Unlocking Rural Economies: Farm Bill Investments in Rural America

Wednesday, May 24, 2023

Materials will be available at: www.eesi.org/052423farmbill
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About EESI

Non-partisan Educational Resources for Policymakers
A bipartisan Congressional caucus founded EESI in 1984 to provide non-partisan information on environmental, energy, and climate policies.

Direct Assistance for Equitable and Inclusive Financing Program
In addition to a full portfolio of federal policy work, EESI provides direct assistance to utilities to develop “on-bill financing” programs.

Commitment to Diversity, Equity, Inclusion, and Justice
We recognize that systemic barriers impede fair environmental, energy, and climate policies and limit the full participation of Black, Indigenous, people of color, and legacy and frontline communities in decision-making.

Sustainable Solutions
Our mission is to advance science-based solutions for climate change, energy, and environmental challenges in order to achieve our vision of a sustainable, resilient, and equitable world.
Policymaker Education

**Briefings and Webcasts**
Live, in-person and online public briefings, archived webcasts, and written summaries

**Climate Change Solutions**
Bi-weekly newsletter with everything policymakers and concerned citizens need to know, including a legislation and hearings tracker

**Fact Sheets and Issue Briefs**
Timely, objective coverage of environmental, clean energy, and climate change topics

**Social Media (@EESIOnline)**
Active engagement on Twitter, Facebook, LinkedIn, and YouTube
EESI Farm Bill Resources

- Congressional briefings
- Articles and podcasts
- Climate Change Solutions newsletter special editions
- Farm Bill hearing tracker
- Legislative side-by-side-by-sides

All resources available at: www.eesi.org/2023-farm-bill
Briefing Series: Farm Bill in Focus

Every Other Wednesday

The Process and Path Forward for Passing a Bipartisan Farm Bill | Recording Available

Climate, Energy, and Economic Win-Wins in the Farm Bill | Recording Available

Unlocking Rural Economies: Farm Bill Investments in Rural America | May 24, 2:00-3:30 PM EDT

The Future of Forestry in the Farm Bill | June 07, 2:00-3:30 PM EDT

Conservation Practices from Farms to Forests and Wetlands | June 21, 2:00-3:30 PM EDT
UNLOCKING RURAL ECONOMIES: FARM BILL INVESTMENTS IN RURAL AMERICA

MAY 24, 2023 | EESI BRIEFING

AALIYAH NEDD | DIRECTOR OF GOVERNMENT RELATIONS | NCBA CLUSA
ABOUT NCBA CLUSA

▪ Apex membership association for U.S. cooperatives established in 1916

▪ MISSION: Develop, advance and protect cooperatives

▪ VISION: Help more people use cooperatives to build a more inclusive economy

▪ Our members are sector-based co-op associations and cooperatively-owned businesses across all sectors of the economy
COOPERATIVE IMPACT

WHY CO-OPS ARE FORMED

- Address market failures where neither the private sector nor the government provide a needed service
- Help small players gain parity with large investor-owned competitors
- Give consumers a deliberate choice of enterprise to better meet their common needs and aspirations
COOPERATIVE IMPACT

- Healthy foods to communities
- Purchasing scale for independent businesses (Ace Hardware, CCA Global Partners)
- Electricity and broadband to rural communities (20 million households and businesses)
- Financial services to households (100 million credit union members)
- Affordable home ownership
- Business ownership for low-wage workers (fastest-growing sector)
- Marketing and processing of agricultural products (50% of ag)
**Farmer and Independent Small Business Co-op Impact by the Numbers**

- A majority of America’s 1.9 million farmers and ranchers belong to at least one of the country’s 1,800 Ag co-ops.
- Dairy co-ops handle 85% of milk in the U.S.¹
- There are more than 250 purchasing co-ops in the U.S.²
- Ag co-ops provide 187,331 jobs paying $10.8 billion in wages and benefits to rural Americans.³
- Farm credit made $14.4 billion in new loans to small farmers and ranchers in 2019.⁴

**Credit Union Impact by the Numbers**

- 85,400 credit unions worldwide serve more than 274 million members.⁵
- Credit unions offer nearly 30,000 surcharge-free ATMs, more than any other bank.⁶
- The average interest rate on a 48-month used car loan is 3.62% at credit unions versus 5.56% at banks.⁷
- Credit union insurance funds are more stable and less liable to fail than banks during financial crises.⁸
- 52% of credit union CEOs are women, 10 times higher than the rate of women CEOs at banks.⁹

**Consumer Co-op Impact by the Numbers**

- Compared to conventional grocery stores, food co-ops recycle nearly double the amount of plastics and food waste.¹⁰
- Local products make up 21% of food co-op sales, compared to the national grocery average of 1.8%.¹¹
- Food co-ops create 9.3 jobs per $1 million in sales, compared to 5.8 at traditional grocery stores.¹²
- Food cooperatives pay about 7% more than grocery stores for the same work.¹³

**Electric Co-op Impact by the Numbers**

- Electric co-ops power over 21.5 million businesses, homes, schools, and farms in 48 states.¹⁴
- More than 900 electric co-ops own and maintain 42% of U.S. electric distribution lines, powering 56% of the nation’s landmass.¹⁵
- Electric co-ops returned $1.4 billion in capital credits to consumer-members in 2021.¹⁶
INVESTMENTS IN RURAL COOPERATIVE BUSINESSES

**RURAL COOPERATIVE DEVELOPMENT GRANT (RCDG) PROGRAM**

- Authorized through the farm bill
- Only federal program solely dedicated to cooperative development
- Supports job creation, preserved rural businesses and promotes local economic growth

**RURAL ENERGY FOR AMERICA (REAP) PROGRAM**

- Provides loan guarantees and grants to producers and rural small business co-ops
- Supports energy efficiency improvements and systems
- Future-planning to increase renewable energy development
RURAL REALITY

- Diverse
- Blessed with abundant natural and cultural assets
- Subject to dynamics of previous generations
- Policy interventions that overlooked parts of the economy
- Result: rural continues to lose around key outcomes
RURAL IMPERATIVE IN THE FARM BILL

WHY FOCUS ON RURAL POLICY?

▪ EQUITY: Rural people deserve economic opportunities just as everyone does.

▪ ECONOMY: Rural has much to offer a sustainable economy

▪ RESILIENCE: Increasing quality of life and climate friendly
POLICY STRATEGIES TOWARD THE FUTURE
CAPACITY BUILDING IS KEY

- **Rural economies are diverse.** Policy interventions must be flexible and tailored to the rural reality – including increasing racial and ethnic diversity.

- **Knowledge-based economy.** Rural positioned to gain and lose.

- **Data.** Rural people must have a voice and feel empowered within their institutions and the economy.
EXAMPLE: COOPERATIVES

Cooperatives focus on services provided to their members and communities, not return on investment

- Cooperatives are user-owned
- Cooperatives are user-controlled
- Cooperatives benefit users

Benefits of Cooperation

- Responsive to its member-owners and, in turn, the local community
- Puts power in the hands of community members
- Develops, sustains and grows an organized base of people and leaders who act together through democratic structures
THANK YOU!

AALIYAH NEDD | DIRECTOR OF GOVERNMENT RELATIONS | NCBA CLUSA

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Gary Stooksbury
Chief Executive Officer
Aiken Electric Cooperative, Inc.
Aiken, SC

Wednesday, May 24, 2023
Aiken Electric Cooperative

- 51,000 members
- 9 counties
- 5,600 miles of line
- 137 employees
THANK YOU, REP. CLYBURN!

Rural Energy Saving Program
and Help My House

Help My HOUSE!
Shape Up Your Home for Energy Savings
Began in 2011 as a pilot, and AEC followed with their own HMH program in 2012.
## Average Energy Savings (HMH Pilot)

<table>
<thead>
<tr>
<th>Annual Energy Savings</th>
<th>Annual Net Savings</th>
<th>Annual Loan Repayment</th>
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<tbody>
<tr>
<td>$1,157</td>
<td>$288</td>
<td>$869</td>
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Maxine Stroman
Homeowner, Aiken, SC

Diane Taylor
Homeowner, Monetta, SC

[Help My House logo]
HELP MY HOUSE BASICS

1. Convenient
   – On-bill repayment (2010 S.C. law)
   – Improves comfort and energy savings

2. Consistent Quality
   – Trained, qualified contractors
   – Co-op manages QA, QC

3. Affordable Financing
   – Low-interest loan tied to the meter;
     Transfers if home sells
   – No money down, no credit checks required
Homes Weatherized

Aiken Electric Co-op
- 419 homes
- $4.3M loaned

All HMH homes
- 1,031 homes
- $10.3M loaned
Broadband

• Partnering with Carolina Connect – a fiber optic communications cooperative

• Bringing affordable high-speed internet to the unserved and underserved

• Started in 2021, a 3-year work plan to install 350 miles of 288-strand fiber optic backbone to connect 4 offices, 27 substations and all down-line devices
Where we started — 2021

CarolinaConnect Partnership
- Affordable, reliable high-speed internet for unserved and underserved in AEC service area

CarolinaConnect Sister Co-Op’s
- Mid-Carolina Electric Cooperative
- Newberry Electric Cooperative
- Aiken Electric Cooperative
What makes our service different? *Everything!*

- VoIP (Voice over the Internet Protocol) telephone service
- Superior performance and affordable pricing
- Extraordinary customer service
- Access free technical support

Our service culture is born of the electric cooperative’s longstanding commitment to reliable, friendly customer care.
Workforce behind the scenes

AEC

McCall-Thomas
Project Managers (2)

Admin & Engineers (20)

Fiber Optic Technicians & Inspectors (359)

Splicers (45)

426 Fiber Employees
Funding Secured to date

- **Cares Act: $554,575**
  Wi-Fi to Aiken and Orangeburg counties schools

- **Office of Regulatory Staff (ORS): $3,939,368**
  Service Orangeburg and Barnwell counties and the town of Springfield and Monetta area

- **Office of Regulatory Staff (ORS): $6,478**
  Last Mile Grant Program to complete service in Edgefield
Funding Secured to date

- Aiken County: $3 million
- Saluda County: $1 million
- Edgefield County: $47,579 for engineering study
- Rural Digital Opportunity Fund (RDOF) Award: $45,666

APPROVED GRANTS TO DATE

$8,593,666
Get a bigger bang for your broadband buck!
Broadband Area
Who is RCAP?

- RCAP is a non-profit organization made up of a network of regional non-profit partners (6) and a national office in Washington DC serving rural communities (under 10,000 pop.) across all 50 states, the U.S. territories and on Tribal lands
- RCAP has been providing TA and training services for 50 years
- RCAP is staffed by over 350 on the ground TA providers across the country that live and work in the communities they serve
Served more than 3,566,000 million rural and tribal residents and over 1,650 communities in all 50 states and four territories.

Conducted 639 trainings, serving 6,680 systems reaching ~13,000 attendees.

Helped rural communities across the country leverage $692,488,929 in infrastructure funding.

Supported the smallest, often overlooked communities with an average population of 1,520 and median household income of $40,430.
The work that makes a difference

RCAP works with small, rural, Tribal, and often disadvantaged communities to access infrastructure funds, achieve compliance, address public health concerns, develop capacity, and create long-term sustainability and resilience.
Pre-Pre Development
(also termed planning)

When there is a need but no vehicle to get there

- Work with community leaders to create a governance structure
- Help seat a governing body
- Hire staff – operator, billing clerk, others
- Create operating budgets
- Develop operating policies, rules, and regulations
- Train decision-makers and staff
- Feasibility
Pre-Development

A need has been identified and a solution needs to be put in place

• Mapping/Asset Management
• ID compliance challenges and solutions
• Scope of work
• Procurement services
• Financial Review – Financial statements, budgets, rates
• Income surveys
• Financial =, technical and environmental planning – PER & ER/EA
• Funding applications
Project Development

The PER & ER have been completed. We can apply!

- Work with the decision-makers on the alternative analysis
- RDApply
  - Work with utility staff
  - Upload documents
  - Ensure eligibility
- Resolutions
  - Draft and get decision makers to approve funding resolutions
- Community Engagement
  - Facilitate conversations with the community – financial impacts and beyond
- Funding application – Design, Construction
Letter of Conditions

RCAP TAPs help entities with:

- Policies – assist to develop missing policies – Drug-Free Workspace, LEP
- Permits – right-of-way, easements, water rights, etc.
- Rate Analysis - Review/Revise Rates
- Set up reserve set-asides
  - Annual targets
  - Reserve policies
- Work with the utility to develop the VA/RRA & ERP
- Provide board training (in some states)
- Others
Project Implementation

Work with decision-makers through the project implementation

• Will there be over $750K spent in a year?
  • Does the utility have the budget to pay for an audit?
  • Does the utility need an RFP for an auditor with federal grant experience?

• Are all the permits in place?
• Is the project budget spending on track with the project implementation?
• Is there enough funding or is there a funding shortfall?
• Is the project meeting all the federal and state requirements?
• Is the community loving/hating their consultant(s)?
Project close-out and beyond

- RCAP’s work with a community is a long-term relationship including building and maintaining trust.
- RCAP will provide periodic reviews of the rates to ensure sufficient revenues to cover operating expenses including loans and reserve set-asides.
- At the request of USDA, RCAP will:
  - Work with the utility to update the VA/RRA & ERP
  - Conduct Security Inspections
  - Submit required budget forms
  - Ensure debt repayment/maintenance of the debt and other reserves
RCAP’s commitment is to make sure that every project is sustainable and provides technical, managerial and financial TA and training to build local capacity.
How is RCAP’s work for communities supported: RD Title

- USDA Technical Assistance & Training Program *(Sections 306 Consolidated Farm and Rural Development Act)*
  - In the last few years this has also included GIS TA, training and licensing

- USDA Technical Assistance & Training – Tribal
  - Includes the creation and maintenance of the Native American Water Masters Association (NAWMA)

- USDA Technical Assistance & Training – Colonialas
  - Major focus of regional collaboration and water access

- USDA Solid Waste Management Program
  - Diverse set of TA service from the landfill to the classroom to ensure public/environmental health and water quality/pollution prevention
Leveraged Funding:

RCAP leverages USDA funds with other federal programs:

- EPA
- HHS
- EDA
- DOT
RCAP services are intended to be wrap-around services to ensure rural prosperity and sustainability

- Economic Development
- Broadband
- Leadership Development
- Regionalization
- Workforce Solutions
- Disaster and Climate Resiliency
Additional Resources

- RCAP’s 2023 Farm Bill Priorities
- CRS Report on USDA Rural Development Programs
- CRS Report on USDA Rural Definitions & Program Eligibility
- USDA Water & Environmental Programs Website
- RCAP Website
Questions?
To learn more about RCAP, please visit us at: www.rcap.org

Thank you for your time:

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What did you think of the briefing?

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www.eesi.org/survey

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www.eesi.org/052423farmbill

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