

Statement by

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Chairman Roberts, Ranking Member Stabenow and Members of the Committee, thank you for the opportunity to discuss the programs, successes and challenges of the Rural Development mission area at the Department of Agriculture. I am accompanied this morning by Mr. Christopher McLean, Mr. Chad Parker and Mr. Rich Davis, Acting Administrators for Rural Development's Utilities, Business and Cooperatives and Housing and Community Facilities Programs, respectively.

I am honored to represent an agency with the primary responsibility of creating opportunities and improving the quality of life in rural areas. The investments we make in rural America contribute to rural growth, which is essential to national economic growth. Approximately 14 percent of the population of the United States is considered rural, while nearly 72 percent of our land mass is rural. Rural Development works on a daily basis to support the needs of that 14 percent—the 46 million American citizens that provide the food, fiber and fuel that the rest of the nation—and the world—depend upon.

USDA Rural Development has a loan portfolio of more than \$220 billion, as of June 30, 2017. In the first three quarters of fiscal year 2017, our staff made loans, loan guarantees and grants of more than \$20 billion in rural areas throughout the United States and its territories. With our field-based delivery structure, Rural Development has staff in every state to provide technical assistance, make the loans and grants that help our rural communities become stronger and more vibrant.

As you know, rural America has unique challenges and assets. Rural communities are often characterized by their isolation from population centers and product markets, and benefit most from initiatives that integrate local institutions and businesses with state and Federal agencies that have intimate knowledge of community needs. To address this dynamic, Congress has provided USDA with a variety of resources that provide a comprehensive set of tools to connect rural America to a world of opportunities.

The presence of USDA field offices in every state helps us serve the specific needs of local communities. USDA Rural Development employees are able to identify a wide range of community and economic development resources for local elected officials, business owners, families, farmers and ranchers, schools, nonprofit organizations, cooperatives and tribes.

USDA Rural Development assistance includes direct and guaranteed loans, grants, and technical assistance. The work of Rural Development is designed to maximize taxpayer dollars. Often

our support is leveraged with private sector financing or is provided as a guarantee to private banks. Recipients contribute their own resources or obtain third-party financing, expanding the level of support we provide to rural communities. With outside investment, the structure of our portfolio is well balanced and gives our team a range of financing options to meet a variety of project needs.

Partnering with private sector investment, Rural Development strives to be a catalyst for rural renewal, creating jobs, attracting additional capital and stimulating entrepreneurship. Our investments build communities, offer new economic opportunities and connect rural areas to the modern world.

Through USDA Rural Development's infrastructure development programs, we make investments in rural utility systems that improve and expand the electrical grid to rural communities and deliver increased Internet service to rural families and businesses, allowing them to compete in the global economy. Robust modern infrastructure is a necessity – not an amenity – for rural America. Whether we are talking about access to broadband, health care services, or structurally sound road and bridges, these are critical components for a community, farm or rural business not just to survive, but actually thrive.

Through USDA Rural Development's business and cooperative loan, grant, and technical assistance programs, the agency can help rural small business owners and agricultural producers create economic opportunity in rural communities. Our business and cooperative programs, in partnership with other public and private sector stakeholders, promote rural business and employment opportunities that grow the ability of rural Americans to compete in the global economy.

Finally, through our housing and community facilities programs, Rural Development supports rural residents and the communities in which they live. These programs are an important tool for improving the quality of life in rural America. For example, access to quality health care is a top priority for USDA under the Community Facilities programs. Access to quality rural health care saves lives, provides skilled jobs, attracts businesses, and reinvests millions back into rural communities. Last year alone, Congress graciously funded the Community Facilities programs that invested \$875 million in over 135 health care facilities across rural America. These investments included critical access hospitals, rural health clinics, assisted skilled living facilities, mental and behavior healthcare facilities, facilities for the prevention treatment and recovery of substance abuse and opioid addiction, and vocational and medical rehabilitation.

At Rural Development, our fundamental mission is to support thriving, self-sustaining and prosperous rural communities. We're doing so through the authorities provided to USDA by Congress in the annual appropriations and Farm Bill legislation. There, Congress has provided significant resources to make a real impact in rural places. USDA Rural Development – thanks in part to the Farm Bill - is the only agency in government that can contribute to building a community from the ground up, including basic utility infrastructure and residential, farm and business needs. Yet, the opportunities and the challenges of rural America make it clear that more needs to be done.

Too many young people don't have the educational opportunities that many of us take for granted. And, many small towns don't have the infrastructure – things like roads, hospitals and broadband – to help them move into the modern economy. Many of these same areas are also plagued with crushing opioid addiction, which has a devastating effect on families and communities.

With these challenges, what are we to do? As a former governor, Secretary Perdue is a man of action. He knows firsthand what it takes to deliver solutions on the ground and inspires our team at USDA to work each day to create an environment in which rural America can thrive. Secretary Perdue is leading an interagency task force on Agriculture and Rural Prosperity that has brought together the many federal agencies and departments that affect rural communities. In this effort, we are committed to delivering a set of action-based solutions to four key issues which are shaping rural America: quality of life, the rural workforce, innovation, and economic development.

In addition to this coordination, USDA Rural Development is focused on improving the delivery of its services and programs to rural communities. Earlier this month, Secretary Perdue announced his intentions to create a Rural Development Innovation Center. The Center will house several important functions to help us become more forward focused and better equipped to assist communities in developing effective grassroots solutions to their many complex challenges. With key activities like strategic partnerships with our Federal, state and local partners and development of cross-agency synergies, the Center will enable us to enhance and strengthen the use of our resources.

I appreciate your continued interest and support of Rural Development programs. I share your passion for rural communities. Secretary Perdue and I am committed to working with you to address the unique needs of these special places. Together, we can coordinate and leverage our resources to turn Rural Development's transactional work into transformational work.

I appreciate the opportunity to testify before the Senate Committee on Agriculture, Nutrition and Forestry. At this time, I am happy to answer your questions.