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Field Hearing – “Investing in Rural America”
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Thank you, Senator Lincoln, for the opportunity to be here today. On behalf of Agriculture Secretary Tom Vilsack, Under Secretary for Rural Development Dallas Tonsager, and all of us at USDA Rural Development, I want to express our appreciation for your commitment to rural America and your leadership on rural issues.

Rebuilding and revitalizing rural America is a high priority for the Obama Administration and is the mission of USDA Rural Development. I am honored to have been chosen as a member of the President’s team, and I look forward to working with you to ensure that Arkansas is among the leaders in building a new and stronger rural economy in the years ahead.

The subject of today's hearing, "Investing in Rural America," addresses directly our mission at USDA Rural Development. Rural Development administers and manages over 40 housing, business and community infrastructure and facility programs as laid out by Congress through a network of 6,100 employees located in approximately 500 national, state and area offices. We are among the most decentralized of federal agencies. You don't have to come to Washington, D.C. to do business with us. We make house calls.

In Arkansas you will find us not just in Little Rock, which is our State Headquarters, but also in Harrison and Jonesboro, and in Forrest City, Hope, Monticello, and Ft. Smith as well. As a long-time career employee before being named State Director, I know every one of the 124 dedicated men and women who make up our Arkansas staff. We live in the communities we serve. We are your friends and neighbors, and we will go the extra mile to deliver the services rural Arkansas needs to thrive and grow.

We do face challenges. We are not immune from the economic downturn; many Arkansas communities and businesses have been hard hit. We cover a lot of territory. Most of Arkansas is rural. There are areas of persistent poverty, and we are making a concerted effort to step up our outreach to the

neediest communities. There are also areas that are dynamic and growing, and we will help these rural communities build on their success.

Our staff has a wealth of experience. I am proud of them personally, and proud of what they do. Nearly half of our staff will reach retirement eligibility in the next three years. They do a great job, and they will be hard to replace. Continuity planning is a priority.

Rural Development in recent years has steadily increased investment in rural America while reducing staff and consolidating many offices across the country. We are doing more with less. In that context, I am appreciative of the authority the Congress provided in the Recovery Act to use up to three percent of appropriated funds for administrative purposes. We need that flexibility, and I want to thank you and the Congress for making this possible.

But the bottom line is, we're here to help. Rural Development is the one agency in government that can build an entire community from the ground up. Last year, using both our regular program funds and additional funds made available by the American Recovery and Reinvestment Act (ARRA):

- We provided over 5,000 guaranteed and direct Single Family Housing loans totaling over \$480 million, to put more than 5,000 rural Arkansas families into new homes.
- We provided over \$3.8 million to 20 Multi-Family Housing developments providing affordable rental housing in rural communities across the state.
- We assisted 16 rural businesses with loans and grants totaling over \$3.3 million, creating jobs and strengthening the economy of rural Arkansas.
- We invested over \$15 million in essential community facilities; more than \$22 million in telecommunications infrastructure; and over \$132 million in modernizing and extending the rural electric grid.
- Last but not least, we assisted 58 rural Arkansas communities with more than \$31 million in loans and grants for water and wastewater projects.

But the numbers don't tell the whole story. Many of the projects in which we are involved are community-led. Partnerships are a key element. A good example is the new Phillips County Library in Helena. Although this is a persistent poverty area, several community organizations led the effort and

provided a significant local cost share. Rural Development provided \$200,000 to assist with the cost of renovating an existing building, a 13,000 square foot structure (formerly a grocery store) which is owned by the County with an estimated total project cost of over \$1.5 million.

In Dermott, Rural Development helped Dermott Day Service Center with a B&I Guaranteed Loan in the amount of \$650,000 to purchase and renovate an existing building to house 8 classrooms, offices, kitchen, cafeteria, and a multifunctional auditorium. This facility will allow for future growth and enhance the overall environment for the children and staff. The Center is a non-profit organization that provides early childhood education and clinical services for children ages 6 months to 5 years old. The service area includes 4 counties in southeast Arkansas. This one project will save 28 jobs and create 5 jobs in Chicot County.

And just a few weeks ago, we announced a major regional water initiative with the Ozark Mountain Regional Public Water authority. They will receive \$55.728 million in water loan and grant funds to be used to construct an intake structure and water treatment plant on Bull Shoals Lake as well as 5 water storage tanks and over 100 miles of transmission line extending from

northern Boone County to Newton and Searcy Counties in Arkansas. The new system will provide a dependable supply of quality water to 19 rural water systems of which many of them are facing water quality and/or quantity problems with existing wells. These 19 systems serve around 7,500 users with a population of 21,000.

It's examples like these that make Rural Development an exciting place to work, and a great resource for the communities we serve. I am grateful for the opportunity to serve as State Director, and grateful for the partnership and support of our partners in the private sector, local government, and the not-for-profit community. We have a job to do, and I know we can count on your continuing support as we move ahead. Thank you.

**USDA RURAL DEVELOPMENT
2009 ARKANSAS INVESTMENTS**

HOUSING PROGRAMS

Single Family Housing

621 direct RH loans and grants for	\$31,891,545.00
4,447 Guaranteed RH loans for	\$449,085,736.00
5 Self-Help Housing Grants for	\$1,207,520.00
TOTAL SFH	\$482,184,801.00

Multi-Family Housing

19 direct loans and grants for	\$2,349,119.00
1 guaranteed MFH loan for	\$1,518,000.00
TOTAL MFH	\$3,867,119.00

BUSINESS & COOPERATIVE PROGRAMS

B&I	
2 guarantees for	\$1,350,000.00
RBEF	
9 grants for	\$1,469,719.00
RBOG	
1 grant for	\$ 50,000.00
IRP	
1	\$ 400,000.00
REAP	
5 for	\$ 79,122.00
TOTAL B&CP	\$ 3,348,841.00

COMMUNITY PROGRAMS

Telecommunications Program	
11 loans and grants for	\$22,113,532.00
Water and Wastewater	
31 projects for (loans)	\$18,897,000.00

27 projects for (grants)	\$12,931,000.00
Community Facilities	
10 projects (loans)	\$11,580,000.00
118 projects (grants)	\$ 4,183,000.00
TOTAL RUS PROGRAMS	\$69,705,392.00
TOTAL ALL PROGRAMS	\$559,106,153.00