



Dear Interested Stakeholder,

On June 5, 2014, USDA Rural Development hosted a [listening session](#) to collect input on implementation of Sec. 6025 of the Farm Bill, relating to strategic economic and community development. The text of the statute and the statement of managers are attached to this message.

Feedback on the provision must be submitted through the [Federal eRulemaking Portal](#) by **June 12, 2014**. In particular, we appreciate input relating to the following topics:

Definition of Adopted

Section 6025(c)(2) indicates that applications involving State, county, municipal, or tribal governments shall include an indication of consistency with an adopted regional economic or community development plan.

- What does adopted mean? What would differentiate a plan that is adopted versus a plan that is NOT adopted?
- For a plan to be adopted, who has to adopt the plan?
- What constitutes or indicates that plan has been adopted? Signed letter(s)? How formal a recognition that a plan has been adopted does there need to be?
- Beyond simply adopted, is a requirement for being currently “in effect” or “implemented” useful?

Elements of a Plan

Section 6025 requires projects to support a strategic community and economic development plan.

- What are the elements of a plan?
- What are the minimum elements?
- Are there common elements?

Collaboration

Section 6025 requires the Agency to evaluate the plans relative to five criteria. One of which is collaboration.

- How would one demonstrate collaboration?
- How would one distinguish between successful collaboration and unsuccessful collaboration?

Support of a Plan

To be eligible for the set-aside funding, a project must support a strategic community and economic development plan.

What types of information/data/etc., would indicate that a project supports the plan?

USDA is an equal opportunity provider and employer.

1 “(C) \$3,000,000 for each of fiscal years
2 2014 through 2018.”; and
3 (2) in paragraph (2), by striking “2012” and
4 inserting “2018”.

5 **SEC. 6024. HEALTH CARE SERVICES.**

6 Section 379G(e) of the Consolidated Farm and Rural
7 Development Act (7 U.S.C. 2008u(e)) is amended by
8 striking “2012” and inserting “2018”.

9 **SEC. 6025. STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT.**

10 Subtitle D of the Consolidated Farm and Rural De-
11 velopment Act (7 U.S.C. 1981 et seq.) is amended by add-
12 ing at the end the following:

13 **“(a) IN GENERAL. STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT.**

14 “(a) IN GENERAL.—In the case of any rural develop-
15 ment program described in subsection (d)(2), the Sec-
16 retary may give priority to an application for a project
17 that, as determined and approved by the Secretary—

18 “(1) meets the applicable eligibility require-
19 ments of this title;

20 “(2) will be carried out solely in a rural area;
21 and
22
23

1 “(3) supports strategic community and eco-
2 nomic development plans on a multijurisdictional
3 basis.

4 “(b) RURAL AREA.—For purposes of subsection
5 (a)(2), the Secretary shall consider an application to be
6 for a project that will be carried out solely in a rural area
7 only if—

8 “(1) in the case of an application for a project
9 in the rural community facilities category described
10 in subsection (d)(2)(A), the project will be carried
11 out in a rural area described in section
12 343(a)(13)(C));

13 “(2) in the case of an application for a project
14 in the rural utilities category described in subsection
15 (d)(2)(B), the project will be carried out in a rural
16 area described in section 343(a)(13)(B); and

17 “(3) in the case of an application for a project
18 in the rural business and cooperative development
19 category described in subsection (d)(2)(C), the
20 project will be carried out in a rural area described
21 in section 343(a)(13)(A).

22 “(c) EVALUATION.—

23 “(1) IN GENERAL.—In evaluating strategic ap-
24 plications, the Secretary shall give a higher priority

1 to strategic applications for a plan described in sub-
2 section (a) that demonstrates to the Secretary—

3 “(A) the plan was developed through the
4 collaboration of multiple stakeholders in the
5 service area of the plan, including the participa-
6 tion of combinations of stakeholders such as
7 State, local, and tribal governments, nonprofit
8 institutions, institutions of higher education,
9 and private entities;

10 “(B) an understanding of the applicable
11 regional resources that could support the plan,
12 including natural resources, human resources,
13 infrastructure, and financial resources;

14 “(C) investment from other Federal agen-
15 cies;

16 “(D) investment from philanthropic orga-
17 nizations; and

18 “(E) clear objectives for the plan and the
19 ability to establish measurable performance
20 measures and to track progress toward meeting
21 the objectives.

22 “(2) CONSISTENCY WITH PLANS.—Applications
23 involving State, county, municipal, or tribal govern-
24 ments shall include an indication of consistency with

1 an adopted regional economic or community develop-
2 ment plan.

3 “(d) FUNDS.—

4 “(1) IN GENERAL.—Subject to paragraph (3)
5 and subsection (e), the Secretary may reserve for
6 projects that support multijurisdictional strategic
7 community and economic development plans de-
8 scribed in subsection (a) an amount that does not
9 exceed 10 percent of the funds made available for a
10 fiscal year for a functional category described in
11 paragraph (2).

12 “(2) FUNCTIONAL CATEGORIES.—The func-
13 tional categories described in this subsection are the
14 following:

15 “(A) RURAL COMMUNITY FACILITIES CAT-
16 EGORY.—The rural community facilities cat-
17 egory consists of all amounts made available for
18 community facility grants and direct and guar-
19 anteed loans under paragraph (1), (19), (20),
20 (21), (24), or (25) of section 306(a).

21 “(B) RURAL UTILITIES CATEGORY.—The
22 rural utilities category consists of all amounts
23 made available for—

1 “(i) water or waste disposal grants or
2 direct or guaranteed loans under para-
3 graph (1), (2), or (24) of section 306(a);

4 “(ii) rural water or wastewater tech-
5 nical assistance and training grants under
6 section 306(a)(14);

7 “(iii) emergency community water as-
8 sistance grants under section 306A; or

9 “(iv) solid waste management grants
10 under section 310B(b).

11 “(C) RURAL BUSINESS AND COOPERATIVE
12 DEVELOPMENT CATEGORY.—The rural business
13 and cooperative development category consists
14 of all amounts made available for—

15 “(i) business and industry direct and
16 guaranteed loans under section
17 310B(a)(2)(A); or

18 “(ii) rural business development
19 grants under section 310B(c).

20 “(3) PERIOD.—The reservation of funds de-
21 scribed in paragraph (2) may only extend through
22 June 30 of the fiscal year in which the funds were
23 first made available.

24 “(e) APPROVED APPLICATIONS.—

1 “(1) IN GENERAL.—Any applicant who sub-
2 mitted a rural development application that was ap-
3 proved before the date of enactment of this section
4 may amend the application to qualify for the funds
5 reserved under subsection (d)(1).

6 “(2) RURAL UTILITIES.—Any rural develop-
7 ment application authorized under section 306(a)(2),
8 306(a)(14), 306(a)(24), 306A, or 310B(b) and ap-
9 proved by the Secretary before the date of enact-
10 ment of this section shall be eligible for the funds
11 reserved under subsection (d)(1) on the same basis
12 as the applications submitted under this section
13 until September 30, 2016.”.

14 **SEC. 6026. DELTA REGIONAL AUTHORITY.**

15 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
16 382M(a) of the Consolidated Farm and Rural Develop-
17 ment Act (7 U.S.C. 2009aa–12(a)) is amended by striking
18 “2012” and inserting “2018”.

19 (b) TERMINATION OF AUTHORITY.—Section 382N of
20 the Consolidated Farm and Rural Development Act (7
21 U.S.C. 2009aa–13) is amended by striking “2012” and
22 inserting “2018”.

Sec. 6025

Text from Statement of Managers

The amendment authorizes a priority for specific rural development programs only if an eligible application is carried out solely in a rural area (as described for its functional category) and also supports development plans on a multijurisdictional basis. A higher priority shall be awarded to applications that support multijurisdictional development plans with particular attributes. A ten percent reservation of funds is made available from funding available for functional categories. Any approved application may be amended to qualify for the reservation of funds. All funding, including the reservation of funds, is available to certain approved applications.

The Managers expect rural entities to utilize Rural Development programs in a manner that supports projects and initiatives that develop long-term community and economic growth strategies. Traditionally, rural development programs have been used to meet an immediate need. The Managers recognize that it is essential that versatile programs such as the Community Facilities Loan and Grant Program are available to rural residents to address pressing needs and concerns, and the Managers want to ensure that the programs authorized in this title continue to provide that type of assistance. The Managers also understand that regional plans cannot always address every need, and expect USDA will only devote funds specifically to regional projects beyond the funds set aside for this purpose if such can be done without preventing the funding of otherwise eligible projects in areas where regional plans have not been developed or the applicant does not feel it is in their best interest to pursue a regional approach.

To the extent possible, the Managers encourage USDA to work with rural communities to consider how they might use Rural Development resources to address multi-jurisdictional needs, by leveraging federal, state, local or private funding, or otherwise capitalize upon the unique strengths of the rural area to support successful community and economic development. The Managers recognize the work conducted by the national network of 540 multi-jurisdictional regional planning and development organizations to develop such plans and expect that, where possible, USDA will ensure any priority given to applications under this section to rely on these plans. Further, the Managers expect that priority will be given only to proposals that are consistent with an adopted regional economic or community development plan.

The Managers believe that projects that reflect the characteristics described above can help to maximize the impact of resources available at all levels of government and ultimately help rural communities reach their full potential. For these reasons, the conference substitute has provided the Secretary with the discretion to prioritize applications for funding that reflect an applicant's efforts to maximize resources and support strategic community and economic development and reserved funding within select programs for this purpose.