

103^D CONGRESS
2^D SESSION

H. R. 5086

To authorize the Secretary of Agriculture to establish a pilot program to evaluate the feasibility of county-based rural development boards, develop a strategy for adoption of national rural development goals and objectives, establish a training program for local county board leaders, providing roles and responsibilities for State rural development councils, substate regional organizations, and 1862 and 1890 land grant institutions, and establish a grant program for financing various rural and small community development initiatives, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1994

Mr. BAESLER introduced the following bill; which was referred to the
Committee on Agriculture

A BILL

To authorize the Secretary of Agriculture to establish a pilot program to evaluate the feasibility of county-based rural development boards, develop a strategy for adoption of national rural development goals and objectives, establish a training program for local county board leaders, providing roles and responsibilities for State rural development councils, substate regional organizations, and 1862 and 1890 land grant institutions, and establish a grant program for financing various rural and small community development initiatives, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS AND PURPOSES.**

4 (a) FINDINGS.—The Congress finds that—

5 (1) rural America has serious problems in need
6 of attention, including lack of off-farm opportunities,
7 lack of adequate capital for investment, nondiversity
8 of agriculture economy, declining farm work force,
9 outmigration of rural youth to urban centers, inad-
10 equate leadership development, and persistent pov-
11 erty;

12 (2) Federal and State policies dealing with non-
13 farm rural issues are fragmented;

14 (3) farming remains a most important element
15 of rural life, but a successful national rural policy
16 must address the entire spectrum of social, economic
17 and cultural needs of citizens living in rural
18 America;

19 (4) the creation of jobs and expansion of exist-
20 ing businesses are of vital importance to the long-
21 term stability of rural life;

22 (5) Americans have a right to choose a rural
23 life, beyond just farming, and consisting of a life of
24 opportunity in small communities with continued ties
25 to the land; and

1 (6) because each rural area across America is
2 unique, there is no solution which can equally ad-
3 dress all rural areas, and a Federal initiative in
4 rural development is dependent on creating a mecha-
5 nism which allows for locally determined initiatives,
6 strategies, and solutions.

7 (b) PURPOSES.—The purposes of this Act are to—

8 (1) establish a pilot program—

9 (A) to create and evaluate the feasibility of
10 using county-based rural development boards as
11 the local organizational entity through which
12 the United States Department of Agriculture
13 will facilitate funding of rural development ini-
14 tiatives;

15 (B) to determine whether county boards
16 can be used to create an understandable initia-
17 tive under which a comprehensive national pol-
18 icy for rural development can be devised, and
19 create a long-term viable local constituency for
20 development by tapping the energy and talent
21 at the local level;

22 (2) establish a time frame, process, and evalua-
23 tion procedure for the development of clear national
24 rural development goals;

1 (3) provide for (through the encouragement of
2 funding) an expanded and more focused role in rural
3 development for Land Grant Institutions both the
4 “1862” and “1890” colleges and universities;

5 (4) create a grant program to provide funding
6 for rural development projects;

7 (5) create a national training program bringing
8 the expertise and knowledge of officials of the De-
9 partment of Agriculture directly to local county de-
10 velopment board leaders, State rural development
11 councils, substate regional organizations, and 1862
12 and 1890 land grant institutions at the start of the
13 pilot project; and

14 (6) provide for a coordinated program of co-
15 operation among the Department of Agriculture,
16 State rural development councils, substate regional
17 organizations, and local boards.

18 **SEC. 2. GRANTS TO COUNTIES FOR RURAL DEVELOPMENT.**

19 (a) APPLICATIONS.—

20 (1) IN GENERAL.—A qualified county rural de-
21 velopment board may apply to the Secretary for
22 grants for the purposes described in subsection (b).

23 (2) CONTENTS.—Each application submitted
24 under paragraph (1) shall include the following:

25 (A) A description of the board.

1 (B) A description of the process by which
2 board members are selected, including a discus-
3 sion of how the process meets the requirement
4 of section 2(5).

5 (C) A description of the process used for
6 rural development strategic planning.

7 (D) A ranking of the priorities of the coun-
8 ty for which the board is established.

9 (E) A complete assessment of the resource
10 base of the county.

11 (F) A complete description of each rural
12 development project that the board plans to
13 carry out during the 1st 3 years of the grant,
14 including—

15 (i) a timetable for completion of the
16 project; and

17 (ii) the goals and expectations of the
18 project, including a discussion of how the
19 project would build on the resource
20 strengths of the county for which the
21 board is established, or correct or mod-
22 erate resource weaknesses of the county.

23 (G) A detailed budget for each rural devel-
24 opment project that the board plans to carry
25 out during the 1st year of the grant, which

1 shall indicate the amount of funding for the
2 project, all other sources of funds for the
3 project, and the approval status of such other
4 sources of funds.

5 (H) A description of how each such project
6 will address regional needs and goals, as identi-
7 fied by regional planning or economic develop-
8 ment districts, rural development councils, or
9 economic development offices of the State in
10 which the county for which the board is estab-
11 lished is located.

12 (3) DEADLINE.—The Secretary may not con-
13 sider an application for grants under this section for
14 a fiscal year if the Secretary receives the application
15 after July 1 of the immediately preceding fiscal year.

16 (b) PURPOSES.—

17 (1) IN GENERAL.—The purposes described in
18 this subsection are the following:

19 (A) Upgrading of industries.

20 (B) Development of new economic activity.

21 (C) Creation of opportunities for economic
22 diversification or revitalization.

23 (D) Alternative agricultural programs, in-
24 cluding products, facilities, and marketing
25 ventures.

1 (E) Rural capital creation.

2 (F) Tourism.

3 (G) Technological linkages among edu-
4 cational institutions, libraries, and businesses.

5 (2) EXCLUDED PURPOSES.—The purposes de-
6 scribed in this subsection do not include the
7 following:

8 (A) Planning by the applicant.

9 (B) Reimbursement of operating expenses
10 of county rural development boards or local
11 governments.

12 (C) Reimbursement of costs associated
13 with application for a grant under this section
14 or the administration of grants made by county
15 rural development boards with funds provided
16 under this section.

17 (c) APPROVAL OF APPLICATIONS.—

18 (1) IN GENERAL.—Within 60 days after receipt
19 of an application submitted under this section, the
20 Secretary shall determine whether to approve or dis-
21 approve the application. If the Secretary disapproves
22 the application, the Secretary shall provide the appli-
23 cant with the reasons therefore and with suggestions
24 and recommendations for future applications for
25 grants under this section.

1 (2) FACTORS TO BE CONSIDERED.—In deter-
2 mining whether to approve applications for grants
3 under this section, the Secretary shall give priority
4 to those applications that document at least 4 of the
5 following:

6 (A) That the rural unemployment rate for
7 the county is greater than the national average
8 unemployment rate for the United States.

9 (B) That there is a significant level of
10 rural poverty in the county.

11 (C) That there is a record of rural environ-
12 mental degradation in the county.

13 (D) That there has been significant migra-
14 tion from the county.

15 (E) That the percentage of adult residents
16 of the county with high school diplomas is less
17 than the national average of adults with high
18 school diplomas.

19 (F) That the economy of the county is ex-
20 cessively dependent on tobacco or any other sin-
21 gle crop.

22 (G) That there has been a decline in the
23 manufacturing base of the county.

24 (H) How the proximity to, or the relation-
25 ship or economic linkages of the county to, a

1 nearby central regional urban core could be
2 strengthened through the projects proposed in
3 the application so as to provide local stability.

4 (I) A history of improvements and local
5 commitment to the educational, social, library,
6 and financial systems of the county.

7 (J) That the economy of the county is de-
8 pendent on a single industry.

9 (3) FACTORS TO BE GIVEN GREATEST
10 WEIGHT.—In determining whether to approve appli-
11 cations for grants under this section, the Secretary
12 shall, subject to paragraph (4), give the greatest pri-
13 ority to applications that demonstrate—

14 (A) community commitment to the projects
15 proposed in the application;

16 (B) a long-term strategy for rural develop-
17 ment; and

18 (C) the ability of the county to achieve
19 rural economic and social improvement and
20 stability.

21 (4) OTHER REQUIREMENTS.—The Secretary
22 may not approve an application for grants under
23 this section unless the application demonstrates—

24 (A) that the applicant, the rural develop-
25 ment council of the State in which the applicant

1 is located, the substate regional organization in
2 the region in which the applicant is located, and
3 1862 and 1890 land grant institutions in the
4 State in which the applicant is located have co-
5 operated in—

6 (i) identifying regional methods of col-
7 laboration;

8 (ii) assessing and documenting the
9 economic, social, and cultural connections
10 between rural areas and metropolitan
11 entities;

12 (iii) preparing regional resource as-
13 sessments;

14 (iv) encouraging and developing—

15 (I) collaborative efforts between
16 the 1862 and 1890 land grant institu-
17 tions and substate regional organiza-
18 tions in the State;

19 (II) memoranda of agreement
20 among such entities; and

21 (III) methods for coordination
22 and communication among such enti-
23 ties;

24 (v) developing methods of—

- 1 (I) diversifying the rural econ-
2 omy;
- 3 (II) dealing with outmigration of
4 rural youth;
- 5 (III) equalizing rural education
6 to that received in urban areas;
- 7 (IV) obtaining long term employ-
8 ment opportunities for low income,
9 traditionally unemployed, seasonally
10 employed, or underemployed rural
11 residents; and
- 12 (V) delivering effective job train-
13 ing services to local communities;
- 14 (vi) preparing an assessment of the
15 capital needs, coordination, and financing
16 of rural telecommunications and other
17 rural infrastructure such as water and
18 sewer;
- 19 (vii) developing a plan for the effective
20 use and involvement of private sector re-
21 sources and skills to deal with rural prob-
22 lems;
- 23 (viii) reviewing and recommending to
24 the legislature of the State changes to
25 State government programs, policies, or

1 regulations which may impede effective
2 rural development;

3 (ix) developing strategies for better
4 coordination of rural development efforts
5 among Federal, State, and local entities;
6 and

7 (x) designing the projects proposed in
8 the application;

9 (B) that the rural development projects
10 proposed in the application are to be carried
11 out in partnership with the rural development
12 council of the State in which the applicant is lo-
13 cated, the substate regional organization in the
14 region in which the applicant is located, and
15 such 1862 and 1890 land grant institutions
16 (acting in consultation with local offices of the
17 Agricultural Extension Service) as suggest a
18 multidisciplinary approach to methods of
19 project evaluation and assistance with a par-
20 ticular emphasis on development of a new and
21 expanded community service role for college and
22 university departments of agriculture with em-
23 phasis given to social and economic assistance;

24 (C) that the county in which the applicant
25 is located is able to begin implementation of the

1 projects within 3 months after receiving a grant
2 under this section, and fully implement the
3 projects within 18 months after such receipt;
4 and

5 (D) how the funds provided to the appli-
6 cant under this section are to be used to obtain
7 funding from other sources on an ongoing
8 basis.

9 (5) FISCAL YEAR 1996.—The Secretary may
10 not, after September 15, 1996, approve an applica-
11 tion for grants under this section for fiscal year
12 1996.

13 (6) COORDINATION OF MULTICOUNTY
14 PROJECTS.—

15 (A) IN GENERAL.—In the case of an appli-
16 cation for grants under this section that pro-
17 vides for a rural development project which is
18 to be coordinated between or among 2 or more
19 applicants for such grants, the Secretary shall
20 make the coordination of the activities of such
21 applicants a condition of approving the applica-
22 tion.

23 (B) TECHNICAL ASSISTANCE.—The Sec-
24 retary shall provide such technical assistance as
25 may be required to assist counties in coordinat-

1 ing the planning, funding, and implementation
2 of rural development projects referred to in sub-
3 paragraph (A).

4 (d) GRANT AUTHORITY.—If the Secretary approves
5 an application for grants under this section, the Secretary
6 shall—

7 (1) make a grant to the applicant in an aggre-
8 gate amount equal to 80 percent of the total amount
9 of the grant;

10 (2) make a grant to the land grant institutions
11 identified in the application, in an aggregate amount
12 equal to 10 percent of such total amount;

13 (3) make a grant to the State rural develop-
14 ment councils identified in the application, in an ag-
15 gregate amount equal to 6 percent of such total
16 amount; and

17 (4) make a grant to the substate regional orga-
18 nizations identified in the application, in an aggre-
19 gate amount equal to 4 percent of such total
20 amount.

21 (e) MAXIMUM AMOUNT OF GRANT.—The amount of
22 each grant made under this section with respect to an ap-
23 proved application shall not exceed \$1,000,000.

24 (f) TERM OF GRANT.—

1 (1) IN GENERAL.—The Secretary may make
2 grants under this section with respect to an ap-
3 proved application for not more than 3 years.

4 (2) MULTIYEAR GRANTS.—The Secretary may
5 make a grant under this section to a qualified coun-
6 ty rural development board for a period of more
7 than 1 year if the management capacity of the
8 board, the level of needs documented by the board,
9 and any necessary phasing-in of the project are such
10 that multi-year funding is necessary.

11 (g) USE OF GRANT.—Each entity to which a grant
12 is made under this section shall use the funds in accord-
13 ance with the approved application for the grant.

14 (h) ADMINISTRATIVE PROVISIONS.—Not later than
15 February 1, 1996, the Secretary shall—

16 (1) publish in the Federal Register a detailed
17 announcement of the grant program authorized by
18 this Act, and a schedule of activities of the Depart-
19 ment of Agriculture to meet the goals and require-
20 ments of this Act;

21 (2) notify State rural development councils and
22 train State rural development coordinators about the
23 grant program, schedule regional workshops for
24 county rural development boards and officials, and
25 establish a clearinghouse of rural development ideas

1 and information available to county rural develop-
2 ment boards.

3 (i) REPORTS.—

4 (1) REGULAR REPORTS.—Not less frequently
5 than annually, each county rural development board
6 that receives a grant made under this section shall
7 submit to the Secretary a report that documents the
8 continued involvement of the public in the activities
9 of the board, and includes such information as the
10 Secretary may require to determine whether the
11 projects proposed in the approved application of the
12 board are progressing as described in the application
13 toward the goals set forth in the application.

14 (2) FINAL REPORT.—Upon the completion of
15 the projects described in an approved application for
16 a grant under this section, the applicant shall sub-
17 mit to the Secretary a final report on the projects.

18 (j) AUDITS.—The Secretary shall require each entity
19 that receives a grant made under this section to perform
20 annual audits of the financial management system and in-
21 ternal controls of the entity.

22 (k) MAINTENANCE OF RECORDS.—Each entity that
23 receives a grant made under this section shall maintain
24 records and accounts sufficient to enable a determination
25 as to whether the grant has been used in accordance with

1 the approved application and the requirements imposed by
2 or under this section.

3 (l) DEFINITIONS.—As used in this Act:

4 (1) QUALIFIED COUNTY RURAL DEVELOPMENT
5 BOARD.—The term “qualified county rural develop-
6 ment board” means a rural development board that
7 is established in accordance with the following re-
8 quirements:

9 (A) The board is an agency of county gov-
10 ernment.

11 (B) The county for which the board is es-
12 tablished does not contain a city with a popu-
13 lation of more than 35,000 individuals.

14 (C) The board has not less than 7 and not
15 more than 15 members.

16 (D) Not more than 50 percent of the board
17 members may be appointed by the county.

18 (E) The membership of the board is fully
19 representative of the population of the county.

20 (F) The meetings of the board are re-
21 quired to be open to the public, the board is re-
22 quired to notify the public not less than 7 days
23 and not more than 21 days in advance of board
24 meetings, the board is required to keep minutes
25 of its meetings, and the board is required to af-

1 ford the public an opportunity to comment at
2 board meetings.

3 (2) SECRETARY.—The term “Secretary” means
4 the Secretary of Agriculture.

5 (3) SUBSTATE REGIONAL ORGANIZATION.—The
6 term “substate regional organization” means a sub-
7 state regional multicounty planning and development
8 entity.

9 (m) LIMITATIONS ON AUTHORIZATION OF APPRO-
10 PRIATIONS.—To carry out this section, there are author-
11 ized to be appropriated to the Secretary not more than—

12 (1) \$20,000,000 for fiscal year 1996; and

13 (2) \$40,000,000 for each of fiscal years 1997
14 and 1998.

15 **SEC. 3. NATIONAL TRAINING PROGRAM.**

16 The Secretary shall create a training and information
17 system utilizing 1862 and 1890 land grant institutions,
18 the Agricultural Extension Service, State rural develop-
19 ment councils, and substate regional organizations, which
20 shall include—

21 (1) advice and materials on local rural strategic
22 planning processes and procedures, which shall in-
23 clude how to study local economies, identify local
24 strengths and weaknesses, develop opportunities,

1 profile resources, and identify the competence and
2 availability of the labor force and of local education;

3 (2) creation of a significant resource library
4 readily available to qualified county rural develop-
5 ment boards featuring comparative case studies,
6 Federal and State resource guides, and nonprofit
7 and community based development organization
8 guides;

9 (3) advice and guidance on how to facilitate cit-
10 izen involvement in the planning and implementation
11 of rural projects with respect to which grants are
12 made under section 2;

13 (4) techniques and methods to encourage re-
14 gional economic cooperation;

15 (5) leadership training;

16 (6) provision of detailed information and strate-
17 gies for development potential of various industries
18 including agriculture, timber, mining, tourism, and
19 manufacturing, with emphasis on the use of ad-
20 vanced technologies and processes and on adding
21 value to raw materials and component parts;

22 (7) financial information and advice on imple-
23 menting projects using grants, banks, venture cap-
24 ital companies, revolving loan funds and other meth-
25 ods of leveraging funding; and

1 (8) a training and information network linking
2 together qualified county rural development boards
3 and State rural development councils for continued
4 support and information sharing.

5 **SEC. 4. NATIONAL RURAL DEVELOPMENT GOALS; EVALUA-**
6 **TIONS; REPORT TO THE CONGRESS.**

7 (a) RURAL DEVELOPMENT GOALS.—Not later than
8 July 1, 1996, the Secretary of Agriculture shall publish
9 in the Federal Register a statement of national rural de-
10 velopment goals, and shall provide for a period of public
11 comment on such goals.

12 (b) EVALUATIONS; REPORT TO THE CONGRESS.—
13 Not later than October 1, 1999, the Secretary shall submit
14 to the Congress a report that evaluates the activities en-
15 gaged in under this Act and includes recommendations as
16 to the desirability of expanding the activities.

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