

FY04 - RURAL DEVELOPMENT APPROPRIATIONS BILL

By David A. Miller, PE., USDA Rural Development,
Rural Utilities Service Program Director



As a new fiscal year begins, our attention turns towards funding. House Report 108-401- "Making Appropriations For Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the Fiscal Year Ending September 30, 2004, and For Other Purposes" or also known as the "Consolidated

Appropriation Act of 2004" was signed into Law by President Bush in late January. Title III funds "Rural Development Programs".

At the time of this writing, little real detail is known about various aspects of the bill; however, we do know that the following National program levels are:

Community Facilities:	\$ 75,919,000
Business Cooperative Development:	\$ 76,500,000
Water and Waste:	\$ 605,006,000

Some Federal Programs Earmarked:

Federal Recognized Native American Tribes	\$24,000,000
Rural Community Development Initiatives	\$ 6,000,000
Technical Assistance	\$17,733,000
Circuit Rider	\$13,000,000
EZ/EC REAP	\$22,132,000
Non-Profit Individually-Owned Water Well Grants	\$ 1,000,000
Water and Wastewater Revolving Funds	\$ 500,000

The "Program" funding levels are somewhat lower than FY'03 funding levels.

Commentary

The Rural Community Development Initiative (RCDI) provides for grant funds to be used solely to develop the capacity and ability of private, non-profit community-based housing and community development organizations, low-income rural communities and Federally Recognized Native American Tribes to undertake projects to improve housing, community facilities, and community and economic development projects in rural areas. These funds shall be made available to qualified private, non-profit and public intermediary organizations proposing to carry out a program of financial and technical assistance. Matching funds will be required.

The EZ/EC REAP (Rural Economic Area Partnership) is back again this fiscal year, at a much lower funding level (FY'04=\$22,132,000). In New York State, there are two REAP areas: Tioga County and Sullivan County Areas. These funds are available through June 30, 2004.

A new program for FY'04 will provide \$1,000,000 in grants to non-profit organizations to finance construction, refurbishing, and servicing of individually-owned household waterwell systems in rural areas. Regulations are now being developed to implement this program.

Further Commentary

The conference agreement provides \$61,116,000 (Budget Authority) for Distance Learning Telemedicine (DLT) and Broadband Program instead of the \$42,116,000 as proposed by the House and \$65,116,000 as proposed by the Senate.

Program Levels:

Distance Learning and Telemedicines Loan	\$300,000,000
Distance Learning and Telemedicines Grant	\$ 39,000,000
Broadband Telecommunications Loan	\$602,000,000
<i>(at the Treasury Rate of Interest)</i>	
Broadband Grants	\$ 9,000,000

More locally, the New York State RUS Water and Waste Program will receive \$30,272,000 in Loan funding and \$12,686,000 in Grant funding. Unlike last fiscal years, when the loan-to-grant ratio was 60% - 40%; this fiscal year the funding is 70% Loan to 30% Grant.

Loan making philosophy has not changed: We will utilize and maximize our ability to co-fund with other lending/granting entities and deliver "affordable" projects to the communities most in need of improvements. I encourage you to use available technical assistance like that delivered through the NY Rural Water Association to maximize your community's technical, managerial and fiscal capacity to be in a portion of developing the highest quality funding application.

To learn more about Rural Development's funding opportunities, please contact our website @ <http://www.rurdev.usda.gov/ny/> (or) contact me at (315) 477-6427 or email: david.miller@ny.usda.gov.

