48</sup>

# D. 4<sup>th</sup> Phase: Sustainable and Effective Rural Economic Development

While maintaining the same basic structure and purpose, the Rural Development Title has continued to evolve to provide more effective programs for the changing and diversifying needs of rural communities. More recent titles have sought, for example, to promote regional planning and public-private partnerships. The Rural Development Title (Title VI) of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) introduced the Rural Strategic Investment Fund (RSIF), providing grants for regional planning and innovation.<sup>49</sup> The Rural Development Title (Title VI) of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) replaced RSIF with the new Rural Collaborative Business Investment Program, which

<sup>&</sup>lt;sup>41</sup> COWAN, OVERVIEW, *supra* note 5, at 3.

<sup>&</sup>lt;sup>42</sup> *Id.* at 1.

<sup>&</sup>lt;sup>43</sup> The 1990 Farm Bill established the Rural Partnership Investment Board to extend credit for rural economic development revolving funds, the Rural Business Investment Fund, and Rural Incubator Funds to channel capital into rural regions and stimulate growth. Rural Economic Development Act of 1990, Pub. L. No. 101-624, 104 Stat. 3979; COWAN, OVERVIEW, *supra* note 5, at 3.

<sup>&</sup>lt;sup>44</sup> COWAN, OVERVIEW, *supra* note 5, at 4.

<sup>&</sup>lt;sup>45</sup> Federal Agriculture Improvement and Reform Act of 1996, Pub. L. 104–127, 110 Stat. 888; COWAN, OVERVIEW, *supra* note 5, at 5.

<sup>&</sup>lt;sup>46</sup> Rural Development Policy Act of 1980, Pub. L. No. 96-355, 94 Stat. 1171. Prior to this Act, the USDA was designated as the "lead coordinator" of rural development, as opposed to the "lead agency." COWAN, OVERVIEW, *supra* note 5, at 3.

<sup>&</sup>lt;sup>47</sup> COWAN, OVERVIEW, *supra* note 5, at 3.

<sup>&</sup>lt;sup>48</sup> Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Pub. L. No. 103-354, 108 Stat. 3178. In this Act, Congress abolished the Rural Electrification Administration and replaced it with the Rural Utilities Service. COWAN, OVERVIEW, *supra* note 5, at 4.

<sup>&</sup>lt;sup>49</sup> Farm Security and Rural Investment Act of 2002, Pub. L. No. 107-171, 116 Stat. 134; COWAN, OVERVIEW, *supra* note 5, at 5.



retained the goal of supporting the "self-identified needs" of rural areas in their self-defined regions.<sup>50</sup> However, the program was never implemented and the Rural Development Title (Title VII) of the 2014 Farm Bill did not reauthorize the program.<sup>51</sup> Further, the 2008 Farm Bill established three separate regional economic development commissions to undertake comprehensive infrastructure development for high-need counties in their respective regions.<sup>52</sup>

The 2002 Farm Bill began providing funds for equity investments in small companies through the Rural Business Development Investment Program.<sup>53</sup> It also introduced the Value-Added Agricultural Product Market Development Grant Program, which helps small, rural farmers increase the value of their agricultural products.<sup>54</sup> The 2008 Farm Bill created a new program that supports micro-enterprises, businesses that are too small to qualify for traditional loans and other supports.<sup>55</sup> Additionally, it established loans and loan guarantees for local and regional foods in order to strengthen rural food systems.<sup>56</sup> Adjusting to rapid technology development, more recent Farm Bills have also supported broadband access under utility programs.<sup>57</sup>

During this phase, Farm Bills have also broadened the definition of "rural." The 2008 Farm Bill modified the definition of "rural" to include "areas rural in character," which gave the Under Secretary for Rural Development discretion to extend rural development programs to certain areas that would have otherwise been ineligible.<sup>58</sup>

The 2014 Farm Bill introduced and reauthorized many existing programs such as the Strategic Economic and Community Development Initiative, which empowered the Secretary to prioritize projects that support community and economic development.<sup>59</sup> It also introduced the Rural Business Development Grants program to support rural businesses, <sup>60</sup> established the Rural Gigabit Network Pilot Program to provide high speed internet in rural areas,<sup>61</sup> and reauthorized the Distance and Telemedicine Loan Program.<sup>62</sup> The Rural Development Title continued support for rural water and waste disposal systems<sup>63</sup> through programs such as the Emergency and Imminent Community Water Assistance Grant Program and Water Systems for

<sup>&</sup>lt;sup>50</sup> Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, 122 Stat. 1651; Beth Honadle, *Rural development policy in the United States: a critical analysis and lessons from the "still birth" of the rural collaborative investment program*, 42 COMMUNITY DEV. 56, 56, 64 (2011).

<sup>&</sup>lt;sup>51</sup> TADLOCK COWAN, CONG. RESEARCH SERV., R43718, RURAL DEVELOPMENT PROVISIONS IN THE 2014 FARM BILL (P.L. 113-79) 18 (2014).

<sup>&</sup>lt;sup>52</sup> The three commissions are Northern Border Regional Commission, Southeast Crescent Regional Commission, and Southwest Border Regional Commission. COWAN, OVERVIEW, *supra* note 5, at 6, 35.

<sup>&</sup>lt;sup>53</sup> *Id.* at 5.

<sup>&</sup>lt;sup>54</sup> *Id.* at 5.

<sup>&</sup>lt;sup>55</sup> 7 U.S.C. § 2008s(2); COWAN, OVERVIEW, *supra* note 5, at 6.

<sup>&</sup>lt;sup>56</sup> *Id.* at 6.

<sup>&</sup>lt;sup>57</sup> *Id.* at 5.

 $<sup>^{58}</sup>$  *Id.* at 6.

<sup>&</sup>lt;sup>59</sup> The Secretary may reserve up to 10% of the funds available for certain Rural Community Facilities, Rural Utilities, and Rural Business and Cooperative Development programs for multijurisdictional projects. Agricultural Act of 2014, Pub. L. No. 113-79, § 6025, 128 Stat. 649, 848–49.

<sup>&</sup>lt;sup>60</sup> Agricultural Act of 2014, Pub. L. No. 113-79, § 6012, 128 Stat. 649, 844–45.

<sup>&</sup>lt;sup>61</sup> Agricultural Act of 2014, Pub. L. No. 113-79, § 6106, 128 Stat. 649, 856.

<sup>&</sup>lt;sup>62</sup> Agricultural Act of 2014, Pub. L. No. 113-79, § 6201, 128 Stat. 649, 856.

<sup>&</sup>lt;sup>63</sup> COWAN, OVERVIEW, *supra* note 5, at 30.



Rural and Native Villages in Alaska.<sup>64</sup> Finally, the 2014 Farm Bill reauthorized a loan program targeted at local and regional agriculture<sup>65</sup> to support the growing demand for local food.<sup>66</sup>

# II. THE 2018 FARM BILL

Title VI of the Agriculture Improvement Act of 2018 (2018 Farm Bill) continues federal support for rural business and economic development as well as rural infrastructure, such as housing, broadband, and health.<sup>67</sup> One notable trend across the issue areas described further below is a concerted effort to increase communication and coordination of Rural Development programs both within USDA and across federal agencies. Nestled in the Miscellaneous Title, the 2018 Farm Bill directs USDA to establish—or reestablish—the position of Under Secretary of Agriculture for Rural Development.<sup>68</sup> This directive further emphasizes Congress's recognition that clear leadership and coordination of Rural Development activities is necessary.

As highlighted in the Key Issues section below, cuts to spending under the Rural Development Title comprised a large fraction of the budgetary cuts used to keep the 2018 Farm Bill budget neutral.<sup>69</sup> These savings are primarily due to Title VI's elimination of the deposit authority for "cushion of credit" accounts and reduction of interest payments on existing accounts. Previously, Rural Utilities Service borrowers could pre-pay loan payments into a cushion of credit account, on which they would earn 5% interest that could also be used toward paying their loans.<sup>70</sup> By eliminating this opportunity and reducing the interest rate down to the applicable one-year Treasury rate after FY2021,<sup>71</sup> Congress shaved \$530 million off of the Congressional Budget Office's baseline projections for the Rural Development Title, thus significantly contributing to a budget-neutral bill.<sup>72</sup>

The 2018 Rural Development Title again modifies the definition of rural through several different provisions. Importantly, the Title modifies the manner of determining whether an area meets the population threshold for being considered "rural" (for certain Rural Development programs) to exclude "populations of individuals incarcerated on a long-term or regional basis" and "the first 1,500 individuals who reside in housing located on a military base[.]"<sup>73</sup>

The Title establishes a new Technical Assistance Program to facilitate increased access by Tribal entities to rural development programs.<sup>74</sup> Further, the Title establishes a federal grant and initiative priority preference for Tribal Promise Zones, building on a preexisting initiative through the Department of Housing and Urban Development.<sup>75</sup>

<sup>&</sup>lt;sup>64</sup> Agricultural Act of 2014, Pub. L. No. 113-79, § 6007, 128 Stat. 649, 842.

<sup>&</sup>lt;sup>65</sup> 7 U.S.C. § 1932(g)(9); Agricultural Act of 2014, Pub. L. No. 113-79, § 6014, 128 Stat. 649, 845.

<sup>&</sup>lt;sup>66</sup> USDA Announces \$78 Million Available for Local Food Enterprises, U.S. DEP'T OF AGRIC. (May 8, 2014), http://www.usda.gov/wps/portal/usda/usdamediafb?contentid=2014/05/0084.xml&printable=true&contentidonly=true.

<sup>&</sup>lt;sup>67</sup> 2018 FARM BILL PRIMER: RURAL DEVELOPMENT, *supra* note 6.

<sup>&</sup>lt;sup>68</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 12407, 132 Stat. 4976; 7 U.S.C. § 6941; *see* CASEY, *supra* note 2, at 16.

<sup>&</sup>lt;sup>69</sup> See Jim Monke, Cong. Research Serv., R45425, Budget Issues That Shaped the 2018 Farm Bill (2019), https://fas.org/sgp/crs/misc/R45425.pdf.

<sup>&</sup>lt;sup>70</sup> COWAN, OVERVIEW, *supra* note 5, at 2.

<sup>&</sup>lt;sup>71</sup> CASEY, *supra* note 2, at 13.

<sup>&</sup>lt;sup>72</sup> See MONKE, supra note 69.

<sup>&</sup>lt;sup>73</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6301, 132 Stat. 4748.

<sup>&</sup>lt;sup>74</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6302, 132 Stat. 4748.

<sup>&</sup>lt;sup>75</sup> CASEY, *supra* note 2, at 1.



Other new and reauthorized programs under the Rural Development Title are grouped under five categories: (1) health, (2) broadband and telecommunications, (3) water and wastewater infrastructure, (4) business and community development, and (5) regional development.<sup>76</sup> Like in prior farm bills, funding for all programs, except the Rural Economic Development Loan and Grant Program, is discretionary.<sup>77</sup>

#### A. Rural Health

Rural areas face many unique healthcare challenges,<sup>78</sup> and Title VI contains various provisions aimed at improving regional health outcomes. The Distance Learning and Telemedicine Program will continue, with authorized appropriations of up to \$82 million per year for FY2019–FY2023.<sup>79</sup> Title VI also authorizes loans to refinance rural hospital debt if the assistance would preserve access to health service in a rural community.<sup>80</sup> Additionally, to address unmet health needs in the Delta region comprised of eight states— Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri and Tennessee<sup>81</sup>—Title VI authorizes annual appropriations of \$3 million for FY2019–FY2023.<sup>82</sup>

To help combat the increased prevalence of substance abuse and the limited resources available to combat it in rural areas,<sup>83</sup> Title VI includes a number of prioritizations. First, USDA must make available at least 20 percent funding for telemedicine projects to those that provide substance abuse disorder treatment services.<sup>84</sup> Further, in awarding Community Facility Direct Loans and Grants, USDA must prioritize entities providing services to address substance use disorder.<sup>85</sup> In FY2019, the USDA appropriated \$2.83 billion for the Community Facility program.<sup>86</sup> Similarly, USDA must prioritize projects focused on substance use education, treatment, and prevention in allocating funds under the Rural Health and Safety Education Program grants.<sup>87</sup>

Finally, a provision in the Miscellaneous Title directs USDA to establish the position of Rural Health Liaison who will coordinate USDA's rural health activities with the Secretary of Health and Human Services, integrate rural health strategic planning across USDA, and improve communication related to rural health among federal agencies.<sup>88</sup> The Liaison will also provide data and information concerning rural health programs.

#### B. Broadband and Telecommunication Programs

The Rural Electrification Act of 1936, which traditionally provided electricity and telephone lines to rural areas, now provides funding for broadband, distance education, and telemedicine services. Despite the importance of broadband in creating economic opportunities, rural areas have limited access due to the

<sup>&</sup>lt;sup>76</sup> 2018 FARM BILL PRIMER: RURAL DEVELOPMENT, *supra* note 6..

<sup>&</sup>lt;sup>77</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6504, 132 Stat. 4753, 313B.

<sup>&</sup>lt;sup>78</sup> Healthcare Access in Rural Communities Introduction, RURAL HEALTH INFO. HUB,

https://www.ruralhealthinfo.org/topics/healthcare-access (last visited Jul. 15, 2020).

<sup>&</sup>lt;sup>79</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6102, 132 Stat. 4728.

<sup>&</sup>lt;sup>80</sup> 7 USC § 1990a.; Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6103, 132 Stat. 4728, 342.

<sup>&</sup>lt;sup>81</sup> 7 U.S.C. §§ 2009aa, *et seq.*; *DRA States*, DELTA REGIONAL AUTHORITY, https://dra.gov/about-dra/dra-states/ (last visited Jul. 15, 2020).

<sup>&</sup>lt;sup>82</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6423, 132 Stat. 4765.

<sup>&</sup>lt;sup>83</sup> Substance Abuse in Rural Areas, RURAL HEALTH INFO. HUB, https://www.ruralhealthinfo.org/topics/substance-abuse (last visited Jul. 15, 2020).

<sup>&</sup>lt;sup>84</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6101, 132 Stat. 4726.

<sup>&</sup>lt;sup>85</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6101, 132 Stat. 4726.

<sup>&</sup>lt;sup>86</sup> *FY2019 Appropriated Funding*, U.S. DEP'T OF AGRIC., https://www.rd.usda.gov/newsroom/fy2019-appropriated-funding (last visited Jul. 8, 2020).

<sup>&</sup>lt;sup>87</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6101, 132 Stat. 4726.

<sup>&</sup>lt;sup>88</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 12409, 132 Stat. 4977.



higher cost of serving sparsely populated areas.<sup>89</sup> To help address this gap, the Federal Communication Commission (FCC) launched a National Broadband Plan in 2010.<sup>90</sup> The latest FCC data shows that only 77.7% of rural areas have access to broadband compared to 98.5% of urban areas; still, this figure represents significant strides made over the last several years and is 17% higher than the coverage rate in 2014.<sup>91</sup>

To address these broadband challenges, Title VI expands and infuses additional funding into the Rural Broadband Access Program. The Title adds grant opportunities, building on the existing lending framework, for projects in rural areas facing the greatest need.<sup>92</sup> Additionally, the program now requires minimum broadband transmission speeds of 25 Mbps downstream and 3 Mbps upstream (as compared to 4 Mbps downstream and 1 Mbps upstream previously), will prioritize projects in hard-to-reach areas and areas experiencing out-migration (among others), and establish "broadband buildout requirements," the level of internet service an applicant receiving assistance must agree to provide for the duration of the project.<sup>93</sup> The authorized annual appropriations for broadband deployment increased from \$25 million to \$350 million for each of FY2019–FY2023.<sup>94</sup>

Title VI also enacts two new broadband programs. One new program will support expansion of middle mile broadband infrastructure—infrastructure that does not connect directly to end-user locations—for unserved rural areas, with \$10 million authorized per year for FY2019-FY2023.<sup>95</sup> A second program, the "Community Connect Grant Program"—which had been authorized previously through appropriations but not enacted into law—will provide grants to eligible entities to finance broadband transmission in rural areas through construction, acquisition, or leasing of facilities, land, or buildings, and the improvement, expansion, construction, or acquisition of a community center within an eligible service area.<sup>96</sup> An annual appropriations, Indian Tribes, States, local governments, and other legal entities with the capacity to contract under federal law.<sup>97</sup>

While not new, the 2018 Farm Bill also reauthorizes the Rural Gigabit Program and renames it "Innovative Broadband Advancement" to provide grants and loans to eligible entities to demonstrate innovative broadband technologies, methods of broadband deployment, and provide faster broadband speeds in rural areas.<sup>98</sup>

Title VI includes a number of other changes that should better facilitate effective deployment of USDA rural broadband programs. First, Title VI requires USDA to make available to the public a fully searchable database, on the website of the Rural Utilities Services, containing information on all retail broadband projects receiving or seeking assistance from USDA.<sup>99</sup> Funding recipients must provide USDA with an annual report for three years after completion of a retail broadband service project describing the use, new

<sup>&</sup>lt;sup>89</sup> See Peter Stenberg, et al., U.S. Dep't of Agric., Broadband Internet's Value for Rural America (2009),

https://www.ers.usda.gov/webdocs/publications/46200/9335\_err78\_1\_.pdf?v=8108.9.

<sup>&</sup>lt;sup>90</sup> See Fed. Commc'n Comm'n, Connecting America: The National Broadband Plan (2010),

https://transition.fcc.gov/national-broadband-plan/national-broadband-plan.pdf.

<sup>&</sup>lt;sup>91</sup> FED. COMMC'N COMM'N, 2020 BROADBAND DEPLOYMENT REPORT 19 (2020), https://docs.fcc.gov/public/attachments/FCC-20-50A1.pdf.

<sup>&</sup>lt;sup>92</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6201, 132 Stat. 4729; 7 U.S.C. § 950bb(c).

<sup>&</sup>lt;sup>93</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6201, 132 Stat. 4729.

<sup>94</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6201, 132 Stat. 4729; 7 U.S.C. § 950bb(j).

<sup>&</sup>lt;sup>95</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6202, 132 Stat. 4734.

<sup>&</sup>lt;sup>96</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6204, 132 Stat. 4737.

<sup>&</sup>lt;sup>97</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6204, 132 Stat. 4737.

<sup>&</sup>lt;sup>98</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115–334, § 6203, 132 Stat. 4736.

<sup>&</sup>lt;sup>99</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115–334, § 6207, 132 Stat. 4740.



equipment, and capacity enhancements that support high-speed broadband as well as progress toward meeting project objectives.<sup>100</sup> Additionally, USDA is required to consult with the National Telecommunication and Information Administration (NTIA) and FCC with respect to different aspects of program administration.<sup>101</sup>

Lastly, Title VI establishes a Rural Broadband Integration Working Group with 26 members from different federal departments to consult with various entities including State, local, Tribal, and territorial governments to identify and proffer solutions for addressing broadband barriers in rural areas.<sup>102</sup> In February 2019, the American Broadband Initiative released its Milestones Report—which it presents as responsive to the Working Group's reporting requirement under the 2018 Farm Bill—describing the federal government's efforts to expand broadband access has partnering with the private sector to expand rural broadband.<sup>103</sup> This Congressionally-endorsed collaboration and reporting effort appear to be an extensions of the Trump Administration's on-going work to build a federal strategy to expand broadband infrastructure nationwide.<sup>104</sup>

#### C. Rural Water and Wastewater Infrastructure Programs

To support the long term sustainability of rural water and waste systems, and address contamination of drinking and surface water in rural areas, Title VI continues most water, waste disposal, and wastewater facility loans, lending guarantees, grants, and technical assistance and training programs.<sup>105</sup> However, while the waste, waste disposal, and wastewater facility project grant amount increased from \$100,000 to \$200,000, authorized appropriations for the grant program decreased to \$15 million, from \$30 million, annually for each of FY2019–FY2023.<sup>106</sup> The amount set aside from this figure for rural water and wastewater technical assistance and training programs rose from 1–3% to 3–5%.<sup>107</sup> A separate technical assistance program, the Rural Water and Wastewater Circuit Rider Program, which provides technical assistance regarding the everyday operation of rural water systems, also received a boost in authorized annual appropriations to \$25 million for FY2019–FY2023, up from \$20 million.<sup>108</sup>

Title VI reauthorizes several other programs, with modest changes. The Emergency and Imminent Community Water Assistance Grant Program, which provides grants to increase safe water access to residents of rural areas and small communities, with particular emphasis on projects that address contamination, is reauthorized.<sup>109</sup> The program will receive between 5–7% of the amounts appropriated for the waste, waste disposal, and wastewater facility grants, and may receive up to an additional \$50 million annually for FY2019–FY2023.<sup>110</sup> The newly titled "Rural Decentralized Water Systems" section adds the provision of sub-grants, in addition to loans, to qualifying households to support individual household water

<sup>&</sup>lt;sup>100</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6205, 132 Stat. 4740, 701.

<sup>&</sup>lt;sup>101</sup> 7 U.S.C. § 950bb-6.; Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6212, 132 Stat. 4744.

<sup>&</sup>lt;sup>102</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6214, 132 Stat. 4746.

<sup>&</sup>lt;sup>103</sup> USDA Update on Farm Bill Implementation Progress, U.S. DEP'T OF AGRIC. (Apr. 12, 2019),

https://www.usda.gov/media/press-releases/2019/04/12/usda-update-farm-bill-implementation-progress; AM. BROADBAND INITIATIVE, MILESTONES REPORT (2019),

https://www.ntia.doc.gov/files/ntia/publications/american\_broadband\_initiative\_milestones\_report.pdf.

<sup>&</sup>lt;sup>104</sup> AM. BROADBAND INITIATIVE, *supra* note 103.

<sup>&</sup>lt;sup>105</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, §§ 6403–6409, 132 Stat. 4758; COWAN, OVERVIEW, *supra* note 5, at 30.

<sup>&</sup>lt;sup>106</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6403, 132 Stat. 4758.

<sup>&</sup>lt;sup>107</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6404, 132 Stat. 4758.

<sup>&</sup>lt;sup>108</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6405, 132 Stat. 4758.

<sup>&</sup>lt;sup>109</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6407, 132 Stat. 4759.

<sup>&</sup>lt;sup>110</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6407, 132 Stat. 4759.



well systems or well-water contamination treatment in amounts up to \$15,000.<sup>111</sup> Authorized appropriations amount to \$20 million for each of FY2019–FY2023, up from \$5 million in years prior.<sup>112</sup> And finally, Title VI reauthorizes the grant program for rural and Native villages in Alaska, with a few tweaks to definitions, continuing authorized annual appropriations at \$30 million.<sup>113</sup> For FY2019, the USDA appropriated \$18 million for this grant program.<sup>114</sup>

Like with rural broadband, the 2018 Farm Bill requires USDA to coordinate an interagency taskforce to examine the drinking water and surface water contamination in rural communities, especially those close to decommissioned military installations.<sup>115</sup> The taskforce is charged with submitting a report to relevant Congressional committees not later than 360 days from the enactment of the law.<sup>116</sup> While it appears taskforce meetings took place in July 2019,<sup>117</sup> a copy of the report was not publicly available as of July 2020.

# D. Business and Community Development Programs

One of the Rural Development Title's goals is to support community and economic development.<sup>118</sup> To that end, the 2018 Farm Bill reauthorizes several programs and grants and establishes several others. Reauthorized grant programs include the Rural Business Development Grant and the Rural Cooperative Development Grant, which may receive up to \$65 million and \$40 million, respectively, in annual appropriations for FY2019–FY2023, the same figures these programs received in the last farm bill.<sup>119</sup> The Title also reauthorizes the Rural Economic Development Loan and Grant Program, which provides loans to electric and telephone utilities to promote rural economic development and job creation projects.<sup>120</sup> While the program is authorized to receive annual funding of up to \$10 million for FY2019–FY2023, it will also receive mandatory funding of \$5 million in FY2022 and FY2023.<sup>121</sup> Other programs reauthorized through 2023 include the loan and loan guarantee program for Locally or Regionally Produced Agricultural Food Products,<sup>122</sup> National Rural Development Partnership,<sup>123</sup> the Rural Microentrepreneur Assistance Program,<sup>124</sup> the Rural Business Investment Program,<sup>125</sup> the Appropriate Technology Transfer for Rural

<sup>&</sup>lt;sup>111</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6409, 132 Stat. 4761; 7 U.S.C. § 1926e.

<sup>&</sup>lt;sup>112</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6409, 132 Stat. 4761; 7 U.S.C. § 1926e.

<sup>&</sup>lt;sup>113</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6408, 132 Stat. 4761.

<sup>&</sup>lt;sup>114</sup> *FY2019 Appropriated Funding*, U.S. DEP'T OF AGRIC., https://www.rd.usda.gov/newsroom/fy2019-appropriated-funding (last visited Jul. 8, 2019).

<sup>&</sup>lt;sup>115</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6407, 132 Stat. 4759.

<sup>&</sup>lt;sup>116</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6407, 132 Stat. 4760.

<sup>&</sup>lt;sup>117</sup> USDA Farm Bill Implementation Progress Update, U.S. DEP'T OF AGRIC. (Jun. 26, 2019) https://www.usda.gov/media/press-releases/2019/06/26/usda-farm-bill-implementation-progress-update.

<sup>&</sup>lt;sup>118</sup> *Rural Development*, U.S. DEP'T OF AGRIC., https://www.ers.usda.gov/agriculture-improvement-act-of-2018-highlights-and-implications/rural-development/ (last visited Jul. 15, 2020).

<sup>&</sup>lt;sup>119</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, §§ 6411, 6412 132 Stat. 4762.

<sup>&</sup>lt;sup>120</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6504, 132 Stat. 4773; 7 U.S.C. § 940c-2; *see* COWAN, OVERVIEW, *supra* note 5, at 19.

<sup>&</sup>lt;sup>121</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6504, 132 Stat. 4773; 7 U.S.C. § 940c-2; *see* CASEY, *supra* note 2, at 14.

<sup>&</sup>lt;sup>122</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6413, 132 Stat. 4762.

<sup>&</sup>lt;sup>123</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6420, 132 Stat. 4765.

<sup>&</sup>lt;sup>124</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6422, 132 Stat. 4765.

<sup>&</sup>lt;sup>125</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, §§ 6426, 6427, 132 Stat. 4770.



Areas program,<sup>126</sup> the Strategic Economic and Community Development Initiative,<sup>127</sup> and the Rural Economic Area Partnership Program.<sup>128</sup>

Title VI also added two new grant programs targeting economic development. It creates new grants to support technical assistance and training for entities applying for the various Rural Business-Cooperative Services' programs, with up to \$5 million authorized for annual appropriations from FY2019–FY2023. A second program, the Rural Innovation Stronger Economy Grant Program, will support innovation centers and facilitate the establishment of jobs accelerators with grants between \$500,000 and \$2 million.<sup>129</sup> The program may receive up to \$10 million annually for FY2019–FY2023.<sup>130</sup>

As with the focus areas above, Title VI establishes the Council on Rural Community Innovation and Economic Development to maximize the impact of federal investment, promote economic prosperity and quality of life in rural communities, coordinate all federal programs implemented in rural areas, and use innovation to solve local and regional challenges faced by rural communities.<sup>131</sup> The Council is required to establish two working groups, the Rural Smart Working Group, which will report to Congress on the efforts of rural areas to integrate smart technology into their communities and create resources to support communities in developing such programs, and the Job Accelerator Working Group, which will support rural job accelerators to improve their ability to create high-wage jobs, accelerate the formation of new businesses, and strengthen regional economies.<sup>132</sup> The provisions require USDA to support the Council through existing appropriations and does not authorize any separate, specific funding to support its activities.<sup>133</sup>

#### E. Regional Development Programs

In Title VI, Congress again emphasized regional planning and cooperation as a tool for rural economic development. The Title reauthorizes regional authorities such as the Delta Regional Authority and the three regional development commissions introduced in the 2008 Farm Bill. The Delta Regional Authority is a partnership between federal and state government to serve 252 economically impoverished counties and parishes in eight states.<sup>134</sup> Its funding continues to be authorized at \$30 million annually for FY2019–FY2023.<sup>135</sup> The three regional development commissions are in charge of developing comprehensive infrastructure plans for their respective regions (North, Southeast, and Southwest) and implementing these plans in partnership with state and local governments.<sup>136</sup> Authorized funding rose to \$33 million annually for FY2019–FY2019–FY2023.<sup>137</sup> Title VI also directs the Northern Border Regional Commission to establish a State capacity building grant programs to provide grants that support business, community development, and infrastructure in eligible counties.<sup>138</sup>

<sup>126</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6414, 132 Stat. 4762.

<sup>&</sup>lt;sup>127</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6401, 132 Stat. 4756.

<sup>&</sup>lt;sup>128</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6415, 132 Stat. 4762.

<sup>&</sup>lt;sup>129</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6424, 132 Stat. 4765.

<sup>&</sup>lt;sup>130</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6424, 132 Stat. 4765.

<sup>&</sup>lt;sup>131</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6306, 132 Stat. 4753.

 <sup>&</sup>lt;sup>132</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6306, 132 Stat. 4753.
<sup>133</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6306, 132 Stat. 4753.

<sup>&</sup>lt;sup>134</sup> COWAN, OVERVIEW, *supra* note 5, at 26.

<sup>&</sup>lt;sup>135</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6425, 132 Stat. 4770.

<sup>&</sup>lt;sup>136</sup> COWAN, OVERVIEW, *supra* note 5, at 35.

<sup>&</sup>lt;sup>137</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6304, 132 Stat. 4749.

<sup>&</sup>lt;sup>138</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6304, 132 Stat. 4749.



# III. Key Issues in the Rural Development Title

Unlike other titles in the Farm Bill, experts generally agree on the key aims for the Rural Development Title: encouraging regional development and supporting small businesses in rural areas.<sup>139</sup> Any criticisms of the Title have focused on program ineffectiveness and a lack of political will on the part of the federal government.

#### A. Funding for Rural Development Programs

Several rural policy groups and experts have criticized the federal government for not making meaningful investments in rural development programs.<sup>140</sup> The situation has been exacerbated by federal budget cuts across all agencies during the past decade.<sup>141</sup> This has resulted in a significant disparity in federal community and economic development funding between urban and rural areas.<sup>142</sup> In 2010, rural areas received only \$929 per capita for these programs, while metropolitan counties enjoyed \$1,519 per capita.<sup>143</sup>

Professor Honadle at University of Cincinnati points to the Rural Strategic Investment Program (RSIP) in the 2002 Farm Bill and the Rural Collaborative Investment Program (RCIP) in the 2008 Farm Bill as examples of the Farm Bill's "stillborn" programs.<sup>144</sup> Despite their original ambition to address the regions' "self-identified" needs through innovative program structure, both programs, ultimately failed to obtain actual funding.<sup>145</sup>

Funding decisions made in enacting the 2018 Farm Bill did not resolve these ongoing challenges. In creating a budget-neutral farm bill, the largest cut to any one title came from Rural Development.<sup>146</sup> Fortunately, from a programmatic perspective, this decrease derived from cuts to the interest paid out on "cushion of credit" accounts.<sup>147</sup> However, while Title VI programs generally did not see their budgets diminish—and many saw authorizations increase<sup>148</sup>—nearly all of these programs rely on discretionary funding and fall subject to Congressional appropriations decisions.<sup>149</sup>

Considering rural individuals and businesses' susceptibility to federal budget cuts and the lack of alternatives in many of these communities, the Rural Development Title should increase overall funding levels—and include mandatory funding for key programs—to ensure that programs meet their promise.

<sup>&</sup>lt;sup>139</sup> See The Importance of Regional Strategies in Rural Economic Development: Joint Hearing Before the S. Comm. on Agric., Nutrition and Forestry and the Subcomm. on Jobs, Rural Econ. Growth and Energy Innovation, 113<sup>th</sup> Cong. 40 (2014) (written statement of Charles W. Fluharty, President and CEO, Rural Policy Research Institute),

http://www.rupri.org/Forms/Fluharty\_Testimony\_May2014.pdf; Bruce Knight, 2018 Farm Bill-simplifying rural development, AGRI-PULSE (last visited Oct. 17, 2016), http://www.agri-pulse.com/2018-Farm-Bill-simplifying-rural-development-04282016.asp; Honadle, *supra* note 50, at 64.

<sup>&</sup>lt;sup>140</sup> Energy and Economic Growth for Rural America: Hearing Before the S. Comm. on Agric., Nutrition and Forestry, 112<sup>th</sup> Cong. 93 (2012) (written statement of Charles W. Fluharty, President and CEO, Rural Policy Research Institute),

http://www.rupri.org/Forms/Fluharty\_Testimony\_Feb152012.pdf; Traci Bruckner, *Farm Bill 2014: This Is Not Reform*, CTR. FOR RURAL AFF. (Feb. 25, 2014), http://cfra.org/news/140225/farm-bill-2014-not-reform.

<sup>&</sup>lt;sup>141</sup> Adell Brown Jr. and Susan E. Nelson, *Farm Bill Trends and Food Insecurity: Impacts on Rural and Urban Communities*, 2 PROF. AGRIC. WORKERS J., Sept. 4, 2014, at 1.

<sup>&</sup>lt;sup>142</sup> Energy and Economic Growth for Rural America, supra note 140.

<sup>&</sup>lt;sup>143</sup> Id.

<sup>&</sup>lt;sup>144</sup> Honadle, *supra* note 50, at 60.

<sup>&</sup>lt;sup>145</sup> Id.

<sup>&</sup>lt;sup>146</sup> See MONKE, supra note 69

<sup>&</sup>lt;sup>147</sup> Id.

<sup>&</sup>lt;sup>148</sup> *Rural Development*, U.S. DEP'T OF AGRIC., *supra* note 118.

<sup>&</sup>lt;sup>149</sup> The Rural Economic Development Loan and Grant Program is one exception. *See* Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6504, 132 Stat. 4753.



#### B. Limited Focus on Food and Nutrition

According to the 2017 Census of Agriculture, local food sales totaled \$11.8 billion in 2017 alone.<sup>150</sup> As support for local food systems has grown,<sup>151</sup> recent farm bills have provided additional support in the form of loan programs targeting local and regional food systems.<sup>152</sup> Despite this growth in local food sales and legislative support, rural area residents still face challenges accessing fresh, healthy food.<sup>153</sup> Low population densities, limited food retail options, and poor transportation infrastructure hinder access.<sup>154</sup>

The Rural Development Title's various rural and economic development programs—such as the Rural Cooperative Development Program, Business and Industry Guaranteed Loans and Grants, Rural Business Development Grants, Rural Microentrepreneur Assistance Programs, and Appropriate Technology Transfer for Rural Areas program<sup>155</sup>—could be better leveraged to build up local food systems and increase healthy food access in these rural communities. Future farm bills could enact coordination mechanisms or priority systems to facilitate development in this area.

#### C. Agriculture versus Rural Communities

Some groups have challenged the idea of housing rural development programs in the farm bill,<sup>156</sup> claiming that the priorities of USDA and the farm bill, which are primarily focused on agriculture, sometimes conflict with the Rural Development Title, which covers the overall needs of rural communities.<sup>157</sup> Critics argue that agriculture, often represented by corporate interests, is overrepresented in the farm bill, policymakers erroneously equate agricultural policy with rural policy, assuming that what is good for agriculture is good for rural America.<sup>159</sup> Even as other programs have seen severe budget cuts under the farm bill, farm programs and crop insurance have continued to grow.<sup>160</sup> While changing the legislative home of rural development programs may not be realistic in the short-term, Professor Honadle suggests requiring impact assessments of major federal policies on rural communities, with measures to prevent any unintentional harm.<sup>161</sup>

#### D. Rural Development Title Simplification

<sup>&</sup>lt;sup>150</sup> RENÉE JOHNSON & TADLOCK COWAN, CONG. RESEARCH SERV., IF11252, 2018 FARM BILL PRIMER: SUPPORT FOR LOCAL FOOD SYSTEMS (2019), https://crsreports.congress.gov/product/pdf/IF/IF11252 [hereinafter JOHNSON & COWAN, 2018 FARM BILL PRIMER: LOCAL FOOD].

<sup>&</sup>lt;sup>151</sup> U.S. DEP'T OF AGRIC., ECON. RESEARCH SERV., TRENDS IN U.S. LOCAL & REGIONAL FOOD SYSTEMS (2015),

https://www.ers.usda.gov/webdocs/publications/42805/51173\_ap068.pdf?v=8904.7.

<sup>&</sup>lt;sup>152</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6413, 132 Stat. 4762.

<sup>&</sup>lt;sup>153</sup> Food Access in Rural Communities, RURAL HEALTH INFO. HUB, https://www.ruralhealthinfo.org/toolkits/food-access/1/rural-specific-concerns (last visited Jul. 15, 2020).

<sup>&</sup>lt;sup>154</sup> Id.

<sup>&</sup>lt;sup>155</sup> JOHNSON & COWAN, 2018 FARM BILL PRIMER: LOCAL FOOD, *supra* note 150.

<sup>&</sup>lt;sup>156</sup> Honadle, *supra* note 50, at 57.

<sup>&</sup>lt;sup>157</sup> See id. at 60-64.

<sup>&</sup>lt;sup>158</sup> *Id.* at 64.

<sup>&</sup>lt;sup>159</sup> See id. at 57, 66.

<sup>&</sup>lt;sup>160</sup> Dan Neal, *Farm Bill shuns rural development in Wyoming*, EQUALITY ST. POL'Y CTR. (Apr. 25, 2012), http://equalitystate.org/2012/04/25/1661/.

<sup>&</sup>lt;sup>161</sup> Honadle, *supra* note 50, at 67.



The Rural Development Title has generated numerous programs with each successive Farm Bill. In 2015, more than \$30 billion was invested in over 170,000 rural development projects across the nation.<sup>162</sup> Yet, this proliferation of programs has resulted in a patchwork framework, making it difficult for rural farmers and entrepreneurs to identify the programs most relevant to their needs.<sup>163</sup> As a result, organizations applying for these programs often need a third party's assistance.<sup>164</sup> Those who advocate for consolidation and simplification assert that it would benefit both rural communities and the USDA, as it would improve transparency, convenience, and administration of the programs.<sup>165</sup> The 2018 Farm Bill establishes a Council on Rural Community Innovation and Economic Development to coordinate federal programs directed at rural communities,<sup>166</sup> which is a promising first step to address this challenge, alongside the other increased coordination activities noted above.

#### CONCLUSION

Since the first Rural Development title in 1973, Congress has implemented many programs and policies to specifically address rural issues.<sup>167</sup> Nonetheless, many rural areas continue to struggle. The current Rural Development Title sets out to address a broad range of challenges, from health to community development.<sup>168</sup> However, complexities around discretionary funding and strategic coordination of these initiatives may continue to hinder achievement of these objectives.

<sup>&</sup>lt;sup>162</sup> This statistic includes both Farm-Bill and non-Farm Bill programs. Bruce Knight, 2018 Farm Bill-simplifying rural development, AGRI-PULSE (Apr. 28, 2016), http://www.agri-pulse.com/2018-Farm-Bill-simplifying-rural-development-04282016.asp.

<sup>&</sup>lt;sup>163</sup> Id.

<sup>&</sup>lt;sup>164</sup> Id.

<sup>&</sup>lt;sup>165</sup> See id.

<sup>&</sup>lt;sup>166</sup> Agriculture Improvement Act of 2018, Pub. L. No. 115-334, § 6306, 132 Stat. 4753.

<sup>&</sup>lt;sup>167</sup> COWAN, OVERVIEW, *supra* note 5, at 1.

<sup>&</sup>lt;sup>168</sup> RENÉE JOHNSON & TADLOCK COWAN, CONG. RESEARCH SERV., IF11126, 2018 FARM BILL PRIMER: WHAT IS THE FARM BILL? (2019), https://crsreports.congress.gov/product/pdf/IF/IF11126.