

National Rural Development Partnership

2006 REPORT TO CONGRESS



Forward

Rural Policy Development in America: A Vision Still Unfolding

For more than three decades, Congress has been enacting laws mandating that the creation and administration of rural policies and programs in the United States be well coordinated. Although some Presidents have focused on this matter, that vision is still unfulfilled. While the United States is a world leader in so many ways, its record of addressing rural opportunities and challenges is poor. Most industrialized nations have recognized that the rural areas of their countries require a special focus. Canada and Austria, for example, have established structures to ensure that rural needs are considered when government policies and programs are developed. In addition, most countries ensure that policies and programs that target or affect rural areas are coordinated so that their cumulative positive impact is multiplied.

The National Rural Development Partnership (NRDP) was designed to help the United States as a whole, and rural America in particular, benefit from collaborative thinking which would ultimately result in smarter policies and programs, greater leveraging of resources, and increased inclusion of all sectors in decision making. Perhaps the most important benefit of this collaborative thinking and action was the empowerment of local populations to identify their own opportunities and challenges and to develop their own strategies for facing the future.

As envisioned by the 1990 Presidential Initiative on Rural Development, and elaborated on by the 1992 report of the President's Commission on Rural America, the NRDP was to have parallel structures at the national and state levels. At each level, all agencies, organizations, companies, and individuals with a stake in the future of rural America were to come together to share knowledge and ideas and to shape strategies together as partners. In addition, they were to share their resources and expertise. Congress formally embraced this concept by authorizing the NRDP in the Farm Security and Rural Investment Act of 2002.

Unfortunately, the NRDP structure has never been fully implemented and only limited funds have been provided to support its work. Nonetheless, many State Rural Development Councils (SRDCs) have established solid records of achievement which illustrate the great things that could be done if the partnership was fully empowered. Many of the SRDC achievements during the last year are highlighted in this report.



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REPORT TO CONGRESS

JUNE 2006

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Cover Photos by Ken Hammond, USDA

Cover Letter from the National Rural Development Partnership



June 29, 2006

This year marks the fourth anniversary of the passage of the Farm Security and Rural Investment Act of 2002, which many believe was a historic piece of legislation. From a long-term perspective, perhaps the most important provision of the 2002 Farm Bill was the formal establishment of the National Rural Development Partnership (NRDP), an idea born in 1990 by work done by the National Governors Association and the George H.W. Bush Administration. The conceptual framework of the NRDP envisioned a forward-looking USDA (and other federal agencies serving rural citizens) and businesses working together in a collaborative effort with the broadly constituted State Rural Development Councils (SRDCs) to better coordinate federal and state policy and service delivery in rural communities. Government programmatic and regulatory impediments, often designed with an urban area mindset, would be reduced or eliminated, and public human and financial resources would be used more efficiently and effectively.

While the implementation of the NRDP framework essentially languished for much of the balance of the 1990's after a change of Administrations and leadership at USDA, many serving in Congress – especially those members representing rural districts – realized that the federal government needed a better way to help struggling rural communities and industries (especially during a period of diminishing public resources). A national task force consisting of 24 public and private sector members from the Washington area and several states was convened in 2000 and 2001. It offered 52 recommendations for improving the NRDP and its constituent components. Many recommendations, including important organizational and structural requirements for the state councils and the newly proposed National Rural Development Coordinating Committee (NRDCC), were adopted as part of the 2002 Farm Bill.

That bill also authorized annual appropriations for the NRDP and SRDCs of \$10 million (which would be matched by non-federal resources). In FY 2003, USDA provided \$2 million to the three dozen federally recognized SRDCs, while other federal agencies made \$922,254 available. In FY 2004, USDA provided \$1.8 million to the SRDCs (\$50,000 each), while the other agencies again offered a total of \$922,254. In FY 2005, USDA offered no funding to the SRDCs, causing a substantial disincentive for the other federal agencies to contribute their resources. Total federal SRDC funding dwindled to \$422,254 last year.

Congress responded to this situation in the FY 2006 Agricultural Appropriations Bill (H.R. 2744) conference committee report with this directive: *“The conferees expect funds to be provided for the NRDP and State Rural Development Councils at a level comparable to fiscal year 2004. The Department is strongly encouraged to utilize funds outside of the Rural Development mission area and to solicit the participation of federal departments and agencies, nongovernmental organizations serving rural stakeholders, and State Rural Development Councils in support of the work of the NRDCC.”* Unfortunately, USDA has not provided any funds to the SRDCs in FY 2006, nor convened any meetings of the NRDCC or constructively reached out to other agencies for assistance. Congress may need to consider seriously the imposition of sanctions to remedy this problem and bring USDA into compliance with its directives and existing law.

The NRDP and SRDCs are committed to the future of rural communities. We stand ready to work with USDA, various federal agencies, and many other public and private sector partners to help achieve the aims that Congress established in the 2002 Farm Bill.

Sincerely,

Mary Randolph
Chair, NRDP Executive Board
Executive Director, Wyoming Rural Development Council

Cover Letter from the Partners for Rural America



June 29, 2006

Partners for Rural America was established to support the State Rural Development Councils (SRDCs) and the National Rural Development Partnership (NRDP) with the important mission that Congress laid out in the 2002 Farm Bill.

SRDCs throughout the United States are making significant accomplishments in building partnerships, working collaboratively, and addressing policy and regulatory needs specific to individual states and rural communities. SRDCs work to support people living in rural America – providing better access to health care and housing, supporting the creation of good-paying jobs, providing resources and training to rural leaders, and creating stronger communities.

The grassroots nature of the SRDCs lends itself to rallying federal, state, local and private entities to respond quickly to needs often overlooked or not understood. Council leaders are on the ground in rural communities, assessing needs and connecting people with resources. Council leaders also provide an important voice concerning rural development challenges within their state governments as well as to the federal agencies.

As state council leaders in 35 states, we enjoy working closely with our respective Congressional delegations and sincerely appreciate their support. The power of partnership is illustrated in the following pages as we highlight only a fraction of the good work accomplished by SRDCs during the past year. Please use this document as a reference as SRDCs and the NRDP are discussed during the 2007 Farm Bill and various appropriations bill deliberations.

PRA leaders, including myself, are always available to answer your questions and discuss rural issues. Please call upon us if we can be of service.

Sincerely,

Dale Dixon
Chair, Partners for Rural America
Executive Director, Idaho Rural Partnership

Partners for Rural America

National Rural Development Partnership Report to Congress, June 2006

INTRODUCTION

The National Rural Development Partnership (NRDP), in conjunction with Partners for Rural America (PRA), is pleased to provide this report to the 109th United States Congress.

The NRDP has accomplished much during the last year, particularly at the state level, but it has also seen a serious decline in federal support. This lack of support jeopardizes the strong network of state-level collaborative rural-serving entities that the federal government created over the last decade to address myriad rural programs and service delivery issues.

The availability of public resources for rural human, economic and community development is increasingly constrained leaving many needs in rural America unmet. The Congress recognized in the Farm Security and Rural Investment Act of 2002 that the only practical solution to this challenge is to promote a more efficient use of existing resources. In establishing the NRDP in the Farm Bill, Congress expected the NRDP to work with USDA and other federal departments and agencies at the state, regional and local levels to:

- Eliminate impediments to economic growth at all levels by streamlining burdensome regulations;
- Identify duplication in all forms and provide substantive recommendations for their elimination;
- Identify gaps in service delivery and provide creative solutions for addressing these areas;
- Develop and support structural relationships that provide a more congruent and fluid service-delivery system for rural America; and
- Identify “best practices” in collaboration and promote these models in other sectors and locations.

Congress recognized that the federal government should work towards a more innovative and coherent national rural policy that uses increasingly scarce public resources efficiently and effectively. Federal



Mary Randolph, chair, NRDP, (right) and Shawn Pritchett, chair, PRA, (left) present Senator Craig Thomas with the Champion of Rural America Award at the 2006 Annual Rural Policy Conference in Arlington, Virginia in March 2006.

programs are supported by, and related to, programs initiated by the states, tribes, regional and local governments as well as those in the private and nonprofit sectors. Any formulation of programmatic or regulatory policy for rural America should potentially include all these sectors. Given their makeup, the NRDP and the State Rural Development Councils (SRDCs) are uniquely positioned to help develop and implement appropriate changes to national and state policies and programs. At the state level, many SRDCs have achieved extraordinary results that have greatly benefited their rural communities.

The Purpose of SRDCs

The Farm Security and Rural Investment Act of 2002 formally authorized the SRDCs, provided guidance on how they should be organized (or in some cases reorganized), and articulated their duties. Under the Farm Bill, the SRDCs are required to:

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Introduction *(continued)*

- Facilitate collaboration among federal, state, local and tribal governments and the private and nonprofit sectors to plan and implement programs and policies that impact rural areas;
- Monitor, report, and comment on policies and programs that address, or fail to address, the needs of the rural areas; and
- Help develop strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of federal, state, local, and tribal governments.

Currently, 35 states have federally recognized SRDCs, each dedicated to implementing the 2002 Farm Bill and improving the quality of life for the rural citizens of their state.

State-Level Accomplishments

During the past year, SRDCs performed many services and facilitated numerous collaborative activities and programs to meet the needs of rural communities. Together, they directly leveraged more than \$15 million. For example, many SRDCs:

- Convened rural policy forums or summits, gathering together people from across their states to address a variety of rural development issues;
- Lead community assessment programs, and developed and provided leadership opportunities for rural citizens;
- Promoted and facilitated homeownership and business development in rural areas;



IDAHO: More than 130 citizens attend a community meeting in Malad City/Oneida County, hosted by the Idaho Rural Partnership.



WYOMING: Glenrock Converse County Assessment, hosted by the Wyoming Rural Development Council.

- Lead strategic planning efforts for rural communities;
- Conducted grant-writing workshops to assist rural communities in identifying and securing grant funds to meet community needs; and
- Created more efficient methods to monitor air, water, soil and energy quality, and facilitated exploration of renewable energy forums.

National-Level Accomplishments

The SRDCs report that there has been excellent cooperation from the state offices of many federal agencies including USDA-Rural Development, and USDA-Natural Resources and Conservation Service. Unfortunately, financial and human support for the NRDP and the SRDCs at the national level has been lacking in recent years, particularly at USDA, which is the lead federal department charged with assisting the NRDP.

The NRDP and PRA co-sponsored two leadership training conferences for SRDC staff and volunteer leaders this past year. Both conference were held in Washington D.C. in order to be accessible to federal agency staff and private sector organizational leaders. These conferences were well received by the 150 rural leaders and government officials that participated in them.

During August 2005, on behalf of USDA, the PRA con-

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Introduction *(continued)*



MAINE: Russell Libby of Maine Organic Farmers and Gardeners Association, Mark Lapping of Muskie School for Public Service, and Peter Taylor of Maine Community Foundation join a panel discussion during a Harness the Wealth Conference.

vened the first – and only – meeting of the National Rural Development Coordinating Committee (NRDCC) in an effort to begin the work of that important entity that was mandated to be established in the 2002 Farm Bill. Former Secretary of Agriculture Ann Veneman, working with her cabinet colleagues, had appointed the majority of NRDCC members in 2004. Agencies represented included CDFI, Commerce (Economic Development Administration),

During the past year, no USDA funds have been provided despite a mandate from Congress to provide funding at the FY 2004 level (about \$1.8 million). Going forward without adequate federal financial support, the nation could be at a serious risk of losing its well established network of State Rural Development Councils.

Small Business Administration, and the Departments of Defense, Housing and Human Services, Housing and Urban Development, Homeland Security, Interior, Labor, Transportation, the Veterans Administration and USDA. This get-acquainted meeting was a positive first step towards getting federal agencies to work together to solve difficult rural development challenges. Unfortunately there has been no USDA follow-up on the key issues raised during the NRDCC August 2005 discussion.

The NRDP and PRA stand ready to continue their support of the SRDCs — and

the NRDCC when it becomes operational — as they respond to state and national rural policy needs, develop strategies to reduce or eliminate conflicting or duplicative regulatory requirements, and report on policies and programs that address (or fail to address) the rural needs of their states.

The Future of the NRDP

In the past, USDA and other federal agencies have provided important funding to support federally recognized SRDCs. When Congress enacted the 2002 Farm Bill, it authorized \$10 million in annual funding for the NRDP,

which was expected to cover 50 percent or more of the operating costs of State Councils working in all 50 states. The SRDCs are also typically supported through state grants, private foundations, and cash and in-kind contributions of council members and other partners.

Unfortunately, the full amount of sustainable funding that the Congress envisioned for the NRDP has never been appropriated. Only 35 state councils are

operating today (down from 40 in 2002). In FY 2004, total federal support for the NRDP amounted to just under \$3 million (with one-third of this funding provided by the Departments of Veterans Affairs and Health and Human Services). During the

past year, no USDA funds have been provided despite a mandate from Congress to provide funding at the FY 2004 level (about \$1.8 million). This lack of federal financial support has forced several SRDCs to seek funding for projects or activities not directly related to the core mission of the NRDP. Going forward, without the availability of adequate federal financial support, the nation could be at a serious risk of losing its well established network of SRDCs, which provide the coordinated leadership needed to implement the responsibilities enumerated in the 2002 Farm Bill. The nation's taxpayers and citizens of rural America will be the ultimate losers if this is allowed to happen.

SUMMARY REPORT ON THE ACTIVITIES OF THE STATE RURAL DEVELOPMENT COUNCILS June 2006

State Rural Development Councils (SRDCs) work as an integral part of the National Rural Development Partnership (NRDP) to empower and build the capacity of states and rural communities. SRDCs assist with designing flexible and innovative responses to their states' own special rural development needs and help the local, state, and federal government eliminate impediments and remove regulatory barriers.

Partners for Rural America (a nonprofit organization which provides support to SRDCs) and the NRDP (which was formally established by the 2002 Farm Bill) submit to the 109th Congress this report, which highlights the impact the SRDCs have had in rural communities across the nation.

Currently, the U.S. Department of Agriculture recognizes 35 SRDCs as having met the requirements of the Farm Security and Rural Investment Act of 2002. This report, which includes most of those councils, provides an overview of the diverse and individualized projects and activities the councils coordinate, organize, direct, and/or collaborate on with numerous partners to address rural needs. The activities presented in this report are either underway or have been completed during the past year. With the support of PRA and the NRDP, the SRDCs continue to be an effective vehicle for promoting rural development efficiency using public resources and improving the lives of rural families.

Rural Health Care

The South Carolina Rural Development Council (SCRDC) was instrumental in identifying the unmet medical needs of the state-recognized Pee Dee Indian Tribe in rural Dillon County, one of the poorer counties in South Carolina. This portion of Dillon County is even more remote and poverty stricken than the rest of the county and state. Working with the South Carolina Primary Care Association, Clemson Institute for Economic and Community Development, and South Carolina Community Development Collaborative, the SCRDC helped coordinate a health fair. About 75 tribal members participated. Of those, 40 were connected to a physician. Now, a dozen or more chronic health concerns are being treated. Many participants were registered for Medicaid, and those receiving treatment were referred to prescription drug assistance programs. Follow-up with the Pee Dee Indian Tribe is continuing to identify other unmet needs.

The SCRDC is exploring a housing initiative with the tribe and assisting with research on tribal history, as the tribe would like to apply for federal recognition.

■ **The Ohio Rural Development Partnership** has helped form the Ohio Rural Health Coalition Group to address the need for health care services in rural Ohio. More than 200 people participated in four regional workshops to discuss rural health issues. A state-wide conference is scheduled for September 2006 to address the identified health care concerns. The Governor's Office, the Director of Health, and the Director of Aging are expected to participate. Partners include rural public health and hospital personnel, rural physicians and other health care providers, state and local government leaders, local community leaders and elected officials, organizations and trade associations with a health mission.

■ The Rural Initiative Grant for Health Training provides Emergency Medical Services technicians in rural Illinois with training on a state-of-the-art mannequin provided through the University of Illinois College of Medicine at Peoria, through grant funds secured by **Illinois Rural Partners**. This training program is linked to EMT certification to help alleviate funding obstacles for EMT/paramedics in the rural areas of the state.



Broadband Deployment & Distance Learning

The Missouri Rural Development Partners (MRDP) and the Missouri Distance Learning Association convened a task force to: (1) review the current and potential application of distance learning in Missouri; (2) develop a proposed policy framework to guide continued development of distance learning; and (3) prepare recommendations for state departments, state legislature and supporting partner agencies to enhance distance learning opportunities.

The Missouri Distance Learning Initiative successfully developed and helped pass legislation during the 2006 Missouri General Assembly to establish a “pilot virtual school.” The Department of Elementary and Secondary Education is drafting administrative rules for implementing the virtual school program. The goal of MRDP and Missouri Distance Learning Association partnership is to create a policy framework that promotes the use of distance learning to enhance educational opportunities and promote high performance for all students. The pilot virtual school is expected to offer distance learning opportunities for 500 to 1,000 students during the first three years. Establishing a comprehensive system of distance learning will ultimately benefit all learners in the state and contribute directly to rural development efforts. This partnership brought together various interest groups that will be engaged and affected by the programs, including teachers, local school boards, school superintendents, state education departments, current education providers and others.

The pilot virtual school is expected to offer distance learning opportunities for 500 to 1,000 students during the first three years.

- **Illinois Rural Partners** facilitates *Connect SI*, a 20-county broadband collaborative in southern Illinois that works to enhance economic and community development through greater Internet access. This program allows for regional and global communication and improves the quality of lives of southern Illinoisans by changing the way they work, live and communicate with the world. The project affects many sectors in the region, including, health care delivery, business and industry, education and training, government, agriculture, and homes.



- **The Rural Maryland Council** and partners have led important efforts to make broadband service ubiquitous throughout rural Maryland. State legislation was passed in 2006 that will fund broadband infrastructure deployment in Southern Maryland and the Eastern Shore. The legislation establishes the Rural Broadband Coordination Board and creates a non-lapsing Rural Broadband Assistance Fund in Maryland’s Department of Business and Economic Development. The bill requires the state to appropriate \$10 million between FY 2007 and FY 2009. Potentially more than 1 million rural citizens and hundreds of rural businesses will benefit.

- **Ohio Rural Development Partnership** took a leadership role in convening stakeholders from around the state to address the lack of

broadband and technology infrastructure—a major issue in Rural Ohio. A Broadband Conference, sponsored with USDA-Rural Development, drew more than 150 participants, along with Senator Mike DeWine. Stakeholders involved in the project include USDA-Rural Development, Ohio University and Ohio State, U.S. Department of Commerce, P.U.C.O., cable companies, telephone companies, local government, Internet providers, foundations, technology infrastructure groups.

- **The Idaho Rural Partnership** began a collaborative effort in 2003 to address high-speed Internet access in rural Idaho. The Idaho legislature appropriated \$5 million to increase access to rural broadband. Numerous federal, state, local and private partners continue their work to invest their respective funds to provide access to rural Idahoans.

Housing and Homeownership

■ The **North Dakota Rural Development Council** has fostered relationships with federal, state and community housing projects and programs to address the housing shortage that has arisen in North Dakota's rural communities due to the resurgence in oil exploration and production. Without homes and apartments to live in, workers become unavailable and production is reduced. The council has been the coordinator between the rural communities and the eleven housing programs scattered throughout the state. Through collaboration and coordination, the council has been able to create housing events and form partnerships, knitting together programs and resources to address the shortage. The benefits are widespread and include job creation, sustainable housing at lower costs, safety nets for financial institutions and developers, increased rural population, and diversity. More than 1,000 people have been helped through this program, which is on-going and will be replicated throughout the state. Housing

A North Dakotan family that uses the program to purchase a home can save up to \$25,000. More than 1,000 people have been helped so far.

authorities are being created in communities that had vacant homes in disrepair and targeted to be razed. The program successfully leveraged more than \$1 million. A North Dakotan family that uses the program to purchase a home can save up to \$25,000. Partners include Department of Housing and Urban Development, North Dakota Housing and Finance, the cities of Williston, Stanley, and Grafton, Marvin Windows, Fannie Mae, North Dakota's Governor's Office, North Dakota Department of Commerce, Community Works ND, Center for Technology and Business, Bank of North Dakota, USDA-Rural Development, and the regional councils.

■ **Illinois Rural Partners** manages the Community Development and Economic Growth through Homeownership Program, which delivers a coordinated housing program for single family and new construction in rural areas. The program includes construction dollars, below market mortgage funds, down payment assistance funds, second mortgage (0%) dollars, housing counseling and homebuyers education dollars, and employer assistance matching funds. Housing organizations collaborate with Rural Partners to make this service available to future rural homeowners.

■ **South Dakota Rural Development Council** has been engaged in developing the S.D. Rural Housing Collaborative along with other housing and rural-related organizations with significant presence in the state. The Rural Housing Collaborative is developing a playbook on rural housing to assist rural communities with their community-based housing development needs.

■ The **Hawaii Rural Development Council** is working with USDA-Rural Development, the Rural Community Assistance Corporation, and the Council for Native Hawaiian Advancement Opportunities to expand homeownership training and awareness of Department of Hawaiian Homeland beneficiaries potentially eligible for 502 loans.



Rebecca Davis, Chair, Council for Rural Virginia, and Senator Frank M. Ruff, Jr., Chair, Center for Rural Virginia.

Welcome to the newest SRDC: Council for Rural Virginia

The newly created **Council for Rural Virginia** signed a collaborative agreement with the Center for Rural Virginia (a state sponsored rural initiative) to share staff and resources to better meet the needs of rural Virginians. An executive director has been hired, and both volunteer and donated staff support have been secured for the Council and the Center. The two organizations share office space in Richmond and Blacksburg, and both organizations co-hosted the First Annual Rural Virginia Leadership Conference in October 2005. Workshops topics included broadband, health care, education, agriculture, tourism, housing, and transportation.

About 100 people participated in the two-day event.

Economic Development

The New Mexico Rural Development Response Council (NMRDRC) recently completed a three-and-a-half year contract with the Economic Development Administration designed to implement economic development projects in 16 rural New Mexico communities. This bold program, called Rural Readiness, asserts that by using a specific project, rural communities can be “taught” to carry on future projects which will benefit their community. The program is an attempt to stabilize and grow economic activity, and to forestall the population decline and public school enrollment deterioration that is occurring in most rural New Mexico communities. Many projects are still works in progress but have already yielded impressive results. To date, Rural Readiness has created 700 to 750 jobs, and during the next two to 10 years has the potential to create 1,700 new jobs. About \$3.6 million has been spent on infrastructure and capital investments, plus a sizable investment, reported at an estimated \$35 million, in the NENM Detention Center in Union County. Infrastructure and capital investment potential is \$42 to \$45 million. Not included in future projections are the potential of several Biomass Alternative Energy plants and Wind Farms, which could add an additional \$50 million. Several projects are tourism related and will positively impact gross receipts and local tax revenues as well.

New Mexico's Rural Readiness program has created more than 700 jobs and, during the next 10 years, has the potential to create 1,700 new jobs. About \$3.6 million has been spent on infrastructure and capital investment in these communities, with the potential to reach more than \$42 million.

The New Mexico council received \$250,000 from the state and estimates an equal amount from in-kind contributions from board members and local partners. In addition to the state legislature and board of directors, other partners include the New Mexico Economic Development Department, local economic development organizations, including the Anthony-Berino Economic Development Corporation, the Cuba Regional Economic Development Organization, the Union County Economic Development Corporation, and the Sierra County Economic Development Corporation.

The NMRDRC continues to assist their Rural Readiness communities and has extended the program to include ten more communities through funding from the USDA's RCDI Program. The council is also working on a specialized program that builds economic development projects in rural communities using the public schools as incubators. This program is based on the success of Rural Readiness in Harding County where a strong FFA welding program led the inception of a metal goods manufacturing plant.

■ **The Indiana Rural Development Council (IRDC)** partnered with the Purdue Center for Regional Development and the Indiana Office of Community and Rural Affairs to develop a 15-year framework called, Rural Indiana Strategy for Excellence or RISE 2020. The RISE 2020 framework is built upon a foundation and seven pillars: (1) Rural Constituency, Voice and Platform; (2) Regional Frameworks; (3) Civic Leadership and Engagement; (4) Asset-Based Community Development; (5) Rural Innovation Culture; (6) Youth Engagement; (7) Wealth Creation, Retention and Investment; (8) Diversity, Access and Inclusiveness. RISE 2020 is empowering rural residents and service providers to create positive visions and execute projects for rural communities. While the framework report is in its final stages, several communities are already using RISE 2020 to energize local agendas and reach out to other

communities for regional projects. IRDC committed significant financial and management resources to this initiative. Partners include a consortium of NGOs, academic institutions, businesses, philanthropic groups, and government agencies. About 150 people from numerous rural constituencies in eight work groups were involved in the process, along with public input from 20 community meetings.

■ **The Maine Rural Partners**  launched *Harness the Wealth!*, an integrated community building program that combines strategic planning, capacity building and a community-based financial investment strategy to sustain grassroots rural development. The council has trained 60 community development

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Economic Development

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practitioners and is scheduled to start pilot projects in late 2006. A community coach network is being developed to provide best practice training and peer support to rural development practitioners. The initiative has leveraged about \$350,000 from other funding sources. Partners include USDA–Rural Development, HUD, Bangor Savings Bank, Maine Community Foundation, UM Cooperative Extension, Wyoming Rural Development Council, and the Maine Department of Agriculture.

■ The **Arizona Rural Development Council** received a \$30,000 grant from the Bank of America Foundation to implement the HomeTown Competitiveness Initiative. Five Board members and the executive director attended a training session in Lincoln, Nebraska. Four communities with 125 people have received initial training and are now identifying people throughout their communities and forming task forces to work on different facets of the initiative. The council is

soliciting partners to form the support structure for this work. The Arizona Community Foundation and the Cochise County Community Foundation are participating as trainers and providing financial assistance to some communities.

■ Discussions initiated by the **Idaho Rural Partnership** led to the



Department of Environmental Quality mounting a major initiative to streamline its environmental permitting process. This work will create a more efficient method to monitor industry, thus improving air, water and soil quality. The work is also welcomed by the private sector and viewed as business friendly.

■ **South Dakota Rural Development Council** has helped develop the South Dakota Resources Directory for Community and Economic Development, the Business Resources working group and the Grant Writers Workshop.

Rural Entrepreneurism

■ The **Minnesota Rural Partners (MRP)** has built an online tool for entrepreneurial resource matching (www.bizpathways.org). This tool is a component of Minnesota Entrepreneurial Gateway program (MEG), developed to serve as an economic development strategy for the rural areas of Minnesota. Currently, four pilots of the MEG program are in place and have benefited an estimated 30,000 people. More than 3,000 service providers participate in the online tool. MRP has leverage about \$200,000 to implement the four pilots sites from a combination of user fees and foundation grants, including the Initiative Foundation, Blandin Foundation, the Minneapolis Foundation, and the W.K. Kellogg Foundation. Partners included the higher education systems, the state economic development department, the Independent Bankers Association, and local community organizations and businesses.

Four pilots of the Minnesota Entrepreneurial Gateway program are in place and have benefited an estimated 30,000 people.

■ **Oklahoma Rural Development Council (ORDC)** co-sponsored four “tools workshops” around the state, which focused on entrepreneurship, agri-tourism, and venture capital. About 250 people attended the four workshops. Without doubt, the largest hurdle entrepreneurs and new businesses face, especially in rural areas, is access to capital. The ORDC collaborated with the Southeastern Oklahoma Economic Development Network and Oklahoma State University to conduct two seminars across the state. The Network contracted with the National Association of Seed and Venture Funds to facilitate two one-day seminars on the east and west sides of the state. More than 50 people attended the “Seed Investing as a Team Sport” seminars. Participants received information about different types of investors and what investors look for when reviewing investment opportunities with new and/or start-up companies.

■ The “Creative Communities Program” of the **Vermont Council on Rural Development** began in the fall of 2005 and is designed to provide technical assistance, planning support, and strategies for building project resources, all under the umbrella of the creative economy. Fourteen Vermont communities will be selected over two years to participate. Each town selected will participate in an individualized process comprised of public discussion, strategic planning, and collaboration with a growing network of statewide creative economy centers.

Agriculture, Forestry & Resource-Based Industry

The Rural Maryland Council (RMC) was instrumental in establishing the Maryland Agriculture and Resource-Based Industry Development Corporation (MARBIDCO), a quasi public economic development corporation focused exclusively on assisting innovative agriculture and resource-based industries. The RMC assisted with all phases and stages of the development of this exciting adventure, including securing \$1 million for MARBIDCO's core rural business development and financing programs for FY 2007 from the state. The funding will flow through the RMC.

Future funding of MARBIDCO was also included as a major component of the Agricultural Stewardship Act of 2006, a sweeping legislative initiative that the RMC helped draft. The Ag Stewardship Act passed with unanimous bi-partisan support and includes more than \$50 million in funding for MARBIDCO during the next 14 years. In addition, the bill recommends the state provide an additional \$5 million per year to develop the Next Generation Farmland Acquisition Program, which will help beginning or transitional farmers purchase increasingly expensive farmland. More than 1.6 million people live in Maryland's rural counties where agriculture and resource-based industries are important to the local economies.



USDA-RD Director for MD/DE Marlene Elliott (center) presents RMC Chair Phyllis Kilby and Executive Director Stephen McHenry an RBEG Grant of \$20,000 to help MARBIDCO get up and running.

The bill recommends the state provide an additional \$5 million per year to develop the Next Generation Farmland Acquisition Program, which will help beginning or transitional farmers purchase increasingly expensive farmland. More than 1.6 million people live in Maryland's rural counties where agriculture and resource-based industries are important to the local economies.

Agricultural Development

- **Rhode Island Rural Development Council (RIRDC)** partnered with RI State Grange and Washington County Pomona Grange to develop and submit a successful grant to The Champlin Foundation for funds to restore the 4H/FFA sheep and goat building at the Washington County Fairgrounds. In addition to the grant funds, a number of volunteers made the restoration possible.

Also, during the October 2005 USDA Listening Session on the Farm Bill, the Council received \$50,000 from the USDA-RD Value Added Producer Grant Program to help market "Rhody Fresh" products and to provide new packaging sizes for milk products.

In May 2006, the council was recognized by the governor at "Rhode Island Ag Day at the State House" for its support of RI Shellfishermen's Association's efforts to develop and promote a branded-product logo for its bay harvested clams. The new logo, "Rhode Island Quahogs" brand will appear on mesh bags of hard shell clams (i.e., quahogs) sold to wholesalers. To date, wholesalers have purchased 30,000 bags for use.

The RIRDC also entered into a cooperative agreement with the Rhode Island Resource Conservation and Development Area Council, a

non-profit Rhode Island Council partnership under the USDA-Natural Resource Conservation Service, to provide services for implementation of the RI RC&D Work Plan and Area Plan for 2005. The Council has identified and begun working on the following projects for 2006: (1) Local Meat Production Feasibility Study on local farms interested in meat processing of beef, lamb and poultry products to Rhode Islanders; (2) Rural Heritage and Conservation Tourism Initiative for the South County, including identification of methods for non-profits to take advantage of free advertising services when promoting their historic or natural resources sites and potential sites areas for grant opportunities; (3) New logo for local Rhode Island Shellfishermen's Association through a grant for design layout with a local rural artist; and (4) Forestry and Wood Expo.

- **The Idaho Rural Partnership**, in cooperation with the Governor's Office, Idaho Department of Environmental Quality, and General Motors Corp., promotes the use of ethanol and serves as a member of the Treasure Valley Clean Cities Coalition.

- **The Hawaii Rural Development Council** negotiates with the Land Use Commission regarding participation in designing and

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NEBRASKA: Scott Blehm, USDA-RD Director for Nebraska; Edgar Hicks, Chair, Nebraska Rural Development Commission; and Chuck Hassebrook, member of Nebraska Rural Development Commission.

managing the community input process for the designation of Important Agriculture Lands. The council also supports the Office of Planning's Rural Study, which will produce a best practices handbook of land uses planning policies and tools for rural areas.

■ **The Nebraska Rural Development Commission** has recently implemented and will administer two new grant programs: Building Entrepreneurial Communities requires a coalition of local governments while the Value Added Agricultural Program requires a coalition of agriculture-related partners. Both programs could impact several hundred rural Nebraskans.

Forest Products

■ **Utah Rural Development Council** (URDC) assumed a leadership role in organizing a forest/wood products association to facilitate cooperation, coordination, and promotion from within the forest wood products industry in Utah. Additionally, the URDC has created a non-profit Stewardship Contracting Center, which acts as general contractor/broker for federal, state and private contracts to improve landscape, air and water quality, and community economic conditions. Another major activity of URDC this year has been the organization of a Forest Restoration Partnership Community Capacity Building Working Group with representation from federal, state, and local government officials from Utah and Arizona. The URDC leveraged about \$500,000 from collaborative sources to execute the program. Partners involved in these efforts include: USDA Forest Service Regions Three and Four, the Bureau of Land Management for Utah and Arizona,

USDA-Rural Development, Utah Department of Natural Resources Forestry Fire, and State Lands for Utah and Arizona, and Five and Six County Associations of Government. This program benefits thousands of both rural and urban citizens in Utah and Arizona, as well as visitors from other states who enjoy clean air and healthy landscapes.

■ **The Wyoming Rural Development Council** successfully brought together a partnership of local, state and federal agencies to sponsor three Stewardship Contracting Workshops.

The theme of the workshops was "Stewardship Contracting: Accomplishing Land Management Goals while Creating New Opportunities for Rural Communities." The workshops were held in a neutral, open setting where both the vendors and agencies learned more about the needs, opportunities and potential of stewardship contracting to achieve more healthy forested lands. Partners included the Wyoming Department of Agriculture, USDA-Forest Service, Bureau of Land Management, Wyoming State Forestry, and NRCS Resource Conservation and Development.

■ **Vermont Council on Rural Development** (VCRD) implemented a systematic national marketing campaign for the state's value-added forest products that will expand sales and increase employment in Vermont's value-added forest products industry. The project will benefit the

entire industry – from one-person shops to major manufacturers. Hundreds of businesses and thousands of Vermont-

VCRD implemented a systematic marketing campaign for value-added forest products that will benefit hundreds of businesses and thousands of Vermonters.

ers will benefit from this exciting program, which is leveraging more than \$1 million in funds and in-kind contributions from the many collaborators involved. Partners include: USDA-Rural Development, EDA, Vermont Department of Forests, Parks and Recreation, Vermont Wood Manufacturers Association, Vermont Wood Marketing Association, Vermont Department of Economic Development, Vermont Department of Tourism and Marketing, Cabot Cooperative Creamery, and Senator James Jefford's office.



Rural Community Assessments

The Wyoming Rural Development Council has completed its fifth year of the Community Assessment Program – which provides communities an affordable method for assessing their problems and challenges, identifying their assets and defining the issues and projects that they would like to achieve, with hopes that it will lead to long-range planning.

Seventy-three communities have participated since its inception. In addition to offering the program to all Wyoming communities, the Council has developed a five-year, next steps program for those communities that hosted an assessment in 2000. The first county-wide assessment was conducted in 2005 and plans are

under development to offer county-wide assessments to all of the counties in Wyoming, as well as further training for resource team members for county assessments. More than 375 trained volunteer resource team members, representing many partner organizations, are available to assist with the assessment.

The Community Assessment Program provides communities an affordable method for assessing their problems and challenges, identifying their assets and defining the issues and projects that they would like to achieve.



Kaycee, Wyoming
Community Assessment

■ The South Dakota Rural Development Council continued its Community Assessment Program for the second year. Twenty communities have participated so far with another ten slated for Fall 2006 through Spring 2007. More than 175 trained volunteers, representing more than 50 organizations from across the state, serve as resource team members.

■ The Washington State Rural Development Council has successfully conducted Community Assessments for their small rural towns and cities and developed relationships with their rural partners, including agency and legislative partners. To date, 15 community assessments have been completed, providing benefits to the citizens of these cities, towns and outlying communities, local businesses, organizations and agency partners.

■ More than a dozen rural Idaho communities have benefited from the Community Review conducted by the Idaho Rural Partnership. This assessment and resource delivery mechanism is a collaborative effort among federal, state, local and private entities. Each review is valued at more than \$60,000. The community's only cost is food for the reviewers during the two-day formal process. Follow-up continues indefinitely.

■ Illinois Rural Partners: *Vision 2007* will allow the rural voice of Illinois to be heard during the strategic planning period of the 2007-2011. Six forums will be held throughout the state from May



Idaho: Senator Mike Crapo (left) and Idaho Rural Partnership Executive Director Dale Dixon talk during a series of 2007 Farm Bill listening sessions held throughout Idaho.

2006 to February 2007, allowing rural residents and businesses to bring forth issues and concerns within their own communities. These sessions will be recorded and the outcomes incorporated into a document to be used by the leadership of the state in strategic planning for the future of rural Illinois.

■ A signature program of the Vermont Council on Rural Development is "The Community Visit" program, which provides a structure for prioritizing community goals, fosters local leadership, and serves as a catalyst for developing concrete, achievable, action plans for rural communities.

Community Capacity Building

■ The **Idaho Rural Partnership** facilitated leadership training workshops in 12 communities that drew more than 340 current and future rural leaders. Participants represented federal, state, county and city agencies and organizations; mayors, council members, and county commissioners; public school board members; candidates for public office; farmers/ranchers; clergy; non-profit managers; business owners/managers; volunteers; and high school students. Program content included Community-Based Planning; Leadership, Organizational Lifecycles and Effective Meetings; and Communicating through the Media. The training sessions were so successful that IRP will offer another series in the fall 2006. In addition to the training, IRP used its interaction with rural leaders to assess challenges in rural Idaho. This information will help identify training topics that IRP will address in the future. The identified challenges will also help determine what future projects and activities IRP will undertake to address the needs of rural Idahoans. IRP partners included: Idaho National Laboratory, Monsanto, Association of Idaho Cities, Idaho Association of Counties, USDA-Rural Development, USDA-Farm Service Agency, U.S. Department of Housing and Urban Development, Idaho Department of Environmental Quality, Idaho Commerce and Labor, Idaho State Department of Agriculture, Qwest, The Hudson Company, and Leadership Idaho Agriculture.

■ In mid-2005, the **Indiana Rural Development Council** (IRDC) awarded more than \$5 million in Indiana Rural Development Grants to 68 different projects, which ranged from rural broadband to entrepreneurship, leadership to youth engagement, and infrastructure to quality of life initiatives. The IRDC continues to assist communities with environmental infrastructure planning, housing assistance, rural entrepreneurship and community assessment.

■ The 2020 Rural Maryland Prosperity Investment Fund, authorized by the state Legislature in 2006, was conceived by the **Rural Maryland Council** and many of its rural partners during a three-year period. The fund is designed to make important targeted investments in rural economic and community development programs and projects. The overall aim of the Rural Investment Fund is to expand economic opportunity, reduce rural/metropolitan employment and service delivery disparities, and improve the rural quality of life. Key areas of focus are regional cooperation and collaboration; regional infrastructure enhancement; rural entrepreneurship; MAERDAF (i.e., Maryland Agricultural Education and Rural Development Assistance Fund); and rural programmatic support. During the five-year life of the MAERDAF program, 73 grants, totaling \$1.4 million have been awarded to rural-serving nonprofits in four focus areas: agribusiness development or agricultural and forestry education; rural economic development (non-agricultural); infrastructure and community development; and rural health care access improvement.



Maine Rural Partners (MRP) specializes in networking. The Community Builders Network Forum is up and running, and FedNet is ready to be launched. Federal programs that are used by rural communities are being inventoried and analyzed through an asset mapping process. MRP is building a searchable directory and grant deadline calendar to improve access to these rural programs. State and federal programs that help agricultural producers reduce energy costs and get into renewable energy development are being catalogued to improve access, strengthen coordination, and identify gaps to be addressed. MRP is also exploring policy incentives for stimulating private investment in rural community development activities.



Community Capacity Building

■ The **Oklahoma Rural Development Council** partnered with the Oklahoma Department of Commerce’s Rural Action Partnership Program, Oklahoma State Careertech, and Cross Timbers Resource Conservation & Development Council to provide 20 scholarships for rural residents to attend two grant writing workshops. Grant writing skills are repeatedly identified as a need in rural communities.

■ **Wisconsin Rural Partners** worked with several organizations to produce the 4th Annual Wisconsin Community Leadership Summit, a two-day leadership development conference. One-hundred leaders from across the state participated in 20 skill-building workshops and training sessions. In addition, the “Top Rural Development Initiative Award” was presented during the conference to highlight best-practices in rural development around the state. Partners that helped make the Leadership Conference possible include: Wisconsin Rural Leadership Program, USDA-Rural Development, Wisconsin Housing and Economic Development Authority, Wisconsin Public Service Corporation, Wisconsin Department of Public Instruction, Xcel Energy, Wisconsin Department of Agriculture, Trade and Consumer Protection, Wisconsin Counties Association, M&I Bank, and ten other organizations.

■ **The Arizona Rural Development Council**, in partnership with the Arizona Community Foundation, was one of 24 organizations selected nationwide to participate in the W.K. Kellogg Foundation’s Rural People, Rural Policy Initiative. This initiative will select as many as 100 more organizations from four regions during the next four years to develop national and local grassroots networks. Each organization received a \$100,000 grant to support their participation during the next five years. The initiative includes a series of training workshops and network formation exercises. Participants are now prioritizing issues to focus on the first year.

■ **Illinois Rural Partners** runs the Barometer Program, an initiative designed to assist rural communities and highlight potential opportunities based on existing assets and resources. The program will be available to all rural communities.



WRP member Pam Christenson of the Wisconsin Department of Commerce presents at the SBA Conference in March 2005. She was awarded one of the SBA’s best practices awards.

Convening & Policy Development

■ The **Oregon Rural Development Council** held a Rural Policy Forum in May 2006 that built upon “Rural Oregon Day,” an annual event at the state Capitol. The forum included more than 200 attendees, a panel from the Governor’s Office of Rural Policy Advisory Committee, and a panel of state legislators and rural advocacy experts. Five rural policy tracks highlighted Oregon’s rural concerns and included health and human services, agriculture and natural resources, education and workforce, housing and infrastructure, and small business. Three areas — water, housing, and small

business — were identified as needing immediate attention and are being reviewed by the Governor’s Office of Rural Policy. The majority of attendees came from rural areas, including community representatives, local officials, community-based organizations, and state and federal agency staff. Support from Health and Human Services was critical to the event’s success. Other forum partners included the Rural Community Assistance Corporation, the Governor’s Office of

Rural Policy, the University of Oregon Resource Assistance for Rural Environments Program, Oregon Workforce Alliance, Association of

The **Hawaii Rural Development Council** supported and facilitated the development of the rural legislative caucus – the first time a rural caucus has existed in Hawaii.

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Convening & Policy Development (cont.)

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Oregon Counties, USDA – Rural Development, U.S. Economic Development Administration and Rural Development Initiatives, the Eastern Oregon Rural Alliance, and the League of Oregon Cities.

■ **The Hawaii Rural Development Council** supported and facilitated the development of the rural legislative caucus, jointly hosted by members of the state House and Senate during the 2006 Legislative Session. This was the first time a rural caucus has existed in Hawaii. The Caucus hosted five meetings focusing on the following: Protection of Agriculture Lands; Affordable Housing in Rural Areas; Office of Planning/Land Use Commission Studies; and two general meetings to review bills that had an impact on rural communities.

■ **Minnesota Rural Partners** (MRP) hosts an annual Rural Summit, which gathers together those with an interest in rural development, to discuss and act upon critical issues before the state. The 2006 Summit was a sell-out event, held in partnership with the Center for Small Towns at the University of Minnesota-Morris. MRP also publishes a monthly e-newsletter for more than 2,000 subscribers that lists funding opportunities, event announcements, policy issues, and includes a commentary section. In addition, MRP recently created a CD-Rom that included more than 100 resources within Minnesota.

■ **The Arizona Rural Development Council** has also been a major supporter of the newly formed Arizona Rural Policy Institute at Northern Arizona University and will serve as its advisory board. The institute has received EDA University Center status and will receive \$535,000 during the next five years to support research in rural Arizona.

■ **The Rural Maryland Council** partnered with the State Office of Rural Health, the Maryland Rural Health Association and the state's rural regional planning and development councils to host the eighth annual Maryland Rural Summit. These Summits provide a unique opportunity for public and private sector leaders to get together to learn about the issues and trends in rural development and health care. The Summit addressed critical concerns of rural communities such as economic and community development, access to health care, rural broadband deployment, infrastructure improvement, and changing demographics. The Summit was well attended by state legislators, elected and appointed county and municipal officials, representatives from nonprofit and for-profit communities, health care professionals, and economic and community developers. A major highlight was the presentation of the Annual Rural Impact Awards which honor individuals and organizations that have provided outstanding leadership or service on behalf of rural Maryland during the previous year.



Pennsylvania Rural Forums

Pennsylvania Rural Partners conducted a series of Rural Issue Forums throughout the state as part of a continued effort to strengthen Pennsylvania's rural communities. Through the seven-region tour, Council staff and members, and state and federal agency representatives gained insight from rural residents, advocates and community leaders from diverse areas. Each forum provided the opportunity for rural citizens to voice their concerns on issues and opportunities most important to their communities. Included in the discussion were the topics of economic development, community development, education, healthcare and infrastructure.

The Center for Rural Pennsylvania developed and administered a survey to all forum participants. Information gathered from the survey and forums is being analyzed and will assist with the development of a new multi-year strategic plan, scheduled to be presented to USDA-Rural Development and the governor's office in the fall 2006.

Pennsylvania Rural Partners also coordinated a statewide rural summit where policy recommendations were developed to address some of the state's most pressing rural concerns. Subsequently, the council developed and maintains *The Rural Focus*, a monthly newsletter designed to update rural citizens on federal and state initiatives.

Appendix

**Provisions of the
Farm Security and Rural Investment Act of 2002
related to the National Rural Development Partnership
and State Rural Development Councils
(H.Rept. 107-424, P.L. 107-171)**

SEC. 6021. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 5321) is amended by adding at the end the following:

“SEC. 378. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

“(a) DEFINITIONS.—In this section:

“(1) AGENCY WITH RURAL RESPONSIBILITIES.—The term ‘agency with rural responsibilities’ means any executive agency (as defined in section 105 of title 5, United States Code) that implements a Federal law, or administers a program, targeted at or having a significant impact on rural areas.

“(2) COORDINATING COMMITTEE.—The term ‘Coordinating Committee’ means the National Rural Development Coordinating Committee established by subsection (c).

“(3) PARTNERSHIP.—The term ‘Partnership’ means the National Rural Development Partnership continued by subsection (b).

“(4) STATE RURAL DEVELOPMENT COUNCIL.—The term ‘State rural development council’ means a State rural development council that meets the requirements of subsection (d).

“(b) PARTNERSHIP.—
“(1) IN GENERAL.—The Secretary shall continue the National Rural Development Partnership composed of—

and
“(A) the Coordinating Committee;
“(B) State rural development councils.

“(2) PURPOSES.—The purposes of the Partnership are to empower and build the capacity of States and rural communities to design flexible and innovative responses to their own special rural development needs, with local determinations of progress and selection of projects and activities.

“(3) GOVERNING PANEL.—
“(A) IN GENERAL.—A panel consisting of representatives of the Coordinating Committee and State rural development councils shall be established to lead and coordinate the strategic operation, policies, and practices of the Partnership.

“(B) ANNUAL REPORTS.—In conjunction with the Coordinating Committee and State rural development councils, the panel shall prepare and submit to Congress an annual report on the activities of the Partnership.

“(4) ROLE OF FEDERAL GOVERNMENT.—The role of the Federal Government in the Partnership may be that of a partner and facilitator, with Federal agencies authorized—

“(A) to cooperate with States to implement the Partnership;

“(B) to provide States with the technical and administrative support necessary to plan and implement tailored rural development strategies to meet local needs;

“(C) to ensure that the head of each agency with rural responsibilities designates a senior-level agency official to represent the agency on the Coordinating Committee and directs appropriate field staff to participate fully with the State rural development council within the jurisdiction of the field staff; and

“(D) to enter into cooperative agreements with, and to provide grants and other assistance to, the Coordinating Committee and State rural development councils.

“(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

“(1) ESTABLISHMENT.—The Secretary shall establish a National Rural Development Coordinating Committee within the Department of Agriculture.

“(2) COMPOSITION.—The Coordinating Committee shall be composed of—

“(A) 1 representative of each agency with rural responsibilities; and

“(B) representatives, approved by the Secretary, of—

“(i) national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

“(ii) national public interest groups;

“(iii) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee; and

“(iv) the private sector.

“(3) DUTIES.—The Coordinating Committee shall—

“(A) support the work of the State rural development councils;

“(B) facilitate coordination of rural development policies, programs, and activities among Federal agencies and with those of State, local, and tribal governments, the private sector, and nonprofit organizations;

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“(C) review and comment on policies, regulations, and proposed legislation that affect or would affect rural areas and gather and provide related information;

“(D) develop and facilitate strategies to reduce or eliminate administrative and regulatory impediments; and

“(E) require each State rural development council receiving funds under this section to submit an annual report on the use of the funds, including a description of strategic plans, goals, performance measures, and outcomes for the State rural development council of the State.

“(4) FEDERAL PARTICIPATION IN COORDINATING COMMITTEE.—

“(A) IN GENERAL.—A Federal employee shall fully participate in the governance and operations of the Coordinating Committee, including activities related to grants, contracts, and other agreements, in accordance with this section.

“(B) CONFLICTS.—Participation by a Federal employee in the Coordinating Committee in accordance with this paragraph shall not constitute a violation of section 205 of 208 of title 18, United States Code.

“(5) ADMINISTRATIVE SUPPORT.—The Secretary may provide such administrative support for the Coordinating Committee as the Secretary determines is necessary to carry out the duties of the Coordinating Committee.

“(6) PROCEDURES.—The Secretary may prescribe such regulations, bylaws, or other procedures as are necessary for the operation of the Coordinating Committee.

“(d) STATE RURAL DEVELOPMENT COUNCILS.—

“(1) ESTABLISHMENT.—Notwithstanding chapter 63 of title 31, United States Code, each State may elect to participate in the Partnership by entering into an agreement with the Secretary to recognize a State rural development council.

“(2) COMPOSITION.—A State rural development council shall—

“(A) be composed of representatives of Federal, State, local, and tribal governments, nonprofit organizations, regional organizations, the private sector, and other entities committed to rural advancement; and

“(B) have a nonpartisan and nondiscriminatory membership that—

“(i) is broad and representative of the economic, social, and political diversity of the State; and

“(ii) shall be responsible for the governance and operations of the State rural development council.

“(3) DUTIES.—A State rural development council shall—

“(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that have an impact on rural areas of the State;

“(B) monitor, report, and comment on policies and programs that address, or fail to address, the needs of the rural areas of the State;

“(C) as part of the Partnership, in conjunction with the Coordinating Committee, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments; and

“(D)(i) provide to the Coordinating Committee an annual plan with goals and performance measures; and

“(ii) submit to the Coordinating Committee an annual report on the progress of the State rural development council in meeting the goals and measures.

“(4) FEDERAL PARTICIPATION IN STATE RURAL DEVELOPMENT COUNCILS.—

“(A) IN GENERAL.—A State Director for Rural Development of the Department of Agriculture, other employees of the Department, and employees of other Federal agencies with rural responsibilities shall fully participate as voting members in the governance and operations of State rural development councils (including activities related to grants, contracts, and other agreements in accordance with this section) on an equal basis with other members of the State rural development councils.

“(B) CONFLICTS.—Participation by a Federal employee in a State rural development council in accordance with this paragraph shall not constitute a violation of section 205 or 208 of title 18, United States Code.

“(e) ADMINISTRATIVE SUPPORT OF THE PARTNERSHIP.—

“(1) DETAIL OF EMPLOYEES.—

“(A) IN GENERAL.—In order to provide experience in intergovernmental collaboration, the head of an agency with rural responsibilities that elects to participate in the Partnership may, and is encouraged to, detail to the Secretary for the support of the Partnership 1 or more employees of the agency with rural responsibilities without reimbursement for a period of up to 1 year.

“(B) CIVIL SERVICE STATUS.—The detail shall be without interruption or loss of civil service status or privilege.

“(2) ADDITIONAL SUPPORT.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

“(3) INTERMEDIARIES.—The Secretary may enter into a contract with a qualified intermediary under which the intermediary shall be responsible for providing administrative and technical assistance to a State rural development council, including administering the financial assistance available to the State rural development council.

“(f) MATCHING REQUIREMENTS FOR STATE RURAL DEVELOPMENT COUNCILS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), a State rural development council shall provide matching funds, or in-kind goods or services, to support the activities of the State rural development council in an amount that is not less than 33 percent of

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the amount of Federal funds received from a Federal agency under subsection (g)(2).

“(2) EXCEPTIONS TO MATCHING REQUIREMENT FOR CERTAIN FEDERAL FUNDS.—Paragraph (1) shall not apply to funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance received by a State rural development council from a Federal agency that are used—

“(A) to support 1 or more specific program or project activities; or

“(B) to reimburse the State rural development council for services provided to the Federal agency providing the funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance.

“(3) DEPARTMENT’S SHARE.—The Secretary shall develop a plan to decrease, over time, the share of the Department of Agriculture of the cost of the core operations of State rural development councils.

“(g) FUNDING.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2003 through 2007.

“(2) FEDERAL AGENCIES.—

“(A) IN GENERAL.—Notwithstanding any other provision of law limiting the ability of an agency, along with other agencies, to provide funds to the Coordinating Committee or a State rural development council in order to carry out the purposes of this section, a Federal agency may make grants, gifts, or contributions to, provide technical assistance to, or enter into contracts or cooperative agreements with, the Coordinating Committee or a State rural development council.

“(B) ASSISTANCE.—Federal agencies are encouraged to use funds made available for programs that have an impact on rural areas to provide assistance to, and enter into contracts with, the Coordinating Committee or a State rural development council, as described in subparagraph (A).

“(3) CONTRIBUTIONS.—The Coordinating Committee and a State rural development council may accept private contributions.

“(h) TERMINATION.—*The authority provided under this section shall terminate on the date that is 5 years after the date of enactment of this section.*”

Joint Explanatory Statement of the Conference Committee

(11) National Rural Development Partnership

The House bill adds a new section to Subtitle E of the ConAct to establish a National Rural Development Partnership composed of the Coordinating Committee and the state rural development councils. (Section 615)

The Senate amendment amends Subtitle D of the ConAct to add the NRDP composed of the Coordinating Committee and the state rural development councils. (Section 611)

The Conference substitute adopts the Senate provision with an amendment clarifying the Senate language and authorizing up to \$10 million per fiscal year. (Section 6021)

The Conference substitute includes provisions which are intended to ensure the accountability of State Rural Development Councils (SRDCs) to the rural residents they are expected to serve and to agencies which provide financial support for their operations. The Managers specifically intend that all SRDCs will continue to abide by or come into compliance with the structural and process guiding principles of this section. The Managers also intend that USDA/Rural Development State Directors and other employees of USDA and other Federal agencies with rural responsibilities will fully participate as voting members in the governance and operations of SRDCs on an equal basis with other SRDC members.

The Managers expect the National Rural Development Coordinating Committee to make significant progress toward the goal of better coordinating the rural policies and programs of Federal agencies and developing greater collaboration between the Federal government, the States, and others with resources to invest in rural areas.

The Partnership has depended on voluntary contributions of discretionary funds from multiple Federal agencies to support its activities. This system has not met all of the needs of the SRDC. Accordingly, the Conference substitute contains an authorization for annual appropriations of \$10 million. The Managers encourage Federal agencies, whether or not they have contributed to the Partnership in the past, to financially support collaborative initiatives managed by SRDCs. The Managers specifically intend that all Federal funds that are provided to the SRDCs will be used solely for SRDC operations and projects and that the use of these funds will be controlled exclusively by the SRDCs’ governing boards. The Managers also strongly urge SRDCs to identify additional sources of non-Federal funds to support their activities.

SRDCs currently operate in 40 States. The Managers encourage the Secretary to work with the remaining 10 States to establish SRDCs.

The National Rural Development Partnership acts as a non-partisan forum for identifying, discussing, and acting on issues affecting rural America. The NRDP does not supplant, duplicate, or compete with any program, but rather facilitates coordination and collaboration among its partners to improve implementation of rural programs.

**The mission of the Partnership
is to improve the quality of life in rural America.**

www.rurdev.usda.gov/nrdp