



August 29, 2024

The Honorable Debbie Stabenow
Chairwoman, Senate Committee on Agriculture
731 Hart Senate Office Building
Washington, D.C. 20510

The Honorable John Boozman
Ranking Member, Senate Committee on Agriculture
555 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Glenn “GT” Thompson
Chairman, House Committee on Agriculture
400 Cannon House Office
Washington, D.C. 20515

The Honorable David Scott
Ranking Member, House Committee on Agriculture
468 Cannon House Office Building
Washington, D.C. 20515

Re: USDA REDL&G Program

Dear Chairwoman Stabenow, Chairman Thompson, Ranking Member Boozman, and Ranking Member Scott:

As the Board of the National Rural Economic Developers Association (NREDA), we are writing you today to express the support of the NREDA Board of Directors for fully restoring funding for the USDA Rural Economic Development Loan and Grant (REDLG) program to Fiscal Year (FY) 2023 levels. It is our understanding that when the FY 2024 Budget Resolution passed Congress, FY 2024 funding for the REDLG program decreased by nearly half – from an expected amount of roughly \$90 million to about \$52 million. The Rural Economic Development Loan program experienced a cut of over 40% while the Rural Economic Development Grant program experienced a cut of over 30%. The NREDA Board encourages your support for fully funding both REDLG programs to pre-FY 2024 levels.

By way of background, NREDA is an individual-member, professional organization dedicated exclusively to the advancement of rural economic development and the achievement of social and human service objectives in rural areas. NREDA's membership base of over 300 total

members spanning across the nation is comprised primarily of, but not limited to: Electric Cooperatives; Telephone Cooperatives; Economic Development Organizations; Associations; Government; or Consultants.

NREDA connects professionals in energy, telecommunications, water and sewer systems, transportation, housing, health care, education, and financing to establish strategic partnerships that advance economic development in rural areas.

To start, we would first like to thank you for your continued support of rural economic development programs. We recognize the challenge associated with managing federal budgets in a fiscally responsible manner while still ensuring rural communities across the country have the necessary resources to avoid being “left behind” in critical arenas - like broadband access, infrastructure, healthcare, housing, workforce, and so much more.

To that end, the REDLG programs are a vital tool used by numerous NREDA members around the country when solving infrastructure challenges or as they seek to spur small business development and create new jobs. The program often works through partnerships between local bodies – like a rural electric cooperative and a city or county government – to bring financing and capital resources into communities that otherwise lack them. These partnerships solve infrastructure challenges that small communities may otherwise have no remedy for, or make financing available to hospitals, schools, and other critical community facilities needing upgrades to their facilities and operations.

In Kansas for example, the REDLG program through one of our members has facilitated the operations of several rural medical and healthcare facilities, manufacturing businesses, housing and tourism developments, and over two dozen small businesses. These investments have improved the socioeconomic well-being of these rural Kansas communities by creating jobs and enhancing the quality of life. The USDA REDLG program provides an avenue by which communities can bring federal resources back to rural areas, establish a revolving loan fund, and keep those resources local and serving various businesses and public bodies for over a decade. This pool of resources is crucial to rural development, of which you have been a champion.

For context, so far in 2024, USDA has seen:

- Grants – 23 @ \$6,495,866
- Loans PP – 1 @ \$2,000,000
- Loans – 27 @ \$37,014,824

In the queue for Fourth Quarter Consideration in 2024 is:

- Grants – 11 totaling \$3,180,000
- Loans – 48 totaling \$74,243,199 of which 28 totaling \$41,812,464 were carried over from the 3rd quarter for consideration in the 4th quarter.

As you can see, this is an incredibly popular program with numerous entities waiting to hear on their applications in 2024 alone. We ask that you consider fully funding the REDLG program in FY 2025, restoring it to its FY 2023 levels. If this program has not yet served a worthwhile purpose in your district, we assure you it has the potential to do so.

Thank you for your time and consideration of this matter. If you have any questions, please do not hesitate to reach out to our office at tracey@assnoffices.com or 614-228-4725.

Sincerely,

A handwritten signature in blue ink that reads "Brittany Dickey". The signature is fluid and cursive, with the first name "Brittany" and the last name "Dickey" clearly legible.

Brittany Dickey

President

National Rural Economic Developers Association