

Rural Rehab Funding

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Requester Information

Legislator: Kohler, Mike L.

Creation Date: 2024-01-25

Submission Date: 2024-01-26

Section 1: Request Details

Description:

This appropriation seeks \$5 million of one-time funding to replenish the state Rural Rehabilitation Program fund. (Fund 5465-State Utah Rural Rehabilitation Loan Fund) that is administered by the Utah Department of Agriculture and Food under chapter 4-19. The intent of the funding is to provide low interest loan to Utah agriculture producers.

Legislative designee contact information:

- Name: Amber Brown
 - Organization: Utah Department of Agriculture and Food
 - Position: Director, Legislative and Government Affairs
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Section 2: Funding Information

How will the appropriation be used?

	One-time	Ongoing
Personnel Services	2024: \$0.00 2025: \$0.00	\$0.00
In-State Travel	2024: \$0.00 2025: \$0.00	\$0.00
Out-of-state Travel	2024: \$0.00 2025: \$0.00	\$0.00
Supplies and Equipment	2024: \$0.00 2025: \$0.00	\$0.00
Technology Purchases	2024: \$0.00 2025: \$0.00	\$0.00
Infrastructure/Capital Investments	2024: \$0.00 2025: \$0.00	\$0.00
Other Charges/Pass Thru	2024: \$0.00 2025: \$5,000,000.00	\$0.00
Expenditure Total		
One-time 2024	One-time 2025	Ongoing 2025
\$0.00	\$5,000,000.00	\$0.00

Funding Sources:

General Fund

- Amount Requested 2024 (One-time) \$0.00
- Amount Requested 2025 (One-time) \$5,000,000.00
- Amount Requested 2025 (Ongoing) \$0.00

Revenue Total

One-time 2024
\$0.00

One-time 2025
\$5,000,000.00

Ongoing 2025
\$0.00

Should unused funding be returned to the state at the end of the fiscal year?

No

Is this project scalable if the Legislature does not fund the full requested amount?

Yes

A short explanation describing how the project might be scaled

These funds will be added to the revolving rural rehab loan fund giving the fund more reach. The fund already exists but could use more funding to cover the need.

Section 3: Agency Information

Subjects:

Labor and Employment
Land and Environment

Agency:

570 / Agriculture

Type of entity to receive pass-through funding

- State Government
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Section 4: Performance Outcome Measurement

Who would benefit from this request (who is the target audience)?

These funds will be used to support rural agriculture operations in Utah. This supports local economies and helps support food production in Utah's rural areas.

What is this project or program intended to accomplish?

The intention of this funding is to provide low interest emergency loans to struggling Utah Ag producers. Due to recent year of drought, high inflation, high input costs, scarcity of feed, Ag producers, particularly dairies have been forced to take on additional debt which has been extremely detrimental to their operations. Rural Rehab low interested loans provide a bridge to better economic health.

How will the Legislature know whether the project or program achieved its intended purpose?

We will be successful if we can help sustain rural ag businesses. Local farmers support other local businesses in small town parts of the state. The loss of small farms is hurting rural Utah. The number of loans, the repayment rates and the numbers of farms who stay in business will also help measure success.

Section 5: Other Supporting Documents

Intent Language

This appropriation will increase the size of the Department of Ag's rural rehab revolving loan fund balance to allow it to help more farms.

Previous State Funding