

*As Prepared for Delivery*

**Building Rural America's Assets  
Speech to the Council on Foundations  
July 13, 2009**

Good afternoon everyone. Thank you for inviting me to participate in the 2<sup>nd</sup> annual Rural Philanthropy Conference. It's really an honor to be here surrounded by so many of our country's top organizations, government leaders, non-profits and think tanks. Hopefully, by engaging each other over the next few days, we'll be able to move forward with strategies to advance a more impactful rural agenda.

I was particularly interested in this event because as Under Secretary for the Department of Agriculture's Rural Development agency, I spend my time focused on rural Americans. I think it's paramount that we all work together and what I hope to get across to you today is that it's important for us to create hope, navigate change and develop strategies to build the future of rural America if we want to rebuild our economy. I'd like to give you a brief overview of what we're doing in my agency, how we're building rural America's assets and how you can help us build a stronger rural America.

**Background**

Let me start by giving you a little bit about my background, as context. I came to USDA from the Farm Credit Administration. My background is in farming. I grew up on a dairy farm and still own a farm that I share with my brother. I also served as the South Dakota Rural Development State Director for eight years under President Clinton.

I was confirmed as Under Secretary about two months ago, but the agency has definitely been well underway implementing our annual, omnibus and Farm Bill funding and of course the American Recovery and Reinvestment Act. Part of my job is to go out there and be the face of the agency, to speak at events like this and to meet with business and community leaders. I also have the responsibility of aligning our agency's plans with the goals and the directions of the administration. Luckily for me, President Obama, Secretary Vilsack, and I see eye to eye on many of the issues facing rural America.

**Rural America is filled with assets, especially its people.**

What I have seen throughout my experiences is that rural America is filled with assets. We have the most powerful agriculture industry in the world, the greatest natural resources, the hardest working and most creative people and excellent education and research institutions.

My staff and I support these great assets through grants, direct loans, loan guarantees, as well as financial and technical assistance. Simply - we work to increase economic opportunities and improve quality of life through our financing.

The Administration has also made rural America a priority by launching a Rural Tour, Secretary Vilsack and other members of the cabinet travel across the country to visit rural communities and listen to local residents. Already, he has visited eight states and you can follow him at [ruraltour.gov](http://ruraltour.gov). These events spark conversation and action. At his last

stop, in New Hampshire, an attendee said, “If we want agriculture to succeed, we need it to make money.” Those words are so true, and sound so simple, but they’re what must drive us. A strong agricultural industry and a strong rural America go hand in hand. Rural America is home to about 50 million people and covers about 75 percent of the nation’s total land area, but only 6.5 percent of the rural workforce is directly employed in farm production. This means we must support not only the farms, but the communities that support them.

### **Programs**

To do this, we have three main areas of focus: housing, utilities and business. We help to lay the pipes for water and electricity, to build the houses and community facilities and to bring the businesses to rural America.

- Our Utilities program addresses the needs for basic services like clean water, sewers and waste disposal, electricity, and telecommunications;
- Our Housing program works to eliminate substandard housing by helping people buy, rent or build decent housing and community facilities; and
- Our Business program creates jobs by funding and growing businesses and cooperatives.

In a typical year, we create or preserve more than 150,000 rural jobs, enable 40,000 to 50,000 Americans to buy homes and help 450,000 low-income people rent apartments or other housing. Additionally, we have a Community Development Program that operates special initiatives to improve outreach.

We're also working to build on these assets through our programs in the stimulus bill. Our programs are provided in 47 state offices and 800 area and local offices. The American Recovery and Reinvestment Act - the first major decision by the President, signed February 17 - is a comprehensive effort to promote economic recovery, accelerate job creation and drive clean energy manufacturing. Our agency already focuses on these efforts, but the funding allows us to increase our impact – to build more assets. Through the Recovery Act, rural America will receive:

- more than \$1.1 billion for Community Facilities Loans & Grants;
- \$3.7 billion for Water & Waste Disposal Loans & Grants;
- \$1.94 billion in grants and \$7.16 billion in loans for Broadband;
- \$3.9 billion in Business and Industry Guaranteed Loans; and
- \$11.2 billion for Single Family Housing Loans.

## **Broadband**

Rural Development's \$2.5 billion allocation for a Broadband Initiative Program just released its Notice of Funding on July 1. [www.BroadbandUSA.gov](http://www.BroadbandUSA.gov) is where you'll find information on the program and it will begin accepting electronic applications at the end of July.

The Broadband Initiative Program gives us flexibility between loan and grant funds rather than a loan-only approach of previous telecommunications programs. This flexibility, along with the significant levels of funding, allows for a substantial down

payment on the enormous task of providing access to broadband in unserved and underserved rural area.

We will also be using our tools in Rural Development to foster integration of all of our rural development investments. As we finance libraries, schools, hospitals and other community facilities, we will incorporate end user access to broadband to bring distance learning and telemedicine to rural communities. As we help farmers form new cooperatives to add value to their operation or to market their products, we can also facilitate their e-commerce capacity. As we finance new entrepreneurs, and work to save existing rural jobs by modernizing businesses, we can help customers use broadband tools to create new wealth in rural areas. These assets will create more jobs in the long-term and will lead us to a better and brighter future.

Here in Arkansas, we've funded 251 projects or programs totaling over \$200 million in funding. Let me give you a few examples of other projects funded by Rural Development through the Recovery Act. On June 17, Secretary Vilsack announced more than \$123 million in water and environmental projects. The projects will help provide safe drinking water and improved wastewater treatment systems for rural towns and communities in 24 states.

- In Gulf County, Florida the City of Wewahitchka was selected to receive \$5.44 million to provide funding for a centralized water system for the residents of

Stone Mill Creek and to replace the city's 30- year-old storage tank. It will ensure quality drinking water and provide adequate water pressure for fire protection.

- Meanwhile, Johnson City in Washington County, Tennessee, was selected to receive \$869,000 to extend safe, reliable water service to an area outside the city limits where household wells and springs have become unreliable for a significant part of the year. A majority have also tested positive for bacteria and other contaminants. The new water mains will deliver service to about 75 existing households and enable the city to meet the needs of other families and businesses as this community continues to grow.
- Nearby in Kentucky, our Single Family Housing program is actively supporting Kentucky households and to date has obligated more than \$86 million for 829 families to receive Single Family Housing Guaranteed Loans as well as \$2.8 million for 25 Single Family Housing Direct Loans.

All of these projects support the Obama administration's goal of rebuilding and revitalizing our country's rural infrastructure and putting people to work by doing the work that Americans want done.

**Where you come in is helping to build on our assets.**

Here's where you come in. You can help us build on our assets. I know we're all struggling in this economy and there's a downturn in endowment values, but I am so thankful that you have chosen to gather again for a second conference on rural philanthropy. It's incredible that over 80 leaders have joined us.

As we're reminded in the news everyday, the United States is a country still in the making. And to make us a better country, we must build on our assets. What we need today is cooperation. I'd like to challenge you to use your resources to help build a more inclusive society, one that includes rural America. And to consider the role that your foundations can play. You have the ability to help us make our programs better, to make our knowledge usable, to become better users of our findings and to grow access to new capital and credit funding. You can help us create a generation of young people that can use and preserve our natural resources. To put it simply, you can help us do things smarter.

Your foundations can help us build our nation's economy by using our resources more effectively and understand our regions through strategic planning. We need to forget preconceived notions or presumptions about rural America and to think instead about how rural America can help our country and our economy. One idea is the role that rural America can play in addressing climate change. Just last week, Secretary Vilsack testified on climate change before the Senate Environment and Public Works Committee.

He talked about how rural landowners can benefit from climate and energy legislation. A number of renewable technologies like anaerobic digesters, geothermal, and wind power can reduce farmers' reliance on fossil fuels. These technologies and a clean energy economy can stimulate new jobs because people will be needed to build the machines and install new energy systems in rural America.

These are the types of ideas we need to work together on and that we should develop.

This conference is a great forum for that. I look forward to greater collaboration between us all because in the end, we're all here for the same reason – to build the future of rural America. We've got a new administration, new priorities and an opportunity for new relationships. Please connect with me during this conference and afterward, so we can begin a new path.