

New Policy Discourse for Equitable Rural Development

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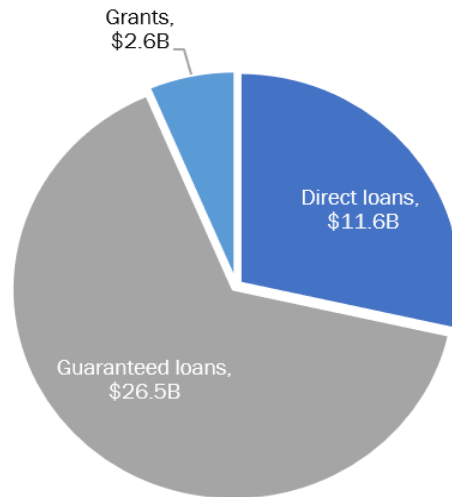
Center for Sustainable Development, Brookings Institution

June 10, 2024

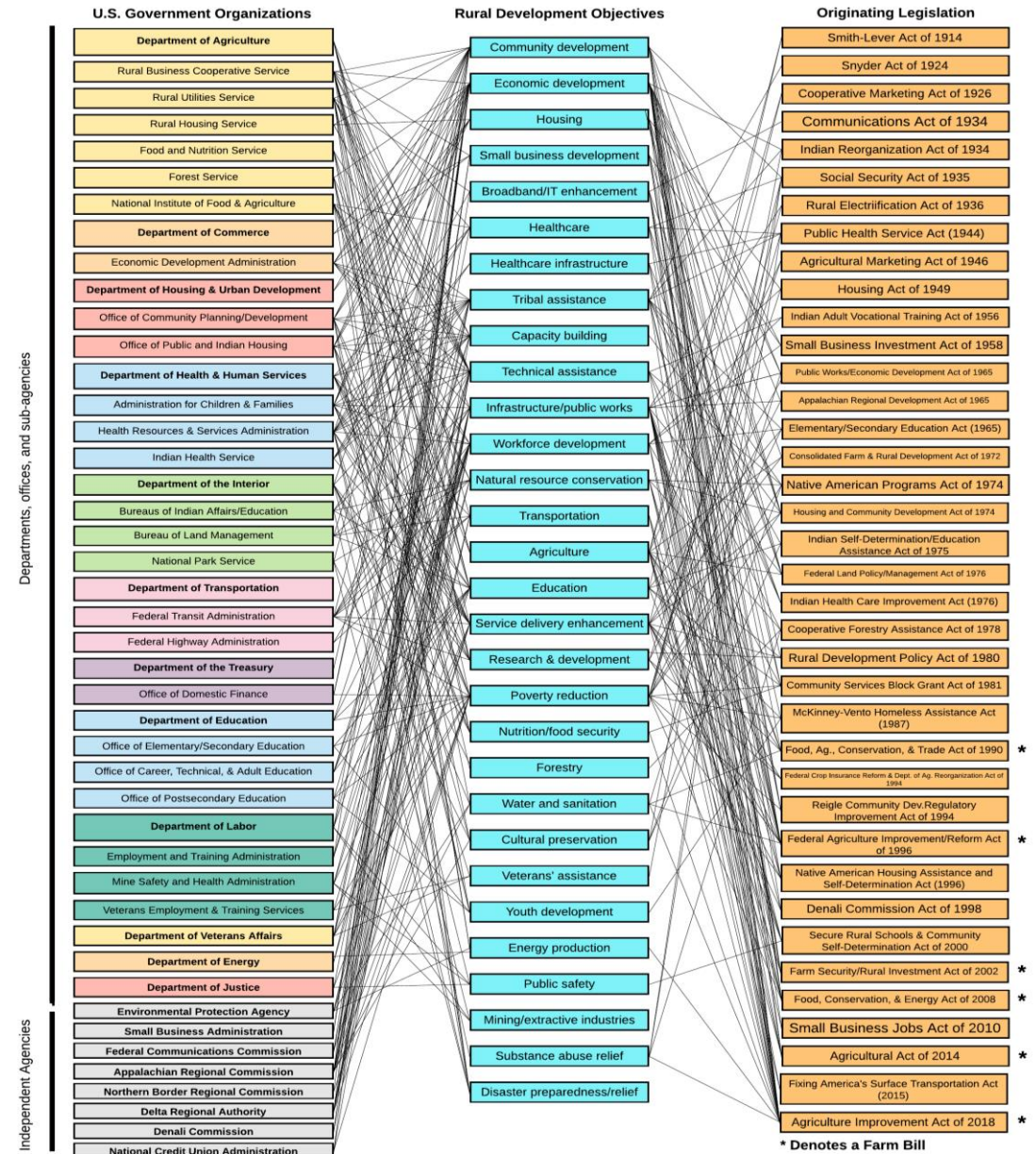
Federal capital market for rural community & econ development (2020)

- ▷ Over 400 federal programs
 - 13 departments
 - 10 independent agencies
 - Over 50 offices and sub-agencies
- ▷ ¼ programs rural-exclusive
- ▷ Remaining ¾ often biased towards urban

Grants vs Financing Rural-exclusive programs



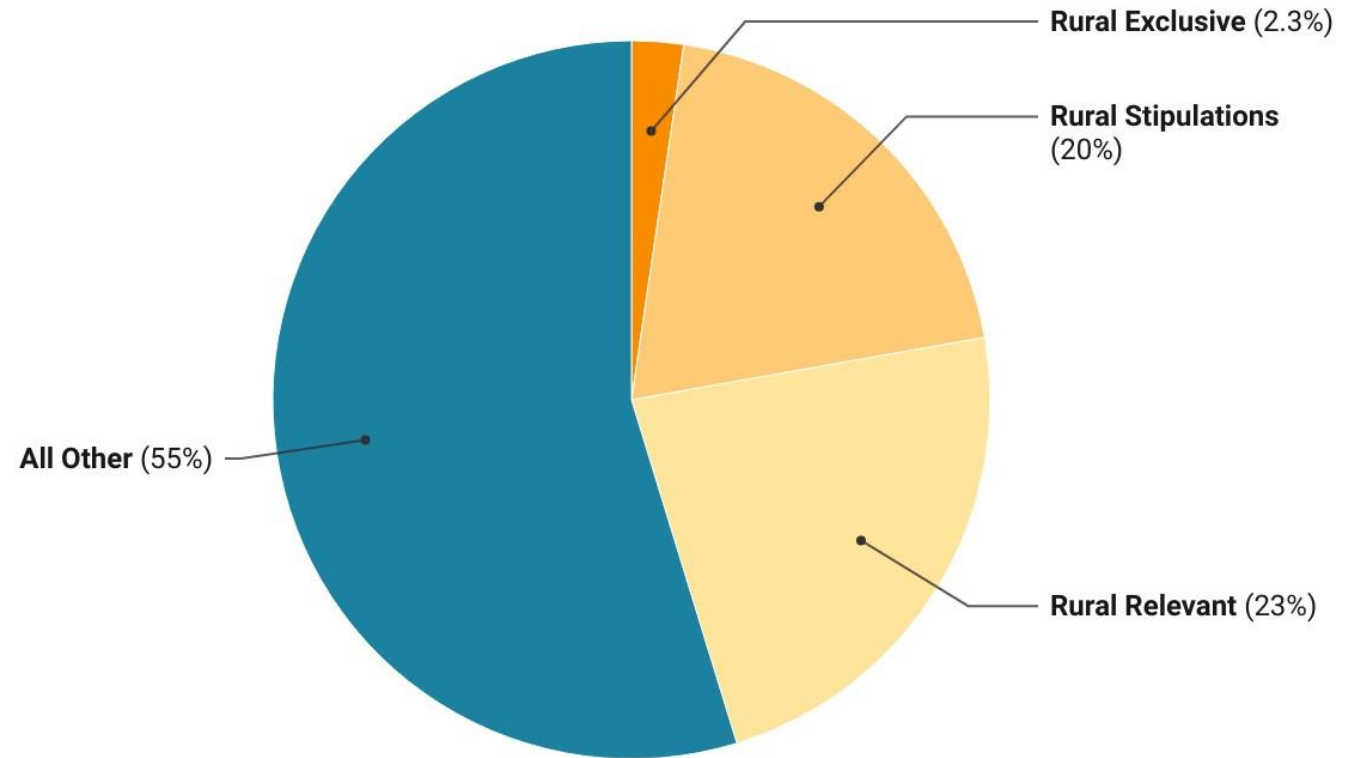
Federal Development Assistance for Rural and Tribal Communities



IIJA, CHIPS, IRA Offer Enormous Opportunities For Rural

- Over \$1T in combined appropriated funds; over \$600B worth of authorized-only programs
- \$464B (45%) of the appropriations are highly significant to rural places
 - Nearly 75% emanate from the IIJA
- Just \$24B (2%) of appropriations are exclusive to rural places
- State govts & intermediaries will make final funding decisions on more than 50% of the rural-significant resources
- 66/111 programs are new

Combined Appropriations from IIJA, CHIPS, and IRA



Source: Authors' analysis. • Created with Datawrapper

Match Requirements

- > 50% require/prefer matching funds
 - > 60% for rural-exclusive programs
- Almost 95% of the rural-exclusive funds require or prefer a match
- Less than 1/3 of rural-exclusive and rural-stipulated programs offer match waivers or flexibility

Match Requirements of Appropriated Rural-Significant Programs

| | New Programs | Rural Exclusive | Rural Stipulations | Rural Relevant | All Programs |
|---|--------------|-----------------|--------------------|----------------|---------------|
| Share with Match Requirement | 43.9% | 57.9% | 71.0% | 21.3% | 41.4% |
| Share with Match Preference | 9.1% | 5.3% | 6.5% | 13.1% | 9.9% |
| Total Share with Match Required or Preferred | 53.0% | 63.2% | 77.4% | 34.4% | 51.4% |
| Value of Match Required or Preferred Programs | 126.9B | 22.6B | 149.7B | 84.5B | 256.8B |

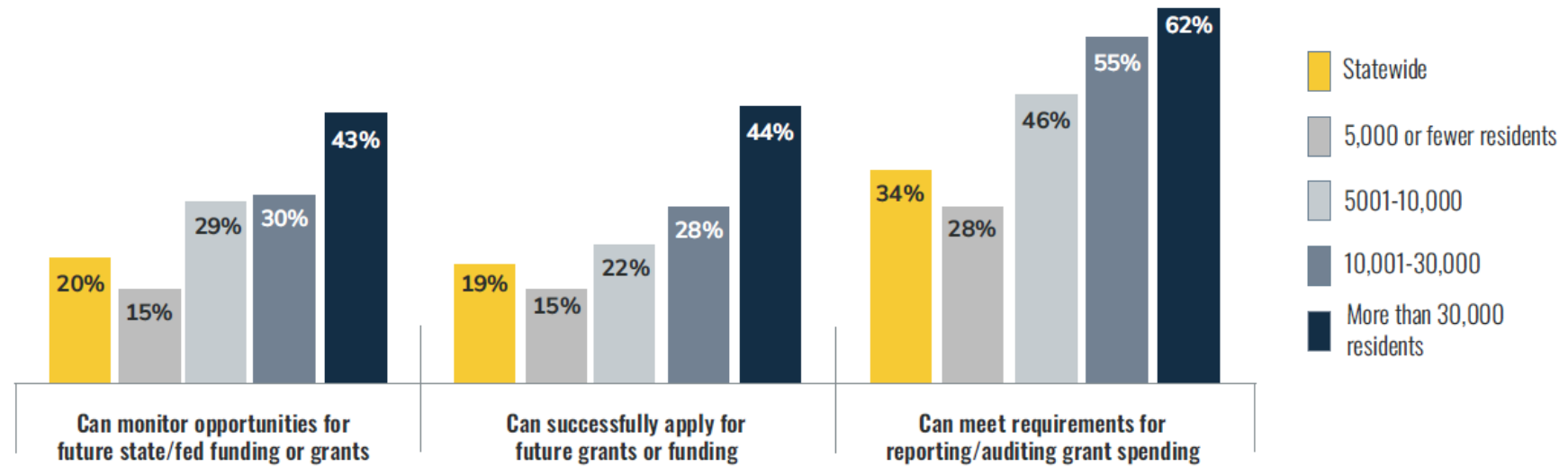
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Limitations of rural capacity

- 59% of rural counties under fiscal stress
- Volunteer elected officials, limited employees; often no economic dev'p staff
- Small places MI very skeptical of their ability to apply

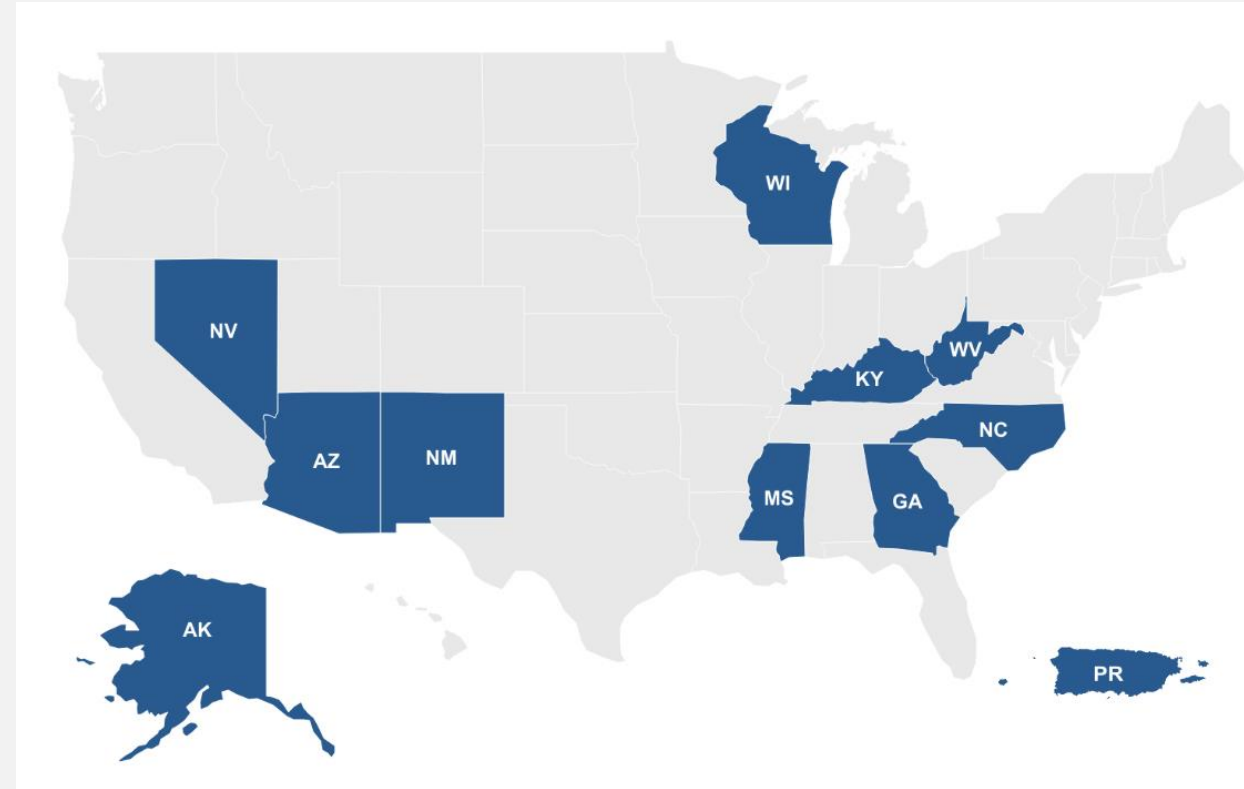
Figure 2b

Percent of local officials who are "very confident" in their jurisdiction's ability to find, apply for, and administer future state and federal grants, by population size



Evolutions in federal policy

- Executive Order 13985: Advancing Racial Equity and Support for Underserved Communities
- Rural Partners Network (RPN):
 - 10 states: federal staff on the ground
 - Rural Prosperity Interagency Policy Council
 - Rural Innovators Initiative announced
- Rural focus on IJA/IRA/CHIPS implementation
- Rural Partnership and Prosperity Act (Casey (D-PA) & Fischer (R-NE)): included in Senate Ag Chair's framework



Map of RPN states and territories

Keys to successful implementation

- **Local Leadership:** Disruptive innovation & ingenuity are often unseen
- **Civic Collaboration:** New ways of working across sectors/partners, either within a community or in partnership w/regional/local intermediaries strengthens capacity for success
- **Narrative & Identity:** Beauty, quality of life, and stories a community tells about itself (its history & future) are core elements of a successful development strategy
- **Commitment & trust:** Central to envisioning a new future

What can public agencies do?

- **Respond** to a community's concerns and needs rather than a predetermined outcome, building community buy-in and ownership & reducing community opposition and delay.
- **Ensure good fiscal policy** so communities & local governments build up sustainable revenue streams.
- **Build up local staff, services, and other technical assistance** so that communities can access federal funding and to engage meaningfully.
- **Remove barriers & streamline** programmatic processes.