NRLR: The Agriculture & Nutrition Act of 2018

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House & Senate: Changes to the definition of "rural"?

- Rural is still defined as a "community with a population under 50,000"
- So what did change? Some programs have <u>eliminated</u> their "community population eligibility cap of 20,000" so, now every rural community (under 50k) is eligible
 - ► Which programs are no longer capped? Community Facilities Guaranteed Loans, Water & Waste and Broadbrand Programs

Communities Between 20,000-50,000 Population= New Lending Opportunities

Georgia: ~34 Communities between 20-50k¹

Cartersville, Union City, Acworth, Griffin, Sugar Hill, Candler-McAfee, Pooler, Decatur, McDonough, Carrollton, Canton, Stockbridge, Chamblee, Duluth, Lawrenceville, LaGrange, Statesboro, Woodstock, Hinesville, Douglasville, Dalton, Redan, Evans, Kennesaw, Tucker, Peachtree City, East Point, Martinez, Rome, Mableton, Newnan, Milton, Gainesville, Peachtree Corners, Dunwoody

Wisconsin: ~26 Communities Between 20-50k²

Pleasant Prairie, South Milwaukee, Watertown, Meguon, Muskego, Caledonia, De Pere, Neenah, Superior City, Stevens Point, Mount Pleasant, Fitchburg, West Bend, Manitowoc, Sun Prairie, Franklin, Oak Creek, Beloit, Greenfield, Menomonee Falls, Brookfield, Wausau, New Berlin, Fond du Lac, Wauwatosa, Seboygan

^{1.} As of May 2018, U.S. Census Bureau

^{2.} As of May 2018, U.S. Census Bureau

House & Senate: What does the "cap" elimination mean for Community Facilities?

- Because Community Facilities is no longer capped, the gov't must increase available resources available...how?
 - ► Senate § 6116 and House § 6203 authorize the Secretary to charge guaranteed loans a fee to offset subsidy costs

House v. Senate: Guaranteed Loan Fees

► House § 6203(a) directs the Secretary of the Department of Agriculture to collect fees from 'the recipient of the insured or guaranteed loan'

VS.

Senate § 6116(a) directs the Secretary to collect those same fees from 'the lender.'

<u>ISSUE:</u> While the recipient of the insured or guaranteed loan described in § 6203 can, and usually will, be the same entity as the lender in § 6117, there is a **substantive difference** between the recipient of the guaranteed loan and the lender of the guaranteed loan

Best option? Leave it to the marketplace to decide who will pay for the subsidy

House & Senate: Community Facilities, Health Crisis and Prioritization (1/2)

- Secretary has the authority to announce a renewable, one-year, temporary reprioritization for certain rural development loan and grant applications to assist rural communities in responding to a specific rural health emergency
- Prioritizes loan and grant funding for development of community facilities that provide substance use disorder prevention, treatment, and recovery services

House: § 6001. Prioritizing projects to meet health crises in rural America.

Senate: § 6105. Community Facilities **Direct Loans and Grants** for Substance Use Disorder Treatment Services

House & Senate: Community Facilities, Health Crisis and Prioritization (2/2)

- The Secretary must issue an announcement specifying the emergency, and providing notice to the relevant congressional committees and the Secretary of HHS (House § 6001(b))
- The "crisis" prioritization would expire either when:
 - ▶ (1) the Secretary has determined that the emergency has ended or
 - ▶ (2) 360 days after the announcement, whichever date is earlier. (House § 6001(e))

Senate: Rural Energy for America Program

- § 9107 amends § 9007 of the Farm Security and Rural Investment Act of 2002 to:
 - ▶ 1. Reauthorize the Rural Energy for America Program at \$50 million for each year 2019-2023; and
 - ▶ 2. Maintain mandatory baseline funding of \$50 million per year

House: Rural Energy for America Program

- ▶ § 6407 amends § 9007(g) of the Farm Security and Rural Investment Act of 2002 by:
 - ▶ 1. Authorizing appropriations of \$20,000,000 per fiscal year; and
 - ▶ 2. Reauthorizing the program through 2023.

House & Senate: Tribal college and university essential community facilities

- Provides grant funding to entities that are tribal colleges to provide the federal share of the cost of developing specific tribal college or university essential community facilities
- Senate § 6104 amends § 306 (a) (25) (C) of the Consolidated Farm and Rural Development Act to reauthorize the Tribal College and University Essential Community Facilities Program through 2023

VS.

► House § 6207 amends § 306(a)(25)(C) of the Consolidated Farm and Rural Development Act by **decreasing the authorization** of appropriations to \$5,000,000 for each fiscal year and reauthorizes the program until 2023