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Thank you, Chairperson Lincoln and members of the committee for allowing me to speak to you today. From a child to a young man, and now to a young senior citizen I have committed my life to “Revitalizing Rural America” and helping to improve the quality of life for rural Americans and especially in Arkansas.

As a native of Crittenden County and resident of Eastern Arkansas for approximately sixty (60) years, I have seen the face of the United States and the East Arkansas Delta change. Whereas much has been done, there is still much to be done. During my thirty (30) year career at the US Department of Agriculture, I served as Assistant County Supervisor in Arkansas and retired as Special Assistant to the Administrator in Washington, DC. I saw families move from the Outhouse to the Whitehouse.

Since retiring in 1994, I have maintained a close relationship with the Department of Agriculture. This relationship leads me to talk about what can be done to help continue to revitalize rural America. The specific agency I am going to speak about is the one I know the most about; the USDA Rural Development.

I have a special love and respect for the USDA-Rural Development (RD) for what it has done, what it is doing and what it has the potential to do. I have seen USDA – RD change with each administration. One administrator will tell its employees that “they are the biggest banker in the country.” The next administrator will tell them “that you are not a bank.” To work with/for USDA – RD for thirty (30) years you have to be flexible to remain sane.

Although there have been many changes, this organization has sustained itself from the Farm Security Administration (FSA) from 1938-1947, to the Farmers Home Administration (FmHA) from 1947-1994 and now Rural Development. The USDA-RD has both traditional and innovative programs to address the full needs of rural communities. The questions could be, are these programs adequately funded, adequately accessible and are they being utilized.

The major programs of discussion are Single Family Housing, Multiple Family Housing, Community Facilities and the newly re-established office of Community and Economic Development Services.

At one point in the State of Arkansas, the USDA-Rural Development led the nation in Energy Efficient Single Family and Multi Family Housing. It also ranked high in Community Facilities, Water and Sewage.

You cannot travel in Rural America by interstate, state highways and county roads without seeing evidence of community and economic development of which the USDA – RD played some role in financing. Many of us who are retired, get calls frequently from low and very low income families expressing their thanks to USDA as they have paid their home loans in full and achieved the “American Dream” by owning a home, debt free with only taxes and insurance to pay.

**What are some of the “barriers” to USDA – RD service delivery in the United States today?**

**Senator, the only way I know how to say anything is to be frank.**

When Farmers Home Administration was reorganized in 1994, I am not sure it was broken to the point some people thought it was. Sometimes when changes are needed they can be made without total destruction and/or reorganization.

Some changes made by USDA in 1994 were good, (example-Merging the old Rural Development Agency into the Farmers Home Administration and changing the name to its current status (Rural Development). However, some changes made were not so good. **Example**-Yes, we know that a cost benefit analysis played its role in office closing. But it's something wrong when a little old lady from Gillett, AR has to go to Forrest City, AR which is 225 round trip miles to get a 504 loan or grant. Senior Citizen and low income families have to travel unnaturally from Osceola, AR to Jonesboro, AR or from Newport, AR to Batesville, AR and other similar locations to submit an application for Rural Development Services.

**Recommendation:**

- 1) Re-evaluate these and other similar situations particularly in distressed counties and come up with some strategy to improve access to services offered by Rural Development. Consider outreach and

collaboration through partners and/or sister agencies such as FSA and NRCS shared office space.

- 2) USDA-Rural Development has many excellent opportunities in its Housing and Community Facility Programs. However a certain part of the rural population, (people, small towns and communities) do not have the knowledge, skills and abilities to do the complicated paper work to access the programs. Neither do they have the resources to hire technical assistant providers or consultants. **Example** – Small towns need infrastructure but do not have infrastructure plans or 25-40% matching funds. We cannot continue to let these towns and communities suffer the indignities of not being able to compete for resources. Utilize the brilliant minds in USDA to find ways to get more stimulus dollars in distress communities.

**Recommendation** – Special efforts by USDA through third party partners must exist. Empowerment Zones and Enterprise Communities, Faith Based Organizations and Non-Profits should be better utilized to enhance the services offered by USDA-Rural Development.

### **Legislation vs. Regulations/Policies**

Congress passes legislation, employees write regulations and management establishes policies. Usually the legislation is clear with intent of the law. Sometimes the regulations and policies may be conflicting and/or at least left open for different interpretations. **Example** – USDA Rural Development Instructions (1942-A) regulation for rural utilities allows for funding of infrastructure such as drainage, streets and bridges. National office policy dictates that states give priority to water and waste water. States do not have the latitude to look at a town or community based on its needs or on a project case by case basis. Some communities may need water and sewage. Another may be flooding and needs a bridge, streets and drainage. We understand the need to prioritize funding. But, this is critical when there are sufficient funds such as the Recovery and Reinvestment Act (Stimulus Funds). States should have the latitude to use this “one” time investment based on needs.

**Recommendation** – That the states be the decision/policymaker on projects where there exists no historical data as far as similar system rates or loan/grant needs for a community project. Selection of project funding under

the Recovery and Re-Investment Act should not be restricted to existing regulations/policies, but regulate these to the State Director for none water and waste water projects.

### **Future Consideration**

In 1995 USDA approved three (3) Empowerment Zones and thirty (30) Enterprise Communities. These certifications expired on December 31, 2005 (10 years). The three EZs received \$40 million each and the ECs received \$3 million each. Two ECs were selected in Arkansas-Forrest City and Blytheville.

The EAEC in Forrest City took \$2.9 million in 1995 and leveraged \$26 million in Human, Community and Economic Development. Much of the leveraged funds were from USDA-Rural Development during the ten (10) year certification period. Of the 30 ECs established, many have continued to sustain themselves. To leverage resources (9 to1) is a noticeable impact on any rural community.

The previous USDA-Office of Community Services in Washington, DC was closed. This office was reopened in July, 2009 by USDA. Existing EZs/ECs feel that this was a great move on behalf of USDA-Rural Development.

Senator Lincoln and members of the committee, we are requesting your support of USDA-Rural Development funding for this newly reestablished Office of Community and Economic Services, and to sustain EZs/ECs. The beneficiaries will be the citizens, towns and communities located in the EZ/EC service area. Also, if this office is legislated, it would not be closed with the change of administration and would become a part of USDA-Rural Development.

### **Land Grant Institutions**

It would be remised if I did not express my appreciation to Rural Development for its extraordinary efforts in assisting the 1862s and 1890s universities in Arkansas. Rural Development in 1994 transferred 871 acres to the University of Arkansas at Pine Bluff (UAPB) advancing the university's acreage to 1100 acres to carry out its mission of enhancing rural, economic development. In 2002, UAPB received fifty (50) plus acres in Lee County, AR. This acreage is most critical for research and demonstration to



small farmers engaged in specialty crop production and conservation practices. UAPB an 1890 Land Grant Institution needs an increase in USDA extension and research dollars in excess of the amounts prior to these land acquisitions.

The research and demonstrations carried out on these farms have local and national significance in water management issues, wildlife habitat, marketing specialty crops for small scale farmers, reestablishing prairie grasses and other areas where green jobs can be expanded.

The Lonoke farm was designated as a National Water Management Center by the former Secretary of Agriculture, Daniel R. Glickman while visiting at UAPB. Virtually most of the USDA's National Water Management Center research and demonstration are performed on the UAPB 871 acre farm.

**Recommendation** – That serious consideration be given to targeting funds to this 1890 Land Grant Institution to help minimize the disparities that exist.

In conclusion, Chairperson Lincoln and members, I appreciate the opportunity to make this presentation and will be happy to answer any questions you may have.