

**§ 22.202 Federal unit responsibilities.**

The following Federal units have major responsibilities in implementing the Act.

(a) Rural Development policy questions requiring resolution by the Committee on Community Development of the President's Domestic Council may be so referred by the Secretary of Agriculture, who will sit as a member and as Chairman of the Rural Development Committee.

(b) The Under Secretary of Agriculture will represent the Secretary in matters pertaining to rural development policy when such matters are of mutual concern to the Under Secretaries' Group for Regional Operations (Executive Order 11647 as amended by E.O. 11731) and the Federal Regional Councils, or at such other times that he or the Secretary may deem appropriate.

(c) The Assistant Secretary of Agriculture for Rural Development will chair an Assistant Secretaries' Working Group consisting of interdepartmental and interagency members from Agriculture, Health, Education, and Welfare, Housing and Urban Development, Defense, Labor, Commerce, Transportation, Environmental Protection Agency, Small Business Administration and others as appropriate. This working group will operate under the aegis of the Rural Development Committee of the Domestic Council. The purpose of this working group is:

(1) To develop and recommend rural development policy applicable to more than one executive department or agency.

(2) To develop cooperative procedures between and among executive departments and agencies in matters pertaining to rural development.

(3) To devise effective rural development strategies and to bring Federal resources and services to bear toward their realization.

(4) To advise the Under Secretaries' Group on involvement of Federal Regional Councils in rural development activities.

The Secretary of Agriculture may utilize the services of the Assistant Secretaries' Working Group in performing his rural development functions for the Rural Development Committee of the Domestic Council.

(d) The Administrator, Rural Development Service, under the policy direction of the Assistant Secretary for Rural Development shall coordinate rural development activities under section 603 of the Rural Development Act as directed by the Secretary. In the fulfillment of such responsibilities, he is authorized to communicate directly with other Federal department and agency officials of corresponding levels of authority and with State and Federal Regional Council officials.

(e) The Federal Regional Councils shall have primary responsibility for interagency program coordination at the field level and will provide assistance to and liaison with States in promoting rural development. Federal attention to this type of cooperation and coordination will be emphasized. In addition, the Federal Regional Councils, operating within policy determined at the Washington level, shall be responsible for performing an oversight function to assess how well the machinery is working in carrying out the Rural Development Act authorities. Each Federal Regional Council shall create an appropriate management structure to accomplish the foregoing. This may include the creation of a Rural Development Committee. The Department of Agriculture will chair such Rural Development Committees or otherwise assume the lead in managing rural development activities of the Federal Regional Councils.

(1) Procedures for the coordination of rural development activities will be consistent with the policies expressed herein and with any specific Federal guideline based on these regulations or on Executive Order 11647, as amended by Executive Order 11731.

(2) Councils shall exercise authority under Executive Order 11647, as amended by Executive Order 11731, to promote in rural areas integrated program and funding plans involving several Federal agencies.

**§ 22.203 Major responsibilities under title VI, Sec. 603.**

(a) *Title VI, section 603(b)*. (1) Section 603(b) of the Rural Development Act charges the Secretary of Agriculture

with providing leadership in the development of a nationwide rural development program. Included in this program would be pertinent Federal departments and agencies which might contribute to this rural development mission. In carrying out his responsibilities, the Secretary shall report annually, prior to September 1, to the Congress on rural development goals for employment, income, population, housing, and quality of community services and facilities. To carry out the provisions of the Act specified above, the following major responsibilities are identified:

(i) The Rural Development Committee of the Domestic Council will assume responsibility for interdepartmental policy formulation and resolution of issues pertaining to this section of the Act as determined by the Secretary of Agriculture. This committee consists of members of the Community Development Committee of the Domestic Council, to wit: The Secretary of Agriculture, Chairman of the Rural Development Committee; the Secretary of HUD, Chairman of the Urban Development Committee; the Secretary of Transportation, Chairman of the Transportation Policy Development Committee; the Secretaries of Treasury, Commerce, and Labor and the Director of OMB.

(ii) The Secretary of Agriculture shall be responsible for Washington level coordination pursuant to this section of the Act.

(iii) At the regional level, the Federal Regional Councils shall develop and implement procedures designed to identify and facilitate access to Federal resources appropriate for rural development purposes within States. Such procedures will be consistent with policies expressed or endorsed by the Under Secretaries' Group. The Councils shall also be responsible for monitoring the effectiveness with which the Rural Development Act is implemented within their respective regions.

(2) The Secretary of Agriculture is also authorized to initiate or expand research and development efforts related to solution of rural development problems including problems of rural water supply, rural sewage and solid

waste management, and rural industrialization.

(3) The Rural Development Service will operate a rural development research program and may also participate in rural development research in cooperation with Federal, State, and private research units.

(b) *Title VI, section 603(c) of the Rural Development Act.* (1) Under guidance by the Under Secretaries' Group, and under the leadership of the U.S. Department of Agriculture member on each of the Federal Regional Councils, the Rural Development Committees of the Federal Regional Councils or other Federal Regional Council mechanisms assigned to work with rural development, shall be responsible for proposing to the appropriate Federal and State agencies actions in such areas as:

(i) Adjustment, where appropriate, of administrative boundaries used by field staffs of Federal and federally supported agencies to conform with boundaries of multicounty jurisdictions. "Multicounty jurisdictions" as used means substate planning districts or other combinations of county jurisdictions as designated by States for State planning purposes.

(ii) Co-location of field units of Federal agencies and consolidation of offices in the vicinity of principal centers of local government administration (including multicounty jurisdictional administration), to encourage increased cooperation within and among different governmental levels.

(iii) Exchange of personnel between Federal and State agencies under the Intergovernmental Personnel Act (Pub. L. 91-648), to supplement and broaden staffs administering rural development programs, and provide specific technical expertise for certain projects.

(iv) Interchange of personnel among Federal agencies for the purposes expressed in paragraph (b)(1)(ii) of this section.

(2) In addition, the U.S. Department of Agriculture member on the Federal Regional Councils shall, by July 31, of each year, report to the Assistant Secretary for Rural Development who shall in turn report to the Under Secretaries' Group and the Congress on progress made in carrying out the programs outlined in paragraphs (b)(1)(ii)

through (iv) of this section and plans for programs to be implemented during the following fiscal year. The first report will be due to the Assistant Secretary by July 31, 1974.

**§22.204 Rural development committees.**

State rural development committees, consisting of USDA agency members and, in most instances, State governments and other Federal agency representatives are available to assist States in accomplishing their rural development objectives. Such assistance if requested by the State can take the form of technical assistance and cooperative services to States in carrying out their rural development priorities.

**§22.205 Allocation of loan and grant funds.**

(a) Title I grant funds and approved loan funding levels will be allocated among States by a formula designed to ensure equitable treatment. This applies to amounts made available for business and industrial loans, water, sewer and other community facilities except electrical and telephone facilities provided by or through the Rural Electrification Administration.

(b) During the second half of the fiscal year, the Secretary of Agriculture shall review State and multicounty jurisdictional rural development programs and projects so that unused allocations may be shifted from one State to another so as to enable the obligation of all available funds prior to the end of the fiscal year.

(c) The formula used for fund allocation will ensure that a minimum loan and grant level is established so that no State receives an amount too small to serve the purposes of the Act. A percentage of total loan and grant authority will be withheld from initial allocation to allow subsequent appropriate technical adjustments in amounts allocated to individual States.

(d) Title V funds shall be distributed by the Secretary under the formula specified in the Act. Title V activities will be consistent with the principle that States and multicounty jurisdictions have responsibility for the rural development planning and priority setting functions.

**Subpart C—Roles and Responsibilities of State Governments**

**§22.301 Selection and designation.**

Procedures for implementing the Act are designed to give the fullest possible consideration to planning and development goals and strategies at the State and multicounty jurisdictional levels. The governing bodies of multicounty organizations should include representatives of local governments contained within the respective multicounty jurisdictions. State development strategies and priorities shall be fully considered in the Federal administration of Rural Development Act authorities.

**§22.302 Area eligibility.**

Eligibility for programs under the Act will be based on the criteria of community size and location of population as specified in the Act. State designations of eligible areas will be duly considered by the Federal government in the determination of eligibility for loan and grant assistance.

**§22.303 Cooperation with Federal Regional Councils.**

States are urged to establish and maintain close and cooperative relationships with the Federal Regional Councils which will be in a position to assist the States and multicounty jurisdictions in the identification and application of available resources. States may authorize direct communications and liaison between the Regional Councils and multicounty jurisdictions within States.

**§22.304 Multiyear planning and programming.**

State and multicounty jurisdictions are encouraged to adopt multiyear planning and development programs. As administrative procedures for implementing the Act support the feasibility of such a process, these programs should consider joint State, Federal, and local budget planning factors and be refined to conform to the actual fund availability as annual budgets are finalized and allocated. Such programs, once initiated, will be extended by the annual addition of a new planning year until programs are completed or terminated.