



The President's Budget FY 2011: What's In It For Rural America?

Brian Dabson

On February 1, 2010, the President submitted his FY 2011 budget proposals to Congress. This \$3.8 trillion budget marks the beginning of a long and no doubt contentious process and many changes will be made along the way. Departmental summaries and issue papers (including *Spur Job Creation and Revitalize Rural America*) can be found at www.whitehouse.gov/omb/budget

Americans will be impacted by these proposals wherever they may live, but there are several that have been specifically targeted at rural people and places. There are also some proposals that could benefit rural people if the formulas or regulations are appropriately constructed. This brief summarizes the main rural-specific proposals as well as some of those that could have important spatial implications, and organizes these proposals into six broad categories. Programs that do not have explicit spatial implications as presented in the budget, such as education and nutrition, are not included in this summary.

Regional and Rural Economic Development

- The **Rural Innovation Initiative**, designed to promote economic opportunity and job creation in rural communities, sets aside more than \$130 million, roughly 5 percent of the funding from approximately 20 existing programs, and allocates these funds competitively among regional pilot projects tailored to local needs and opportunities. This targeting effort will allow USDA to prioritize areas with the greatest need and potential by encouraging comprehensive and innovative approaches to foster rural revitalization. (USDA)
- \$75 million in regional planning and matching grants within EDA to support the creation of **Regional Innovation Clusters** that leverage regions' competitive strengths to boost job creation and economic growth. The SBA will also support enhanced small business participation in clusters by awarding competitive grants to promote greater coordination of resources, such as business counseling and mentor-protégé partnerships.
- \$246 million to support **economic growth programs** at the Economic Development Administration (Commerce)
- \$418 million in loans and grants for expanding **access to broadband services** to transition rural communities into the modern information economy (USDA).

Renewable Energy

- Funding for bio-refineries to utilize advanced biomass crops, research designed to create cellulosic and advanced bio-fuels, and assistance to help transition fossil fuel-dependent electric utilities to renewable energy (USDA)
- \$15 million – on top of \$51 million in 2010 increases – to build the Department of Interior's capacity to review and permit renewable energy projects on Federal lands. This includes conducting the environmental evaluations and technical studies needed to spur development of renewable energy projects, assess available alternative resources, and mitigate the impacts of development. DOI has set a goal to permit at least 9,000 megawatts of new solar, wind, and geothermal electricity generation capacity on DOI-managed lands by the end of 2011 (DOI).

Community Development

- As part of the President's Partnership for Sustainable Communities initiative, \$530 million to help State and local governments invest smarter in transportation infrastructure and leverage that investment to advance sustainable development in rural and other regions. Stimulating comprehensive regional and community planning efforts that integrate transportation, housing, and other critical investments in order to reduce greenhouse gases, improve mobility and transportation access to economic opportunity, and improve housing choices. Combined with \$150 million in Department of Housing and Urban Development planning grants, and \$10 million in Environmental Protection Agency technical assistance, DOT will dedicate \$530 million, focused on capacity building and transportation projects, to this multi-agency effort.
- \$2.6 billion for the Bureau of Indian Affairs programs that invest in community infrastructure, education, worker training, and job opportunities to improve the quality of life in Indian Country (DOI).
- \$250 million to support affordable lending in low-income communities through targeted support Community Development Financial Institutions (USDT).

Health and Food Systems

- \$2.5 billion for **health centers** to provide affordable high quality primary and preventive care to underserved populations, including those in rural America and the uninsured. This will allow health centers to continue to provide care to the 2 million additional patients they served under ARRA and support approximately 25 new health center sites
- \$169 million in the **National Health Service Corps (NHSC)** to place providers in rural regions and other medically underserved areas to improve access to needed health care services. Primary health professionals such as physicians, nurse practitioners, and dentists agree to serve in a medically underserved community in exchange for receiving a portion of their student loans paid off. In 2011, this will add 400 NHSC clinicians to the more than 8,100 that will be providing essential primary and preventative care services in health care facilities across the country.
- \$50 million for a new "Healthy Food Financing Initiative" to bring grocery stores and other healthy food retailers to underserved communities.

Clean Water

- \$3.3 billion total for the Clean Water and Drinking Water State Revolving Funds (SRFs) for states to provide low-interest loans to communities to finance wastewater and drinking water infrastructure. (EPA)
- The Department of Interior's Water Conservation initiative assists local communities in increasing water availability by encouraging voluntary water banks, reuse of treated wastewater, and other market-based conservation measures, and the Bureau of Reclamation's water reuse and recycling (Title XVI) program.
- \$300 million for restoration efforts in the Great Lakes basin, the largest freshwater system in the world, with a focus on contaminated sediments and toxics, non-point source pollution, habitat degradation and loss, and invasive species. (EPA)
- \$17 million in new funding for the Mississippi River Basin where the EPA will work with USDA to target nonpoint source reduction practices on agricultural land to reduce nutrient runoff. (EPA)



- \$63 million – an increase of \$13 million – for the Chesapeake Bay restoration, enabling EPA to conduct robust regulatory, permitting, modeling, and reporting efforts (EPA)

Conservation & Natural Resources

- An increase of \$106 million, or 31 percent, for the Land and Water Conservation Fund (LWCF) programs that protect Federal lands for wildlife and public enjoyment and provide State grants for park and recreational improvements. Total LWCF funding for the Departments of Agriculture and the Interior exceeds \$619 million, on track to fully fund LWCF programs at \$900 million by 2014.
- Reauthorizing and expanding DOI's authority under the Federal Land Transaction Facilitation Act, so that the proceeds from the sale of low-conservation value lands may be used to acquire additional high-priority conservation lands.
- \$700 million to restore and manage public lands so as to develop rural recreation and employment opportunities, including fishing and hunting for local residents and tourists. Also fully funds the Voluntary Public Access and Habitat Incentive Program, which encourages private landowners to voluntarily open their land to the public for hunting and fishing.
- Focusing Forest Service resources to support more watershed and ecosystem improvement efforts based upon a variety of management actions, including mechanical removal of timber, road decommissioning, and wildlife habitat improvement. Adopting an **ecosystem-based approach to forest management** that focuses on enhancing forest and watershed resiliency, preventing the loss of large carbon sinks, and maintains jobs. To address the need to protect forest resources and wildlife habitat in an era of global climate change, establishing a pilot program for long-term, landscape scale restoration activities that emphasize resiliency, health, and sustainable economic development.
- \$1.3 billion to fully fund the 10-year average cost of fire suppression and an additional \$357 million in a discretionary funding reserve to be used only when the appropriated 10-year average funding is exhausted.
- Funding the Wetlands Reserve Program at a level to enable the restoration and protection of almost 200,000 additional acres of wetlands; providing over \$1.2 billion for the Environmental Quality Incentives Program to help farmers comply with regulatory requirements and protect natural resources; providing a 67 percent increase in funding over the 2010 enacted level to reduce nutrient loading in the Chesapeake Bay; and enrolling 12 million acres into the Conservation Stewardship Program to improve water quality and enhance energy efficiency. Providing funding to support the installation of high-impact targeted conservation practices on 1.5 million acres in priority landscapes, including the Bay-Delta region in California and the upper Mississippi.
- \$506 million to restore aquatic ecosystems, \$180 million to advance construction projects to restore South Florida ecosystem, including the Everglades, and \$36 million to restore the ecosystem along the Louisiana coast post-Katrina and Rita (ACE)

ACE: US Army Corps of Engineers; USDA: US Department of Agriculture; DOC: US Department of Commerce; DOE: US Department of Energy; DHHS: US Department of Health & Human Services; HUD: US Department of Housing & Urban Development; DOI: US Department of the Interior; DOT: US Department of Transportation; USDT: US Department of the Treasury; VA: US Department of Veteran Affairs; SBA: US Small Business Administration.