

**National Rural Economic Developers Association (NREDA)
Rural Issues Committee
2019 NREDA Issues Paper**

1. NREDA supports United States Department of Agriculture Rural Development's Rural Economic Development Loan and Grant (REDLG) program.

The REDLG program is a vital financial tool for rural communities to overcome the challenges of rural locations and spur local business expansions, community development projects and economic development projects. REDLG provides funds to rural electric and communications providers that, in turn, pass through funds to local community projects and businesses and create revolving loan funds. The resulting locally-based financial tools help increase sustainability in rural areas as well as create and retain jobs in our communities.

REDLG has had tremendous tangible impacts to rural America. Funding through FY 2018 has leveraged over \$4.2 billion in private investment resulted in over 95,000 jobs bring created and retained. With local matching funds, REDLG has created local revolving loan funds of over \$237 million which will continue to be used to spur business and community development in rural communities.

(Part II) NREDA supports an increase in the funding authorization for USDA's Grant and Loan funding through the REDLG program.

In rural territories, electric cooperatives and rural communications providers have been lending support to business expansions and community development projects via Rural Utilities Service (RUS)/USDA RD. Through the REDLG program, electric and telephone co-ops can secure no-interest loans or grants to create revolving loan funds, which they can, in turn, loan to businesses for projects that will create and retain employment in their rural areas. This program both fosters area economic growth and augments the infrastructure of electric and telephone cooperatives.

It is important to note that funding for the REDLG program does NOT come from general tax revenues. While USDA authorizes the program, funding is created by prepayments of the debt in the Cushion of Credit accounts of RUS borrowers and loan fees paid by the rural electric cooperatives in private financial markets. FY 2018 authorized \$46M in REDL and \$9M in REDG funding.

Over the past several years, additional entities were authorized to utilize the REDLG program and demand for funding has increased. During that same period, the maximum loan amount per project was increased from \$740,000 to \$2,000,000; however, increasing demand for the program. Congress authorizing an increase in REDLG funding would ensure that sufficient funding is available for rural projects.

2. NREDA supports increased funding for transportation infrastructure.

Typically, development follows infrastructure, particularly in rural areas. Without adequate infrastructure, especially transportation infrastructure, development likely will not occur. At the federal level, funding by

Congress has not kept up with the needs of the highways, waterways, airports and the air traffic control system. NREDA supports a permanent fix to funding for the highway trust fund, funding for improvements to the locks on the nation's waterways and funding for the next generation air traffic control system.

3. NREDA supports continued funding for the Workforce Innovation and Opportunity Investment Act (WIOA).

According to the 2013 Area Development magazine's survey of corporate executives, "Availability of Skilled Labor" is the No. 1 issue in business location decisions. Many rural areas are facing severe challenges in providing a workforce with the skills employers need. While official unemployment figures in rural counties appear low, there is a significant amount of underemployment due to people working multiple part-time jobs to make ends meet. Continued funding of the WIOA is critical for the nation to address the workforce needs of citizens and businesses now and in the future.

4. NREDA supports continued federal investment in broadband-capable infrastructure.

NREDA strongly supports federal financing initiatives that will ensure that all Americans have access to affordable broadband services, rates and capabilities that are reasonably comparable to those in urban areas, including but not limited to universal service funding to build, maintain, and advance services in high-cost areas. The availability of quality broadband is essential for the future of rural economic development, according to site selector data. Where possible, collaboration between the electric cooperatives, rural telecommunications companies, telephone (broadband) cooperatives and the communities is encouraged to maximize resources and geographic coverage.

5. NREDA affirms that it encourages the involvement of the utilities sector in rural economic development efforts.

NREDA recognizes that utility economic development entities aid in business growth via public/private partnerships such as state and national trade associations and facility investors, as well as relationships with local, regional and national commercial growth agencies; port authorities; transportation and logistics divisions; lending institutions; real estate offices; governmental bodies, and other organizations that enhance commercial attraction and information exchange.

6. NREDA recognizes that the threatened and Endangered Species Act (ESA) affects rural development.

NREDA supports procedural changes to make the Endangered Species Act (ESA) more efficient, effective, and less costly — with the goal of finding a balance that accommodates essential economic activities. To ensure fair and sensible application of the ES act, scientific information must be thorough, balanced and based upon scientific standards and impartial peer review. As effective stewards of the land, NREDA supports solutions that balance economic growth with preserving native species.

7. Rural Workforce Housing

NREDA supports the ongoing need for workforce housing in rural America. NREDA recognizes that the term, “Workforce Housing” refers to housing that is affordable to working households that do not qualify for publicly subsidized housing, yet cannot afford appropriate market-rate housing in their community. Simply put, workforce housing includes all levels of a rural community’s working population. Teachers, Manufacturer’s, recent College graduates, Farmers, business owners, and Executives, etc., all make up the “workforce housing” demographic for rural America. NREDA believes in the need for all Rural communities to have the ability to maintain housing that meets the needs of working families and is attractive to new residents locating in a rural community. This makes the availability and affordability key for rural communities to continue to recruit, retain, and expand, it’s people, future, and opportunities. NREDA understands that one key component to a viable and sustainable rural community is the opportunity and availability of housing options for the rural workforce. When there is synergy between business recruitment, expansion, placemaking, and workforce housing, rural communities have an opportunity thrive for years to come.