

As Prepared for Delivery

Opening Statement

Chairman Jack Kingston

**Subcommittee on Agriculture, Rural Development, Food and Drug Administration and
Related Agencies**

House Committee on Appropriations

USDA Rural Development Budget Hearing for FY 2013

March 1, 2012

Good morning. I would like to welcome Mr. Dallas Tonsager, Under Secretary for Rural Development to the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies to discuss the U.S. Department of Agriculture's (USDA) budget request for fiscal year 2013 for its Rural Development mission area. Along with Under Secretary Tonsager, we are pleased to have Mr. Jonathan Adelstein, Administrator, Rural Utilities Service; Mrs. Judy Canales, Administrator, Rural Business-Cooperative Service; Ms. Tammye Trevino, Administrator, Rural Housing Service; and Mr. Mike Young, Budget Officer, U.S. Department of Agriculture (USDA) join us today to discuss the specifics of the request as it relates to their agencies. Thank you for appearing before us today.

USDA is the sole federal department charge with serving the needs of Americans who live in the rural parts of this nation. These 51 million Americans are farmers, ranchers, forest landowners, small business men and women, teachers, doctors, retirees, entrepreneurs – just like the rest of us. Yet, because of their distance from population centers, they have unique needs. USDA Rural Development helps meet those through its housing, business and utilities programs. For fiscal year 2013, USDA proposes \$2.3 billion in budget authority to support a program level of \$36 billion in loans and grants.

At the hearing today, I would like to discuss whether the proposed budget truly meets the needs of rural Americans, particularly those who have the lowest incomes. I'm especially interested in why the budget request proposes to reduce funding for the housing programs for very low-income rural residents, many of whom are elderly, and proposes a substantial reduction in the Mutual and Self-Help program, through which families put their sweat equity into building their own homes. I also want to explore the focus on business grant programs instead of rural water and waste water programs without which communities cannot grow and thrive. Finally, this Subcommittee needs to consider whether Rural Development has the appropriate staffing level, information technology system and management structure in place to operate its various programs and its more than \$160 billion loan portfolio.

Thank you. I look forward to our discussion today.

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