

Spur Job Creation and Revitalize Rural America

Having steered the economy back from the brink of a depression, the Administration is committed to moving the Nation from recession to recovery by sparking job creation to get millions of Americans back to work and building a new foundation for the long-term prosperity for all American families. To do this, the 2011 Budget makes critical investments in the key areas that will help to reverse the decline in economic security that American families have experienced over the past decade with investments in education, clean energy, infrastructure, and innovation.

But even as we meet the challenge of the recession and work to build an economy that works for all American families, we must also change the way Washington does business – ending programs that don't work, streamlining those that do, cracking down on special interest access, and bringing a new responsibility to how tax dollars are spent. The President's Budget takes the steps to help jumpstart job creation, works to strengthen the economic security of American families, and makes the tough choices to put our Nation back on the path to fiscal responsibility.

The Budget will:

Support Growth and Job Creation in Rural America. The President's Budget supports the United States Department of Agriculture's (USDA) Rural Innovation Initiative, which is designed to promote economic opportunity and job creation in rural communities. To support this innovative approach, USDA plans to set-aside more than \$130 million, roughly 5 percent of the funding from approximately 20 existing programs, and allocate these funds competitively among regional pilot projects tailored to local needs and opportunities. This targeting effort will allow USDA to prioritize areas with the greatest need and potential by encouraging comprehensive and innovative approaches to foster rural revitalization.

The Budget helps lay the foundation for job creation and expanded economic opportunities throughout rural America by:

- Expanding access to broadband services by offering \$418 million in loans and grants to transition rural communities into the modern information economy.
- Nurturing local and regional food systems and expanding access to healthy foods for low-income Americans in rural and urban food deserts.
- Funding a variety of renewable energy programs across the Department, including support for biorefineries to utilize advanced biomass crops, research designed to create cellulosic and advanced biofuels, and assistance to help transition fossil fuel-dependent electric utilities to renewable energy. Taken together, these programs support the USDA's effort to help America in achieving energy independence and reducing greenhouse gas emissions.
- Advancing the President's climate change policy by promoting activities including carbon sequestration, renewable energy, and water conservation. In addition, the Budget supports a science-based, risk-management approach to mitigate the effects of climate change by stressing forest and watershed resiliency designed to minimize the loss of large carbon sinks.
- Developing rural recreation and employment opportunities, including fishing and hunting for local residents and tourists by proposing more than \$700 million to restore and manage public lands. The Budget also fully funds the Voluntary Public Access and Habitat Incentive Program, which encourages private landowners to voluntarily open their land to the public for hunting and fishing.

Promote Agricultural Exports. The Budget includes \$54 million in discretionary funding to enhance USDA's efforts to promote the export of US agricultural products. This funding will double the Department's cost-share assistance to agricultural trade associations in support of overseas market development activities, such as technical assistance and market research (\$35 million); increase exporter assistance, in-country market promotions, and trade enforcement activities to remove non-tariff trade barriers, such as unwarranted sanitary and phytosanitary standards placed on U.S. commodities by other countries (\$10 million); and double a grant program to assist U.S. specialty crop producers in overcoming sanitary, phytosanitary, and other technical barriers to trade (\$9 million).

Reform Farm Payments and Delivery of Crop Insurance. The Budget proposes to limit farm subsidy payments to wealthy farmers by reducing the cap on Direct Payments by 25 percent and reducing the Adjusted Gross Income (AGI) payment eligibility limits for farm and non-farm income by \$250,000 over three years. The Farm Bill currently precludes an individual or an entity from receiving any benefit in a year where their non-farm AGI exceeds \$500,000 and precludes receipt of any Direct Payments when their farm AGI exceeds \$750,000. This proposal would allow USDA to target direct payments to those who need and can benefit from them most, while at the same time preserving the safety net that protects farmers against low prices and natural disasters. In addition, the Budget includes a proposal that will save billions of dollars by reforming how the federal government administers the crop insurance program. Crop insurance companies currently benefit from huge windfall profits due to the structure and terms of the Government's contract with the companies, called the Standard Reinsurance Agreement (SRA). Through the SRA renegotiation process, which will occur in 2010, USDA will pursue reforms to the financial terms in the SRA that will allow the Department to offer the same program benefits with significantly reduced costs – saving \$8 billion over 10 years.

Expand Affordable High-Quality Primary and Preventive Care. The Budget includes \$2.5 billion for health centers to provide affordable high quality primary and preventive care to underserved populations, including those in rural America and the uninsured. This will allow health centers to continue to provide care to the 2 million additional patients they served under ARRA and support approximately 25 new health center sites. In 2008, health centers provided direct health care services to over 17 million people. In 2011, the Health Center program will expand its partnerships with other Federal agencies as part of the Administration's place-based initiative to revitalize neighborhoods. The Budget also includes funding to expand the integration of behavioral health into existing primary health care systems, enhancing the availability and quality of addiction care.

Increase the Number of Primary Health Care Providers. The Budget invests \$169 million in the National Health Service Corps (NHSC) to place providers in rural regions and other medically underserved areas to improve access to needed health care services. Under the NHSC, primary health professionals such as physicians, nurse practitioners, and dentists agree to serve in a medically underserved community in exchange to receiving a portion of their student loans paid off. In 2011, the requested increase will add 400 NHSC clinicians to the more than 8,100 that will be providing essential primary and preventative care services in health care facilities across the country.

Focus Forest Restoration Resources. The President's Budget focuses Forest Service resources to support more watershed and ecosystem improvement efforts based upon a variety of management actions, including mechanical removal of timber, road decommissioning, and wildlife habitat improvement. The Budget adopts an ecosystem-based approach to forest management that focuses on enhancing forest and watershed resiliency, preventing the loss of large carbon sinks, and maintains jobs. To address the need to protect forest resources and wildlife habitat in an era of global climate change, the Budget establishes a pilot program for long-term, landscape scale restoration activities that emphasize resiliency, health, and sustainable economic development.

Budgets Responsibly for Wildfires. The Budget fully funds the 10-year average cost of fire suppression at \$1.3 billion and includes an additional \$357 million in a discretionary funding reserve to be used only when the appropriated 10-year average funding is exhausted. The Budget for each agency proposes a new three-tier system of: (1) a regular suppression account, (2) the FLAME Wildlife Suppression Reserve Fund account, and (3) a Presidential Wildlife Contingency Reserve account. Each account requires a different level of responsibility for authorizing the expenditure of funds and includes the Secretaries of Agriculture and the Interior and the President in the chain of command for wildlife suppression. The Budget also prioritizes hazardous fuels reduction activities in the wildland-urban interface where they are most effective—particularly in communities that are on track to meet Firewise standards, have identified acres to be treated in Community Wildfire Protection Plans (or the equivalent), and have made an investment in implementing local solutions to protection against wildland fire.

Support Conservation on Private Lands. The Budget will accelerate the protection of our natural resources by strategically targeting funding to high priority program areas. This includes funding the Wetlands Reserve Program at a level to enable the restoration and protection of almost 200,000 additional acres of wetlands; providing over \$1.2 billion for the Environmental Quality Incentives Program to help farmers comply with regulatory requirements and protect natural resources; providing a 67 percent increase in funding over the 2010 enacted level to reduce nutrient loading in the Chesapeake Bay; and enrolling 12 million acres into the Conservation Stewardship Program to improve water quality and enhance energy efficiency. The Budget also provides funding to support the installation of high-impact targeted conservation practices on 1.5 million acres in priority landscapes, including the Bay-Delta region in California and the upper Mississippi.

Invest in a Clean Energy Future. The 2011 Budget adds \$15 million -- on top of \$51 million in 2010 increases -- to build the Department of Interior's capacity to review and permit renewable energy projects on Federal lands. This includes conducting the environmental evaluations and technical studies needed to spur development of renewable energy projects, assess available alternative resources, and mitigate the impacts of development. DOI has set a goal to permit at least 9,000 megawatts of new solar, wind, and geothermal electricity generation capacity on DOI-managed lands by the end of 2011.

Conserve Landscapes and Ecosystems. The Administration continues its commitment to acquire and conserve landscapes and ecosystems that lack adequate protection with increased funding from the Land and Water Conservation Fund (LWCF). The Budget provides an increase of \$106 million, or 31 percent, for LWCF programs in DOI that protect Federal lands for wildlife and public enjoyment and provide State grants for park and recreational improvements. Total LWCF funding for the Departments of Agriculture and the Interior exceeds \$619 million, keeping the Administration on track to fully fund LWCF programs at \$900 million by 2014. In addition, the Budget proposes to reauthorize and expand DOI's authority under the Federal Land Transaction Facilitation Act, so that the proceeds from the sale of low-conservation value lands may be used to acquire additional high-priority conservation lands.

Invest in Water Resources Infrastructure and Science. The Budget continues to focus resources on improving efficiency and availability of water resources crucial to rural America. The Department of Interior's Water Conservation initiative, which assists local communities in increasing water availability by encouraging voluntary water banks, reuse of treated wastewater, and other market-based conservation measures. The initiative also includes the Bureau of Reclamation's water reuse and recycling (Title XVI) program and invests an additional \$9 million in a multi-year, nationwide study of water availability and use by the U.S. Geological Survey. Moreover, in coordination with other Federal agencies and the State of California, the Department is also participating in activities and dedicating resources to foster continued progress in the restoration of a number of sensitive ecosystems, including the California Bay-Delta. The Department will work with Federal interagency working groups to develop performance measures and tools to identify those restoration activities that yield the highest returns to taxpayers.

Help Communities to Become More Livable and Sustainable. As part of the President's Partnership for Sustainable Communities initiative, the Budget includes \$530 million in the Department of Transportation (DOT) to help State and local governments invest smarter in transportation infrastructure and leverage that investment to advance sustainable development in rural and other regions. The Federal Government will help stimulate comprehensive regional and community planning efforts that integrate transportation, housing, and other critical investments. This approach aims to reduce greenhouse gases, improve mobility and transportation access to economic opportunity, and improve housing choices. Combined with \$150 million in Department of Housing and Urban Development planning grants, and \$10 million in Environmental Protection Agency technical assistance, DOT will dedicate \$530 million, focused on capacity building and transportation projects, to this multi-agency effort. Because improving local quality of life is a universal challenge, this place-based interagency initiative will help communities across the Nation make better coordinated, higher-performing infrastructure investments.