



## Senate Democrats – Working for a Strong Rural America

*America's rural communities embody the traits that make our country strong, and their values are deeply woven into the fabric of our national character. Democrats are committed to keep working for rural America to ensure a strong economy, prosperity, and opportunity for the 50 million citizens who live in those communities.*

### **The Agriculture Reform, Food, and Jobs Act**

American agriculture supports 16 million jobs and is the engine of the rural economy. The Agriculture Reform, Food and Jobs Act of 2012, which Senate Democrats passed on June 21, 2012, would build on the agricultural economy's momentum by helping farmers and producers grow their businesses and hire more workers. The bill would save tens of billions of dollars by streamlining programs, and strengthen tools available to producers to help manage risks and conserve resources, expand export opportunities, provide capital and training to get new farmers off the ground, and grow the bio-based manufacturing industry. Senate Democrats remain committed to fighting for this legislation in the new Congress. [Vote 164, [6/21/12](#); [Senate Agriculture, Nutrition, and Forestry Committee](#)]

- **The bill would end wasteful subsidies and strengthen risk management tools.** Weather and market conditions outside a producer's control can have a devastating effect on producers, especially family farms. This bill would end direct payments, which are paid to farmers even in good times and in many cases for crops they're not even growing. It also closes the "management loophole" that allowed landowners to claim benefits even if they don't farm, to the tune of \$1.3 billion from 2000 to 2005. Instead of payments that don't make sense, the bill protects farmers from weather disaster and market events beyond their control by strengthening crop insurance and taking a market-based approach to risk management to protect against both price and yield losses. [Washington Post, [7/2/06](#)]
- **The bill would make a commitment to conservation.** Conservation programs ensure we have a safe and abundant food supply, clean water, and thriving wildlife populations. The bill would consolidate 23 existing conservation programs into four fundamental program functions: working lands conservation, the Conservation Reserve Program, regional partnerships, and easements to help prevent sprawl and wetlands.
- **The bill would help family farmers to sell healthy food locally.** The bill would increase support for farmers' markets and takes steps to spur the creation of food hubs to connect farmers to schools and other community organizations.

- **The bill would expand access to credit and financing.** Since 2009, USDA has made or guaranteed a record number of loans for farmers and ranchers – more than \$1.8 billion in loans for nearly 130,000 producers. In the early days of the summer 2012 drought, USDA acted to lower the interest rate for FSA Emergency Loans from 3.75% to 2.25%. The bill would build on this support by expanding access to existing programs and helping new farmers get started through a pilot program to provide matching-funds for savings accounts for agriculture entrepreneurs, as well as through farm ownership loans and direct operating loans set aside for beginning farmers and ranchers. [USDA, [8/24/12](#); CRS, [10/24/12](#); [Senate Agriculture Committee](#)]
- **The bill would strengthen the rural economy.** The bill would continue Rural Business Development Grants, Rural Cooperative Development Grants, and Rural Microenterprise Development Grants to help rural businesses invest in the future and grow. Further, the bill provides technical assistance to many rural communities that do not have full-time staff to prepare funding applications for additional opportunities, and awards competitive grants to national non-profits that provide agricultural producers with best practices in cost reduction, conservation, and market expansion. [[Senate Agriculture Committee](#)]
- **The bill would spur growth and innovation in bio-manufacturing and bio-energy.** The bill would strengthen rural America’s contributions to economic growth, job creation and energy independence by spurring the development of bio-manufacturing and innovation in bio-energy production from sources like cellulosic ethanol and woody biomass. In order to support these efforts, the bill would expand the BioPreferred labeling initiative, support the Biomass Crop Assistance Program and Biorefinery Assistance Program, and strengthen government procurement preferences for bio-based products. It would also help rural Americans save on energy costs by authorizing a new loan program to help rural electric coops finance home energy saving retrofits and streamline applications for the Rural Energy for America program that has helped nearly 4,000 farmers, ranchers, and small business owners lower their energy bills by installing renewable and efficient systems.

### **Expanding American Agricultural Exports**

The U.S. maintains a significant trade surplus in agriculture, and Senate Democrats are committed to ensuring that we continue our global leadership with a focus on opening new markets and fighting trade barriers.

- **Senate Democrats championed legislation to ensure American farmers can sell to customers around the world.** The Agriculture Reform, Food, and Jobs Act of 2012 would ensure credit will be available to finance exports of U.S. products, providing matching funds to promote U.S. agriculture products in overseas markets, and aiding access to emerging markets. [[Senate Agriculture Committee](#)]
- **The Senate passed trade deals help American farmers sell abroad and create jobs at home.** The three trade agreements with Columbia, Panama, and South Korea, now enacted into law, will lead to \$2.3 billion in additional agriculture exports that support 20,000 jobs here at home. These agreements led to immediate, duty-free access to these countries for the majority of U.S. agriculture products. [Vote 161, [10/12/11](#); [P.L. 112-41](#); Vote 162, [10/12/11](#); [P.L. 112-43](#); Vote 163, [10/12/11](#); [P.L. 112-42](#); USDA, [10/4/11](#)]
- **The Senate passed legislation to help those hurt by trade.** The Trade Adjustment Assistance for Farmers program provides technical assistance and monetary support specifically to producers of agricultural products and fishermen that may be harmed by increased exports. Democrats fought to successfully extend it through 2013. [CRS, [9/5/12](#); Vote 150, [9/22/11](#)]

## **Investing in Rural Infrastructure**

Investments in rural infrastructure help to create a foundation for economic growth, development, and job creation. Senate Democrats continue to champion improvements to rural infrastructure that will help farms, rural businesses, and rural communities to move goods, services, power and ideas quickly and safely.

- **The Senate passed a transportation bill to save or create nearly 3 million jobs.** MAP-21, the surface transportation bill, strengthened investments in rural infrastructure. The new law increased funding for Rural Formula grants to \$600 billion, reauthorized the Secure Rural Schools and Community Self-Determination Program that compensates rural counties for loss of revenue caused by reduced timber harvest on federal lands, specifically set aside funding under the TIFIA innovative financing program for rural projects, established a new Appalachian Development Public Transportation Program to increase access in rural areas, and increased funding for the rural transit program by 30%. [Vote 172, [6/29/12](#); P.L. [112-141](#); Senate Environment and Public Works Committee, [6/29/12](#)]
- **Senate Democrats championed investments in rural broadband service.** Approximately 14.5 million Americans in rural areas – about one out of every four- lack the basic structure for broadband. This puts rural businesses at a disadvantage and dampens economic development in rural communities. The Agriculture Reform, Food, and Jobs Act of 2012 would double the annual investment in rural broadband, and allow the Rural Utilities Service to provide grants and loan guarantees for rural broadband projects in communities isolated from population centers. The bill would also strengthen investment in telemedicine and distance learning capabilities. [Vote 164, [6/21/12](#); [Senate Agriculture, Nutrition, and Forestry Committee](#); FCC, [8/21/12](#)]
- **Senate Democrats are fighting for investments in rural water infrastructure.** The Agriculture, Reform, Food, and Jobs Act of 2012 would provide grants, loans, and loan guarantees for water treatment, distribution, and disposal in rural areas with small populations, and provide competitive grants to non-profit organizations that give technical assistance to rural public water systems. Senate Democrats are also working to reauthorize the Water Resources Development Act, which authorizes the Army Corps of Engineers to work on flood control, water supply, and wastewater projects. [Vote 164, [6/21/12](#); [Senate Agriculture, Nutrition, and Forestry Committee](#); FCC, [8/21/12](#); [Senate Committee on Environment and Public Works](#)]

## **Middle Class Tax Cuts**

America's economy has always been built on a strong and growing middle class. Senate Democrats successfully fought to permanently extend middle-class tax cuts and tax cuts that benefit rural Americans.

- **Senate Democrats extended middle-class tax cuts.** The American Taxpayer Relief Act averted the so-called "fiscal cliff" by preventing a tax increase of \$2,200 on average for a typical middle-class family of four. The plan cut taxes for over 98% of families and 97% of small businesses, and included a permanent fix to the Alternative Minimum Tax that would have ensnared 28 million taxpayers with an end-of-year tax hike. [NEC, [7/24/12](#); Vote 251, [1/1/13](#)]

- **Senate Democrats fought for tax cuts that benefit rural Americans.** The American Taxpayer Relief Act also extended the Child Tax Credit (CTC) at current levels, preventing a \$1,000 tax hike on 35 million American families, and the Enhanced Earned Income Tax Credit (EITC), preventing a \$500 tax hike on 6 million families. Together, these overall credits kept 1.4 million rural Americans, including 700,000 children, above the poverty line in 2011. [NEC, [7/24/12](#); Vote 251, [1/1/13](#); CBPP, [4/19/13](#)]
  - In 2010, 22.9% of rural tax filers claimed the overall EITC, 2.9% more than the national average, providing an average benefit of \$2,245 for 4.7 million rural EITC filers. [CBPP, [4/19/13](#)]
  - The refundable portion of the CTC provided rural children and families with more than \$3 billion in tax benefits in 2010 to 2.8 million beneficiaries. [CBPP, [4/19/13](#)]

### **Stable, Secure, Affordable Rural Health Care**

Senate Democrats are committed to ensuring the stability and security that rural Americans want in their health care, and continue to work to ensure that the specific health care needs of rural communities are addressed.

- **The Affordable Care Act (ACA) is giving rural Americans more stability and security.** The ACA is holding insurance companies accountable, bringing down costs across the system, and helping more families access affordable health insurance. It has benefited millions of Americans across the country and in rural areas by:
  - **Removing lifetime limits on health benefits:** 105 million Americans no longer have a lifetime limit on their coverage. [White House blog, [3/5/12](#)]
  - **Covering preventive services with no deductible or co-pay:** 71 million Americans with private insurance are now getting preventive services like cancer screenings and flu shots without paying a dollar out of pocket. [HHS, [3/18/13](#); HHS, [2/20/13](#)]
  - **Providing new coverage options for young adults:** 3.1 million young adults have health insurance, due to the health reform provision that allows 19 through 25 year olds to remain on their parents' insurance plans. [HHS, [6/19/12](#)]
- **Health reform has already taken important steps to reduce costs for rural Americans.** The ACA does exactly what experts say we need to do to hold down health care costs and rein in premium increases. In 2012, insurance companies provided 12.7 million Americans with \$1.1 billion in rebates and cost growth slowed for the fourth consecutive year to growth levels lower than any other year in the 51-year history of federal tracking. In 2012, the average premium increase for all rates was 30% below what it was in 2010. [HHS, [3/19/13](#); Altarum Institute, [2/7/13](#); KFF, [9/11/12](#); HHS, [1/7/13](#); HHS, [6/21/12](#); HHS, [2/22/13](#)]
- **Senate Democrats passed legislation to ensure that rural Americans have better access to lifesaving medicines and devices at lower costs.** Senate Democrats led the charge to pass a new law that modernized the FDA by empowering the agency to more quickly review drugs and medical devices and enhancing the agency's global supply chain authority. Last year, the FDA reported shortages of 231 drugs – including several chemotherapy medicines. This law will help prevent drug shortages across the country, save biomedical industry jobs and ensure the FDA has the resources to approve new drugs and medical devices to quickly deliver safe therapies to rural patients. [[American Society of Health-System Pharmacists](#), 12/7/11; [Vote 111](#), 5/24/12; [P.L. 112-144](#)]

- **Senate Democrats expanded and strengthened the health workforce in rural communities.** Health reform included \$1.5 billion in new investments for the National Health Service Corps (NHSC). The NHSC provides scholarships and loan repayment to primary care, mental and dental professionals who work in health professions shortage areas. This program is critical to ensuring that rural areas have access to health providers. As a result of this investment, a total of 4,131 NHSC participants (45% of the NHSC total) worked in rural areas of the country last year. [P.L. 11-148, [3/23/10](#); NHSC, acceded on [4/23/13](#); NHSC, 9/30/12]
- **Senate Democrats are committed to further reducing health care costs for rural Americans.** In the year ahead, health care will become even more affordable and widely available with the establishment of new health insurance marketplaces and tax credits.
  - Starting this October, rural consumers and small businesses will be able to purchase quality, affordable private health insurance plans through Health Insurance Marketplaces. An estimated 27 million Americans who would otherwise be uninsured will gain coverage through the exchanges. [CBO, [2/13](#)]
  - Rural middle-class families with income between 100% and 400% of the poverty line will become eligible for tax credits to purchase health insurance. Tax credits available for small business to purchase health insurance will increase to 50% of the employer's contribution.

### **Improving Access to Health Services for Rural Seniors**

- **Senate Democrats strengthened Medicare, lowered costs for rural seniors, and cut waste, fraud and abuse without reducing benefits.** Health reform strengthens and protects Medicare for rural seniors who have earned and paid for the guaranteed coverage it provides. The Medicare Trust Fund will remain solvent through 2024 – extended in part as a result of reducing waste, fraud, and abuse, and slowing cost growth in Medicare. By 2021, the health reform will save the average person in Medicare \$4,200 and rural seniors who have prescription drug costs that hit the “donut hole” will save as much as \$15,700. [CMS, [4/23/12](#); WH, [5/8/12](#)]
- **Senate Democrats have made prescription drugs more affordable for over 6 million seniors.** Health reform lowered prescription drug prices for 6.3 million seniors last year, saving a total of \$6.1 billion. The law provides rural seniors who hit the so-called “donut hole” with a 50% discount in brand name drug prices. Rural seniors will receive larger discounts each year, and the law closes the “donut hole” completely. [HHS, [3/21/13](#)]
- **Senate Democrats stopped Medicare payment cuts to guarantee rural patients have continued access to critical health services.** On three occasions, Senate Democrats successfully championed legislation to prevent dramatic cuts to Medicare physician payment rates, extending them through 2013. These efforts also prevented reductions in payments to rural hospitals and other health care providers. [[Committee on Finance](#), 2/16/12; [Vote 22](#), 2/17/12; [P.L. 112-96](#); [P.L. 112-78](#); HHS, [1/3/13](#); Vote 251, [1/1/13](#)]
- **Senate Democrats have ensured 34 million seniors' access to preventive services with no deductible or co-pay.** As a result of health reform, rural seniors now have access to free preventive health services, such as cancer and diabetes screening. The law provides a new, free, annual wellness visit and eliminates out-of-pocket co-payments for preventive benefits. 34 million seniors have received at least one free preventive benefit, including the new Annual Wellness Visit. [HHS, [3/18/13](#); HHS, [2/20/13](#)]

- **Senate Democrats improved access to more cost-effective home and community-based services that are critical to seniors living in rural settings.** Health reform bolstered rural states' ability to provide long-term care services to seniors through home and community settings, thereby improving quality of care and reducing overall spending. [P.L. 11-148, [3/23/10](#); HHS, [4/26/12](#)]

### **Expanding Educational Opportunities for Rural Students**

For America's economy to grow and remain strong, we need to have a highly-educated, talented labor force. Education is also the key to economic opportunity for individual Americans, and ensuring access to higher education is part of making sure that we have a thriving middle class.

- **Senate Democrats successfully led the fight to prevent the doubling of the student loan interest rate.** This Democratic effort prevented a \$1,000 hike in student borrowing costs for over 7 million students. For rural students, access to higher education is more essential than ever – a college degree is an important tool for securing a high-skilled job in today's economy. [White House, [4/25/12](#); Vote 172, [6/29/12](#); [P.L. 112-141](#)]
- **Senate Democrats fought to prevent a tax hike on families paying for college.** By successfully fighting to extend the American Opportunity Tax Credit, Senate Democrats prevented a \$1,100 tax hike on 11 million families paying for college. It has been estimated that the credit can cover the equivalent of 30% of the tuition at a typical state university. In 2011, the estimated average AOTC credit was \$1,900, enough to cover 70% of tuition and fees at the average two-year public institution, or about 25% of tuition at the average private institution. [NEC, [7/24/12](#); US Treasury, [2011](#); Vote 251, [1/1/13](#)]

### **Honoring America's Commitment to Rural Veterans**

Senate Democrats are working to honor our nation's commitments to veterans and their families by ensuring they have access to the health care and benefits they have earned, and by expanding opportunities for rural veterans.

- **Senate Democrats championed legislation to help veterans enter farming.** The Agriculture Reform, Food, and Jobs Act of 2012 would help veterans start careers as farmers and ranchers. The bill would dedicate \$50 million to the Beginning Farmer and Rancher Development Program, and for the first time require the Department of Agriculture to make veterans a priority. The bill would also provide outreach and technical assistance to veteran farmers and included conservation program opportunities for veterans.
- **Senate Democrats are working to meet the transportation needs of rural veterans.** The Caregivers and Veterans Omnibus Health Services (Caregivers) Act allows organizations, including Veterans Service Organizations, to bid for a grant in order to provide veterans with transportation services to and from VA medical centers in highly rural areas. *Organizations will be able to apply for grants beginning this May.* [[P.L. 111-163](#)]
- **Senate Democrats provided grants for rural veterans coordination.** The Caregivers Act also initiated a two-year pilot to provide grants to eligible local programs to assist veterans and their families who are transitioning from military service to civilian life in rural or underserved communities. *Grants become available this month.* [[P.L. 111-163](#)]

- **Senate Democrats passed the VOW to Hire Heroes Act.** Senate Democrats passed this legislation to address the challenge of unemployment among veterans by offering tax incentives of up to \$5,600 to employers who hire veterans, as well as up to a \$9,600 credit for hiring unemployed veterans with service-connected disabilities. The legislation also made the Transition Assistance Program mandatory for all servicemembers prior to discharge from the military and created the Veterans' Retraining Assistance Program to provide retraining assistance for up to 12 months to unemployed veterans between the ages of 35 and 60. [Vote 204, [11/10/11](#); [DPCC](#); [P.L. 112-56](#)]
- **Senate Democrats passed the Veterans Skills to Jobs Act.** The act will enable rural veterans to make a faster transition to the civilian workforce by cutting the red tape that has prevented highly skilled veterans from quickly obtaining civilian licenses. The act requires federal agencies to recognize relevant military training and skills when certifying veterans - expediting their transition to promising careers. [Defense Business Board, [4/19/12](#); [P.L. 112-147](#)]
- **Senate Democrats made sure America's veterans received the cost-of-living increase they need and deserve.** The Veterans' Compensation Cost-of-Living Adjustment Act, an annual adjustment passed by Congress for the past 35 years, ensures that veterans' benefits continue to provide meaningful assistance that keeps pace with inflation. [[P.L. 112-53](#)]

### **Postal Reform**

Senate Democrats are fighting to ensure that the United States Postal Service continues to meet rural America's needs.

- **Senate Democrats passed legislation to modernize the United States Postal Service.** Senate Democrats passed legislation to modernize the postal service and give it the flexibility to maintain critical functions while adapting to changes in the way people use the mail system. Of the 3,800 post offices considered for closure, 80% are located in rural areas and the closure of those post offices would affect 2.9 million rural Americans. Recognizing the important role that post offices play in rural communities, the bill would require the postal service to consider multiple options to ensure that rural service would be maintained before moving forward with a closure. Senate Democrats are committed to fighting for this bill in the new Congress. [Vote 82, [4/25/12](#); Reuters, [2/17/12](#)]