

Investing in Rural America



Foster Thriving Agricultural Economies

Many Americans living in rural communities continue to face barriers that prevent them from attaining the quality of life they deserve. Poverty rates are disproportionately high in many rural communities. Insufficient access to medical care means health problems can be exceptionally hard to overcome for Americans living in rural areas, and too many rural Americans do not have necessary broadband access needed to engage in the modern economy. The Budget includes investments across the Government to foster thriving rural economies.

“Our farmers deserve a government that serves their interest and empowers them to do the hard work that they love to do so much.” – President Donald J. Trump

Expand and Strengthen Rural Broadband

- **USDA’s Rural Utilities Service.** In today’s information-driven global economy, e-connectivity has become an essential component to attract and grow rural businesses. That’s why the Budget continues the momentum to fully implement broadband deployment to unserved rural areas by providing \$250 million to the United States Department of Agriculture’s (USDA) Rural e-Connectivity "ReConnect" Pilot Program, which provides grants, loans, and grant/loan combination awards. The Budget also includes \$690 million in loans to finance broadband infrastructure deployment of rural telecommunication facilities. To reach the most remote areas, the Budget proposes \$30 million for the Community Connect grant program because these recipients are unlikely to qualify or overlap with the ReConnect program.
- **Federal Communications Commission.** The FCC through its spectrum auctions program continues to propose and conduct auctions that will expand broadband in unserved rural areas. It also continues to manage, oversee, and administer the four Universal Service Fund programs that serve people in rural and underserved areas, focusing on places where broadband and connectivity needs are critical.
- **DOI Indian Affairs Broadband Expansion.** The Budget proposes \$13.5 million for the Bureau of Indian Affairs and the Bureau of Indian Education to expand broadband access in Indian Country.

Improves Access to Rural Healthcare

- The Budget includes proposals to address the healthcare needs of rural America. The Budget proposes to expand access to telemedicine services by offering increased flexibility to providers who serve predominantly rural or vulnerable patient populations, including Indian Health Service providers and providers participating in Medicare payment models requiring financial risk.
- The Budget proposes to modify payments to Rural Health Clinics to ensure that Medicare beneficiaries continue to benefit from primary care services in their communities.
- To address the trend of rural hospital closures, the Budget proposes to allow critical access hospitals to voluntarily convert to rural standalone emergency hospitals and remove the requirement to maintain inpatient beds.
- In addition, the Budget maintains funding for Rural Health Outreach grants in Health Resources and Services Administration.
- Finally, the Department of Veterans Affairs Rural Health programs are focused on the approximately 3 million rural-dwelling veterans who rely on VA for health care. VA funds several initiatives that

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increase access to health care services, including telehealth clinical resource hubs, care coordination, and transportation.

Rebuild Rural Infrastructure

- **Revitalizing Rural America Infrastructure Grant Program.** The Budget includes \$25 billion for a new Revitalizing Rural America grant program. This program will help rural communities rebuild their infrastructure by delivering broadband, transportation, water, and other projects. Funding will be distributed via formula to States, territories and Tribes, and bonus grants will be provided based on the boldness of locally developed investment and performance plans.
- **Department of Agriculture Utility Infrastructure.** The Budget proposes significant investments in rural infrastructure to help ensure that America's rural communities are economically competitive and self-sustaining. The Budget provides \$614 million in funding for water and wastewater grants and loans, supporting \$1.9 billion in program level and \$5.5 billion in rural electric loans.
- **Department of Agriculture Community Infrastructure.** Through USDA's \$24 billion portfolio of guaranteed housing loans, the Department assists lenders in providing low- to moderate-income rural Americans with access to affordable housing. In addition, the Budget authorizes a \$2.5 billion loan level for community facility direct loans and \$500 million for guaranteed loans, which assist communities in developing or improving essential public services and facilities across rural America, such as health clinics or fire and rescue stations.
- **Higher Blends Infrastructure Incentive Program (HBIIP).** The Budget includes \$100M to expand retail renewable fuel infrastructure across rural America. This program will improve the distribution of higher blends of ethanol and biodiesel and increase the domestic consumption of agricultural commodities. The Budget request continues USDA's efforts already underway in FY 2020 that they are funding using \$100 million through the Commodity Credit Corporation (CCC).
- **Helping Rural Communities Access Transportation Financial Assistance.** As part of its commitment to ensuring that all communities can access and compete for DOT financial assistance, the Administration announced the Rural Opportunities to Use Transportation for Economic Success (ROUTES) Initiative. Under this initiative, the Build America Bureau and other modes will offer rural stakeholders additional resources and support to identify and apply for DOT financial assistance. The initiative was created with the recognition that rural communities have important infrastructure needs (e.g., a disproportionate amount of highway fatalities occur in rural areas), but often lack the capacity to develop competitive applications for DOT financial assistance. The ROUTES Initiative builds on other DOT initiatives to address the unique needs of rural areas, such as the Transportation Infrastructure Finance and Innovation Act loan program's rural project initiative and the Railroad Rehabilitation and Improvement Financing Express loan program initiative.
- **State Revolving Funds (SRFs) for Water Infrastructure.** The Budget includes nearly \$2 billion in capitalization funds for the Environmental Protection Agency's SRF programs, which fund drinking water and clean water infrastructure. States prioritize these funds and can provide additional subsidization to communities in need. Funds requested for the SRFs in the Budget would supplement nearly \$10 billion in infrastructure assistance made annually at the State level from capitalization funds, State contributions, repayments of prior loans, and other sources.

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- **Rural Business & Industry Loans (USDA).** The Budget supports a \$1.5 billion loan level for rural business and industry guaranteed loans, an increase of \$500 million over 2020 enacted offset though increased lending fees.
- **Farm Loans (USDA).** The Budget supports \$8.9 billion in lending for direct and guaranteed loans to start, improve, expand, transition, market, and strengthen family farming and ranching operations. This loan level increases total lending for these activities by \$475 million over 2020 enacted levels.
- **Child Care and Development Fund (HHS).** The Budget includes a one-time \$1 billion competitive grant proposal to build the supply of child care and stimulate employer investment, including in rural areas, with the goal of improving the number and types of child care settings and arrangements, including faith-based and family child care providers.