



NADO NEWS

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LEGISLATIVE NEWS

EDA Reauthorization Bill Expected on Senate Floor Next Week

On April 8, the Senate Committee on Environment and Public Works introduced legislation (S. 782) reauthorizing the Economic Development Administration (EDA) for five years. On April 14, 2011, the measure was approved by the Committee. The bill, supported by committee Chairman Barbara Boxer (D-CA) and Ranking Member James Inhofe (R-OK), contains a number of NADO-supported provisions, including codifying federal-local match rates for projects and programs; establishing in statute the roles and responsibilities of EDDs; and increasing funding for the planning program if overall appropriations for the agency increase.

This legislation may be voted on in the Senate next week. **If you have not done so already, please urge your Senators to support the Senate EDA reauthorization measure (S. 782).** For a complete summary of new provisions included in the bill, please see the EDA legislative fact sheet attached to this edition of *NADO News*.

Dear Colleague Letter Circulated for NADO RTPO Bill

On May 20, Representative Walz (D-MN) and Representative Hanna (R-NY) circulated a Dear Colleague letter to the entire House of Representatives asking for cosponsors on the

Regional Transportation Planning Organizations bill (H.R. 1565). A copy of the Dear Colleague letter and the NADO legislative fact sheet are attached.

Please urge your Representatives to cosponsor this legislation (H.R. 1565). It is important to note that the House Committee on Transportation and Infrastructure, chaired by Representative John L. Mica (R-FL), plans to release a draft of the surface transportation reauthorization bill (SAFETEA-LU) within the next few weeks.

We hope that language from H.R. 1565 will be included into the multi-year SAFETEA-LU reauthorization measure for federal surface transportation programs being developed by the House Committee on Transportation and Infrastructure, Senate Committee on Environment and Public Works (highway title) and the Senate Committee on Banking, Housing and Urban Affairs (transit title).

The legislation would strengthen the role of rural local officials in the statewide transportation planning and investment process that would establish and give federal recognition to RTPOs for areas outside the boundaries of Metropolitan Planning Organizations (MPOs). Specifically, the RTPO bill would:

- Elevate the participation of rural local officials from “consultation” to “cooperation” in the statewide transportation planning process (these words have very specific meanings under the SAFETEA-LU law)

- Establish a federal definition and basic work program for RTPOs
- Require state DOTs to designate and fund RTPOs to help address the transportation needs of non-metropolitan areas outside the boundaries of MPOs
- Allow U.S. DOT to review and comment on state DOT processes for consultation with rural local officials

Appropriations Committee Releases Fiscal Year 2012 Agriculture Appropriations Bill

On May 12, the House Appropriations Committee released the subcommittee draft of the FY2012 Agriculture Appropriations bill, which was subsequently marked up in the Agriculture Subcommittee. The agencies and programs in this bill will receive a total of \$125.5 billion in both discretionary and mandatory funding, a reduction of more than \$7 billion from the President's request. Discretionary funding is reduced by \$2.7 billion from last year's level of \$17.2 billion, a cut of over \$5 billion from the President's FY2012 request. However, mandatory (automatic) funding in the bill increases by nearly \$3 billion over last year to a total of \$108 billion and equals more than 86percent of the total funding in the bill. Below is a summary of key bill highlights:

Rural Development: The bill provides \$2.1 billion for rural development programs, a decrease of \$338 million from last year's level (17 percent), and \$109 million below the President's FY2012 request.

- **502 Single Family Direct Loans:** \$40 million is provided to support \$846 million in direct loans (program authority cut of \$276 million) and \$24 billion in guaranteed loans (same as FY11 and \$12 billion above FY10).
- **504 Very Low-Income Repair Loans and Grants:** Eliminates loan program but provides \$32 million for grants (\$8 million below FY11)
- **515 Rental Housing Loans:** Program level of \$58.6 million, down from \$69.5 million in FY11

- **521 Rental Assistance Grants:** \$890 million is provided for rural rental assistance, \$63 million below last year's level.
- **523 Mutual/Self-Help Housing Grants:** The bill provides \$22 million, \$14 million below last year's level.
- **538 Rental Housing Guaranteed Loans:** Eliminates funding for account which had a program level of \$129 million in FY10 and \$30.9 million in FY11
- **Community Facilities Program:** Provides \$18 million to support grants and up to \$1.1 billion in direct loans. While the grants and subsidies were cut from last year's level of \$41.3 million, the overall loan program was increase by \$647 million. \$3 million is specifically directed to the Rural Community Development Initiative, down from \$5 million in FY11 and \$6.3 million in FY10.
- **Rural Economic Development Loans (REDLEG):** Provides \$33.07 million for direct loans while blocking \$155 million from interest on the cushion of credit payments of rural electric cooperatives and permanently cancels \$155 million in credit payments from the account.
- **Rural Cooperative Development Grants:** The bill provides \$22.5 million for Rural Cooperative Development grants, a decrease of \$7 million from last year's level. This account includes **\$12.5 million for value-added agricultural product market development grants.**
- **Business and Industry Program:** \$64.5 million (\$20.78 million below last year) is provided for the Business and Industry Program to support \$626.95 million in loans for rural businesses. This is down from the FY11 program level of \$822 million and FY10 level of \$889 million.
- **Rural Water and Waste Programs:** \$500 million is provided for rural water and waste grant and loan programs, \$27 million below last year's level. This is expect to support \$730 million in rural water and waste loans, down \$242 million from the FY11 CR.

- **Distance Learning and Telemedicine Program:** The bill provides \$15 million for grants, down \$53 million from FY11 CR.
- **Rural Electric and Telecommunication Loans:** The legislation provides for \$7.3 billion in loan authority (\$500 million below last year) for electric and telephone loans to help rural communities maintain these basic utilities.

Food and Nutrition Programs: Mandatory food and nutrition programs within the Department of Agriculture, including Supplemental Nutrition Assistance Program (SNAP) (formerly Food Stamps) and child nutrition, are funded at nearly \$90 billion, \$2 billion less than the President's FY2012 request.

Child nutrition programs will receive \$18.8 billion, which is \$1.5 billion over last year's level and \$40 million below the President's FY2012 request. The Women, Infants, and Children (WIC) nutrition program is funded at \$5.9 billion, a reduction of \$832 million from last year.

Agricultural Research: The bill provides over \$2.2 billion for agriculture research programs, including the Agriculture Research Service and the National Institute for Food and Agriculture. This is a reduction of over \$354 million from last year's level. This funding level will continue to support research on crop diseases, emerging chemical and biological threats, food safety and water quality. The funding will also maintain the nation's research investment in land-grant and other agricultural colleges and universities.

Conservation Programs: The bill provides \$770 million for Conservation Operations through which the Natural Resources Conservation Service (NRCS) helps farmers, ranchers and private forest landowners to conserve, protect and enhance their land. This is a decrease of \$99 million below last year's level. The bill also provides \$15 million for dam rehabilitation to help small communities ensure their small watershed projects meet current safety standards.

Legislative Update: Appropriations Committee Releases Fiscal Year 2012 Homeland Security Appropriations Bill

On May 13, the House Appropriations Committee released the subcommittee draft of the FY2012 Homeland Security Appropriations bill. The legislation was marked-up in subcommittee on May 23 and is among the first Appropriations bills to move through subcommittee this year. Overall, the FY2012 Homeland Security Appropriations bill provides \$40.6 billion in total non-emergency funding for the various programs and agencies within U.S. Department of Homeland Security (DHS). This is a decrease of \$1.1 billion, or 2.6 percent, below last year's level and \$3 billion below the President's FY2012 request.

The bill includes \$5.3 billion for FEMA, a decrease of \$1.9 billion from last year's level and severely cuts funding for many programs important to states, local governments and public safety agencies nationwide. Additionally, the legislation proposes a major consolidation of FEMA programs into the single line item "State and Local Programs." Specifically, the legislation combines the State Homeland Security Grant Program, Urban Area Security Initiative Grant Program, Metropolitan Medical Response System, Citizen Corps Program, Rail and Transit Grants, Intercity Bus Security Grants, Port Security Grants, Interoperable Emergency Communications Grants and DHS/FEMA Training, Technical Assistance and Exercises into one single line item and provides \$1 billion to be used at the discretion of the DHS Secretary to award future grants to States, local governments and public safety agencies. The legislation gives the Secretary of DHS 60 days after the enactment of this legislation to provide an expenditure plan for these programs to the Appropriations Committee. Below is a summary of key bill highlights:

Federal Emergency Management Agency (FEMA):

The bill includes \$5.3 billion for FEMA, a decrease of \$1.9 billion from last year's level.

- **FEMA State and Local Programs:** The bill provides \$1 billion for FEMA's State and Local Programs, a decrease of \$2.1 billion from last year's level, and includes

increased oversight and prioritization of funding to address critical needs and high-risk areas, and a report on the expenditure of the current \$13 billion in backlogged, unexpended grant funds leftover from previous years. To address these challenges, the bill requires increased measurement, reporting, and oversight of existing funds, and permits the Secretary of DHS to issue grants in a competitive, merit-based process to prioritize areas with the highest risk and greatest need.

- **Disaster Relief Fund (DRF):** The bill includes \$2.65 billion for the DRF, an increase of \$850 million from the current level. The legislation directs FEMA to submit an expenditure plan to the Appropriations Committee no later than 60 days after the enactment of this bill.
- **Emergency Management Performance Grants:** The bill fully funds Emergency Management Performance Grants at \$350 million.
- **Firefighter Assistance Grants:** The bill provides \$350 million for firefighter assistance grants, a cut of \$460 million from the FY2010 level.
- **National Flood Insurance Fund:** The bill provides \$170 million in funding for the National Flood Insurance Fund. Of this amount, \$149 million is for flood plain management and flood mapping, and \$40,000 for flood mitigation assistance.
- **Flood Hazard Mapping and Risk Analysis Program:** The bill provides \$102.7 million for flood mapping, down from the current level of \$182 million.
- **National Pre-Disaster Mitigation Fund:** The bill provides \$40 million for the Pre-Disaster Mitigation Fund, down from \$100 million in FY2010.

Short-Term Extension of Small Business Bill Passes Senate

On May 26, the Senate passed the “Small Business Additional Temporary Extension Act of 2011” (S. 1082) this week. The legislation would extend small business authorities through July 31 and Small Business Innovation Research and Small Business Technology Transfer programs through September 30. Programs under the Small Business Administration (SBA) have been operating under extensions since October 2006. The bill now moves to the House where it must pass before the current extension expires on May 31.

Congress Passes Another Short-Term FAA Extension

This week, Congress passed the “Airport and Airway Extension Act of 2011, Part II” (H.R. 1893), which will extend programs under the Federal Aviation Administration (FAA) until June 30, 2011. The current extension is set to expire on May 31. Congress passed the measure because the two chambers have not yet come to agreement on a number of provisions in the long-term reauthorization measure (H.R. 658). These include:

- An increase in the number of daily long-distance flights into and out of Ronald Reagan Washington National Airport in Arlington, VA
- A provision in the House-passed bill that would repeal a 2010 ruling from the National Mediation Board that made it easier for some railroad and airline workers to unionize
- The Essential Air Service program that provides subsidizes airlines to provide service to small, rural communities, which would be phased out for the continental U.S. in the House bill but would see funding increases under the Senate version
- Overall FAA funding levels (Senate had a two-year, \$34.5 billion bill, House had a four-year, \$59.7 billion bill)

Unlike previous extensions, H.R. 1893 will reduce the contract authority for the Airport Improvement Program (AIP) by \$185 million.

Senate Committee Releases Priorities for Surface Transportation Reauthorization Bill

On May 25, the Senate Committee on Environment and Public Works (EPW) Chairman Barbara Boxer (D-CA) released priorities for a \$339 billion six-year surface reauthorization bill. President Obama's FY2012 budget request was for a \$556 billion six-year reauthorization measure.

In a joint statement with Ranking Member James Inhofe (R-OK), Subcommittee on Transportation and Infrastructure Chairman Max Baucus (D-MT), Chairman Subcommittee Ranking Member David Vitter (R-LA), Chairman Boxer outlined several broad goals for a multi-year reauthorization measure. These include:

- Funding programs at current levels
- Eliminating earmarks
- Consolidating numerous programs including freight programs
- Creating a new section called America Fast Forward under which the Transportation Infrastructure Finance and Innovation Act (TIFIA) program would operate.
- Expanding TIFIA to rural projects
- Expediting project delivery

While the Senate is hoping for a six-year authorization bill, Chairman Boxer has stated that she is open to a two-year bill given the current economic climate.

Legislative text has yet to be released from either the House or the Senate, but both sides are still aiming to have bills introduced and passed by the August recess to avoid further extensions of programs under SAFETEA-LU (P.L. 109-59).

Although House Committee on Transportation and Infrastructure Chairman John L. Mica (R-FL) has not yet released any specific details on the House version of the transportation bill, he plans to include extensive use of public-private partnerships, leveraging private capital, making the most of limited resources and limiting federal involvement in transportation projects.

Lawmakers continue to struggle with how to fund the reauthorization bill. The options being

examined include: tolls, an infrastructure bank, and a vehicle miles traveled (VMT) tax.

Senator Leads Effort to Support Locally-Led Economic Development

Senator Michael Bennet (D-CO) has authored a letter to the Senate Appropriations Committee, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies seeking the inclusion of the *Regional Innovation Initiative* in the FY2012 Senate Agriculture appropriations bill. The *Regional Innovation Initiative* would provide the U.S. Department of Agriculture with some flexibility in how the agency allocates up to \$170 million—or 5 percent—of funds for a suite of existing rural economic development programs. The initiative would also allocate funds competitively among innovative regional economic development projects tailored to locally identified needs and opportunities.

The USDA runs more than 40 rural economic development programs and has a physical presence in rural counties nationwide. However, USDA's programs are often stove-piped and prompt small communities to compete against one another for limited dollars and one-time project funding. Increasingly, local governments are working collaboratively as regions in order to provide strategic infrastructure and economic development services in difficult times. The Regional Innovation Initiative is a pragmatic response to the regionally oriented, locally led economic development efforts happening around the country. The Initiative will allocate funds competitively among innovative regional economic development projects tailored to locally-identified needs and opportunities.

Please encourage your Senators to support the *Regional Innovation Initiative* by co-signing Senator Bennet's letter which is attached to this edition of *NADO News*.

Need a NADO Legislative Briefing?

If your organization, board, or state association needs a legislative briefing on the latest developments on Capitol Hill, please contact NADO Legislative Directors Deborah Cox (dcox@nado.org) or 202.624.8590 or Jen Walsh (jwalsh@nado.org) or 202.624.8467).

FEDERAL NEWS AND NOTES

U.S. DOT Funding Opportunity

The U.S. Department of Transportation's (DOT) Federal Highway Administration (FHWA) is accepting applications for projects for 11 discretionary grant programs. Approximately \$422.5 million will be distributed. FHWA is particularly interested in projects that align with DOT's strategic goals, including livability, state of good repair, and safety. Applications are due **Friday, June 3, 2011**. For additional information and a complete listing of FHWA discretionary grant programs for which applications are being accepted, visit <http://www.fhwa.dot.gov/discretionary/>.

Funding Available under USDA Rural Housing Service's Section 538 Program

The U.S. Department of Agriculture's Rural Housing Service (RHS) has released a Notice of Funding Availability (NOFA) and is accepting proposals for guaranteed loans under the section 538 Guaranteed Rural Rental Housing Program (GRRHP) for FY2011. The Department of Defense and Full Year Continuing Appropriations Act, 2011 (Pub. L. 112-20) (April 15, 2011) appropriated approximately \$31,000,000 to the Agency for FY2011 funding for the section 538 program. The commitment of program dollars will be made first to approved and complete applications from prior years NOFA, then to applicants of selected responses in the order they are ranked under this NOFA that have fulfilled the necessary requirements for obligation. Applications must be submitted by December 30, 2011. Complete details are available online at <http://www.gpo.gov/fdsys/pkg/FR-2011-05-26/pdf/2011-13012.pdf>.

Rural Utilities Service Eliminates List of Materials Requirement

The U.S. Department of Agriculture's Rural Utilities Service (RUS) has announced that, effective May 23, 2011, Rural Development will no longer accept applications for equipment to be added to the List of Materials for Telecommunications and that the publication of the List of Materials for Telecommunications (RUS Information Publication 344-2) will cease. According to the RUS, they are transitioning from a listing process to an approach which ensures that construction financed by RUS meets applicable industry standards. The new approach will be incorporated into RUS's review of individual projects and the approval of loan advances. An open letter from RUS Administrator Jonathan Adelstein is available at <http://www.rurdev.usda.gov/supportdocuments/List-of-Matrl-JA-Final2-05-19-11.pdf> and the *Federal Register* notice is available at <http://www.gpo.gov/fdsys/pkg/FR-2011-05-27/pdf/2011-13126.pdf>.

NADO NEWS AND NOTES

Save the Date: National Rural Transportation Peer Learning Conference

Mark your calendars now for the 2011 National Rural Transportation Conference, to be held August 24 – 26 in Washington, DC. The conference will feature three days of networking and training with regional transportation planning and economic development professionals, state department of transportation planning staff, local officials and others.

Through training sessions, workshops and facilitated discussions, participants will gain practical information on a variety of rural and small metropolitan transportation topics, including freight, environment, transit, livable communities, and many more.

For more information or to share ideas for session topics, contact NADO Program Managers Carrie Kissel at 202.624.8829 or ckissel@nado.org, or Kathy Nothstine at 202.624.5256 or knothstine@nado.org, or visit www.RuralTransportation.org/pages/page.asp?page_id=130341.

2011 EDFS Conference Set for August in Washington, DC

The 2011 EDFS Conference will be held August 22 – 25 at the Marriott Metro Center in Washington, DC. Conference topics will likely include meeting the financing needs of small businesses, building borrower credit, collection and recovery/loan workouts, working with growth companies, loan fund consolidation, microloan funds, building loan fund capacity, accountability and due diligence, marketing the RLF and several plenary sessions, including the ever popular federal program updates. We are also looking into one or two mobile workshops to local projects of interest. The hotel is offering a rate of \$170 single or double. A detailed agenda will be available soon at www.nado.org/edfs. Please contact NADO Deputy Executive Director Laurie Thompson at lthompson@nado.org or 202.624.5948 if you have any questions. Visit www.marriott.com/hotels/travel/wasmc-washington-marriott-at-metro-center for details about the hotel.

MEMBERSHIP UPDATE

New Executive Directors:

- Deborah Hatt has been named Executive Director of the Southeastern Utah Association of Local Governments (Price, UT). For more information, visit www.seualg.utah.gov.
- Eric Miller has been named Executive Director of the Southern Tier East Regional Planning Development Board (Binghamton, NY). Robert Augenstern will retire at the end of June after serving 34 years with Southern Tier East. For more information, visit www.steny.org.

NADO CALENDAR OF EVENTS

- [NADO Board of Directors Summer Board Meeting](#)
June 4 – 6, 2011, Pinehurst Resort, Pinehurst, NC
- [2011 EDFS Training Conference](#)
August 22 – 25, 2011, Marriott Metro Center, Washington, DC
- [2011 National Rural Transportation Peer Learning Conference](#)
August 24 – 26, 2011, Marriott Metro Center, Washington, DC
- [2011 Annual Training Conference](#)
October 8 – 11, 2011, Miami Beach, FL

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