

2011 Explanatory Notes
Rural Development

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RURAL DEVELOPMENT

Available Funds and Staff Years
2009 Actual and Estimated 2010 and 2011

Item	Actual 2009		Estimated 2010		Estimated 2011	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Rural Community Facility Program Account a/.....	\$63,830,000	--	\$54,993,000	--	\$41,717,000	--
Rural Housing Insurance Fund Program Account: Subsidy d/...	200,951,000	--	238,908,000	--	127,331,000	--
Rural Housing Assistance Grants e/.....	41,500,000	--	41,500,000	--	40,400,000	--
Farm Labor Program f/.....	18,269,000	--	19,746,000	--	20,346,000	--
Rental Assistance Program g/.....	902,500,000	--	980,000,000	--	965,635,000	--
Rural Housing Voucher Program h/.....	27,714,000	--	43,191,000	--	18,000,000	--
Mutual and Self-help Housing Grants i/.....	38,727,000	--	41,864,000	--	37,000,000	--
Rural Water and Waste Disposal Program Account b/.....	538,768,000	--	551,230,000	--	534,414,000	--
Rural Electrification and Telecommunications						
Program Account: Subsidy.....	525,000	--	--	--	--	--
Rural Telephone Bank Program Account: Subsidy	--	--	--	--	--	--
Distance Learning, Telemedicine, and Broadband Program j/....	63,780,000	--	84,691,000	--	70,296,000	--
Guaranteed Local Television Program Account.....	--	--	--	--	--	--
High Energy Cost Grants k/.....	17,500,000	--	17,500,000	--	--	--
Rural Business Program Account c/.....	87,385,000	--	99,243,000	--	81,526,000	--
Rural Development Loan Fund Program Account: Subsidy.....	14,035,000	--	8,464,000	--	14,034,000	--
Rural Economic Development Loans						
Program Account: Subsidy l/.....	[7,556,000]	--	[4,316,549]	--	[5,924,091]	--
Rural Economic Development Grants Rescission.....	-20,000,000	--	-44,463,000	--	-103,000,000	--
Rural Microentrepreneur Assistance Program	--	--	5,000,000	--	7,700,000	--
Biorefinery Assistance Program.....	--	--	--	--	17,300,000	--
Renewable Energy Program.....	5,000,000	--	39,340,000	--	39,340,000	--
Rural Cooperative Development Grants m/.....	14,513,000	--	37,854,000	--	40,054,000	--
Rural Empowerment Zone/Enterprise Community Grants n/.....	8,130,000	--	499,000	--	--	--
Subtotal, Ongoing Programs.....	2,023,127,000	--	2,219,560,000	--	1,952,093,000	--
American Recovery and Reinvestment Act Authorities:						
Rural Community Facility Program Account.....	42,808,000	--	193,147,000	--	--	--
Rural Housing Insurance Fund Program Account: Subsidy.....	131,353,000	--	62,647,000	--	--	--
Rural Water and Waste Disposal Program Account.....	444,925,000	--	1,395,714,000	--	--	--
Distance Learning, Telemedicine, and Broadband Program.....	0	--	2,425,000,000	--	--	--
Rural Business Program Account.....	18,941,000	--	126,559,000	--	--	--
Salaries and Expenses.....	35,250,000	--	95,550,000	--	--	--
Subtotal, American Recovery and Reinvestment Act Authori	673,277,000	--	4,298,617,000	--	--	--
Farm Bill Authorities:						
Rural Microentrepreneur Assistance Program.....	4,000,000	--	4,000,000	--	4,000,000	--
Biorefinery Assistance Program.....	75,000,000	--	245,000,000	--	--	--
Energy Assistance Payments.....	90,000,000	--	55,000,000	--	85,000,000	--
Renewable Energy Program.....	55,000,000	--	60,000,000	--	70,000,000	--
Rural Cooperative Development Grants o/.....	15,000,000	--	--	--	--	--
Subtotal, Farm Bill Authorities.....	239,000,000	--	364,000,000	--	159,000,000	--

Salaries and Expenses p/.....	696,799,000	5,873	715,480,000	6,100	730,060,000	6,100
Total, Salaries and Expenses & Program Resources.....	935,799,000	5,873	1,079,480,000	6,100	889,060,000	6,100
<u>Obligations under other USDA Appropriations:</u>						
Reimbursements from:						
Farm Service Agency.....	6,086,512	--	7,000,000	--	8,000,000	--
Natural Resources & Conservation Service.....	686,853	--	1,000,000	--	1,000,000	--
Office of the Chief Information Officer.....	1,500,081	--	2,000,000	--	3,000,000	--
Foreign Agriculture Services.....	24,163	--	100,000	--	500,000	--
Miscellaneous Reimbursements.....	2,482,501	--	4,000,000	--	5,000,000	--
Total, Other USDA appropriations.....	10,780,110	--	14,100,000	--	17,500,000	--
Total, Agriculture Appropriations.....	2,730,706,110	5,873	5,028,197,000	6,100	2,699,653,000	6,100
Rural Economic Development Loans q/.....	7,556,000	--	4,316,549	--	5,924,091	--
Rural Economic Development Grants q/.....	10,000,000	--	10,000,000	--	10,000,000	--
<u>Other Federal Funds:</u>						
Appalachian Regional Commission Program r/.....	13,290,852	--	--	--	--	--
Delta Regional Authority Grants s/.....	300,000	--	--	--	--	--
NADBank t/.....	--	--	--	--	--	--
Economic Development Administration.....	--	--	--	--	--	--
Federal Emergency Management Agency.....	871,126	--	--	--	--	--
Department of Interior.....	175,000	--	--	--	--	--
Subtotal, Other Federal Funds.....	14,636,978	--	0	--	0	--
Total, Rural Development.....	2,745,343,088	5,873	5,042,513,549	6,100	2,699,653,000	6,100

- a/ Excludes \$16,490,091.71 of unobligated balances and \$4,198,000 in recoveries of prior year obligations which were available in FY 2009. Also excludes \$26,888,250.78 of unobligated balances available in FY 2010. Excludes \$40,000,000 in 2008 disaster appropriations and \$12,000,000 transfer carryover of Kansas Tornado funds.
- b/ Excludes \$109,231,492.10 of unobligated balances and \$47,556,000 in recoveries of prior year obligations which were available in FY 2009. Excludes \$17,500,000 for high energy cost grants in FY 2009 and FY 2010. Excludes \$278,634,315.49 in unobligated balances available in FY 2010. Excludes transfer of \$1,000,000 in unobligated balances from the Secretary's Tornado funds. Excludes \$25,000,000 in appropriated funds for 2008 disasters.
- c/ Excludes \$8,562,994.35 of unobligated balances and \$13,633,000 of recoveries of prior year obligations which were available in FY 2009. Excludes \$22,475,129.35 of unobligated balances available in FY 2009. Excludes transfer of \$100,000 in unobligated balances from the Secretary's Tornado funds. Excludes \$25,000,000 in appropriated funds for 2008 disasters.
- d/ Excludes \$9,138,856.55 of unobligated balances and \$9,140,000 in recoveries of prior year obligations which were available in FY 2009. Also excludes the transfer of \$1,156,000 to the Working Capital Fund in FY 2009. Excludes \$41,392,697.55 of unobligated balances available in FY 2010. Also excludes \$46,000,000 in 2008 disasters appropriations, \$23,000,000 transfer carryover of 2005 Hurricanes, and \$1,065,000 in carryover transferred to RCFP in FY 2009.
- e/ Excludes \$12,808,192.08 of unobligated balances and \$1,300,000 in recoveries of prior year obligations which were available in FY 2009. Excludes \$10,801,128.81 of unobligated balances available in FY 2010. Also excludes \$5,000,000 2008 disasters unobligated balance transfer. Excludes \$15,000,000 in 2005 Hurricanes disaster appropriation in FY 2009. Excludes \$1,985,000 in carryover tornado funding transferred to RCFP.
- f/ Excludes \$11,312,013.73 of unobligated balances and \$656,000 in recoveries of prior year funds which were available in FY 2009. Excludes \$730,776.97 of unobligated balances available in FY 2010.
- g/ Excludes \$402.09 of unobligated balances available in 2010.
- h/ Excludes \$21,299,207.89 of unobligated balances and \$1,625,000 in recoveries of prior year obligations which were available in FY 2009. Also excludes the \$3,710,953 in 2008 disasters appropriations. Excludes \$13,197,037.45 of unobligated balances available in FY 2010.

- i/ Excludes \$3,313,304.52 of unobligated balances and \$3,520,000 in recoveries of prior year obligations which were available in FY 2009. Excludes \$14,522,204.01 of unobligated balances available in FY 2010.
- j/ Excludes \$10,448,024.99 of unobligated balances and \$11,423,000 in recoveries of prior year obligations which were available in FY 2009. Excludes \$24,074,955.84 unobligated balances available in FY 2010.
- k/ Excludes \$19,507,351.17 of unobligated balances which were available in FY 2009. Excludes \$17,633,271.17 of unobligated balances which were available in FY 2010.
- l/ Excludes \$364,855.20 of unobligated balances and \$3,526,000 in recoveries of prior year obligations which were available in FY 2009. Excludes \$652,072.76 of unobligated balances which were available in FY 2010.
- m/ Excludes \$1,790,407.50 of unobligated balances and \$2,581,181 in recoveries of prior year obligations which were available in FY 2009. Excludes \$7,043,090.09 in unobligated balances available in FY 2010. Also excludes \$15,000,000 from the Farm Bill in FY 2009.
- n/ Excludes \$1,248,671.36 in unobligated balances which were available in FY 2009. Excludes \$12,975,36 in unobligated balances available in FY 2010.
- o/ Excludes \$1,005,249.20 of unobligated balances which were available in FY 2009. Excludes \$15,597,162.72 in unobligated balances available in FY 2010.
- p/ Excludes \$271,000.00 for Congressional Liaison Activities in FY 2009.
- q/ Section 313 of the Rural Electrification Act provides the authority to make grants with the earnings generated from the interest differential on voluntary cushion of credit payments made by RUS borrowers.
- r/ Excludes \$12,413,727.21 of unobligated balances available in FY 2009. Excludes \$10,302,859.82 unobligated balances available in FY 2010.
- s/ Excludes \$68,895.00 of unobligated balances available in FY 2009. Excludes \$89,463.48 of unobligated balances available in FY 2010.
- t/ Excludes \$351,233.39 of unobligated balances which were available in FY 2009 and FY 2010.

RURAL DEVELOPMENT

Permanent Positions by Grade and Staff Year Summary
2009 Actual and Estimated 2010 and 2011

Grade	2009			2010			2011		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive									
Service	18	0	18	18	0	18	18	0	18
SL-00	3	0	3	3	0	3	3	0	3
GS-15	59	34	93	59	34	93	59	34	93
GS-14	95	32	127	99	32	131	99	32	131
GS-13	377	445	822	397	445	842	397	445	842
GS-12	312	1,034	1,346	312	1,231	1,543	312	1,231	1,543
GS-11	115	660	775	115	660	775	115	660	775
GS-10	4	1	5	4	1	5	4	1	5
GS-9	81	540	621	81	560	641	81	560	641
GS-8	77	30	107	77	30	107	77	30	107
GS-7	388	834	1,222	402	896	1,298	402	896	1,298
GS-6	71	255	326	71	255	326	71	255	326
GS-5	41	184	225	41	184	225	41	184	225
GS-4	24	52	76	24	52	76	24	52	76
GS-3	6	2	8	7	3	10	7	3	10
GS-2	2	1	3	2	1	3	2	1	3
WG-7	1	0	1	1	0	1	1	0	1
WG-6	1	0	1	1	0	1	1	0	1
WG-4	1	0	1	1	0	1	1	0	1
WG-2	1	0	1	1	0	1	1	0	1
Ungraded Positions.....	-	-	0	-	-	0	-	-	0
Total Permanent									
Positions.....	1,677	4,104	5,781	1,716	4,384	6,100	1,716	4,384	6,100
Unfilled Positions									
end-of-year.....	27	18	45	0	0	0	0	0	0
Total, Permanent									
Full-Time Employment									
end-of-year.....	1,650	4,086	5,736	1,716	4,384	6,100	1,716	4,384	6,100
Staff Year									
Estimate.....	1,653	4,220	5,873	1,716	4,384	6,100	1,716	4,384	6,100

RURAL DEVELOPMENT

MOTOR VEHICLE FLEET DATA

Size, Composition, and Annual Cost
(in thousands of dollars)

Size, Composition, and Cost of agency motor vehicle fleet as of September 30, 2009 are as follows:

Fiscal Year	Number of Vehicles by Type							Total Number of Vehicles	Annual Operating Cost (\$ in thous)
	Sedans and Station Wagons	Light Trucks, SUVs and Vans		Medium Duty Vehicles	Ambulances	Buses	Heavy Duty Vehicles		
		4X2	4X4						
FY 2008	759	194	15	1	0	0	0	969	4,668,120
Change from 2008**	-23	43	2	0	0	0	0	22	13,000
FY 2009	736	237	17	1	0	0	0	991	4,681,120
Change from 2009**	44	-43	-2	0	0	0	0	-1	13,000
FY 2010	780	194	15	1	0	0	0	990	4,694,120
Change from 2010**	0	0	0	0	0	0	0	0	13,000
FY 2011	780	194	15	1	0	0	0	990	4,707,120

The passenger motor vehicles of Rural Development are used almost exclusively by Rural Development state field office staff (about 4,300) in order to provide program delivery to essential facilities, and services as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone service. In the course of their daily work these personnel often need to travel to individual farms, commercial firms, and State agricultural experiment stations, which are only accessible by car.

Rural Development's total motor vehicle fleet consists of 978 GSA leased, 1 commercial leased, and 12 owned vehicles.

RURAL DEVELOPMENT

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Development Salaries and Expenses (including transfers of funds)

For necessary expenses for carrying out the administration and implementation of programs in the Rural Development mission area, including activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; [~~\$217,880,000~~]
\$232,257,000: Provided, That notwithstanding any other provision of law, funds appropriated under this section may be used for advertising and promotional activities that support the Rural Development mission area: Provided further, That not more than \$10,000 may be expended to provide modest nonmonetary awards to non-USDA employees: Provided further, That any balances available from prior years for the Rural Utilities Service, Rural Housing Service, and the Rural Business-Cooperative Service salaries and expenses accounts shall be transferred to and merged with this appropriation.

RURAL DEVELOPMENT
LEAD-OFF TABULAR STATEMENT

SALARIES AND EXPENSES

Appropriation Act, 2010	\$715,480,000
Budget Estimate, 2011	730,060,000
Increase in Appropriation.....	<u>+14,580,000</u>

RURAL DEVELOPMENT
SUMMARY OF INCREASES AND DECREASES
 (On basis of appropriation)

<u>Item of Change</u>	2010 <u>Estimated</u>	<u>Pay Costs</u>	Program <u>Changes</u>	2011 <u>Estimated</u>
Salaries and Expenses	\$709,480,000	\$7,180,000		\$716,660,000
Regional Innovation Initiative	0		\$1,400,000	1,400,000
Common Computing Environment Refresh	0		12,000,000	12,000,000
Maintain Portfolio Compliance.....	6,000,000		-6,000,000	0
Total Available.....	<u>715,480,000</u>	<u>7,180,000</u>	<u>7,400,000</u>	<u>730,060,000</u>

RURAL DEVELOPMENT
SALARIES AND EXPENSES

Project Statement by Program
(On basis of availability)

	<u>2009 Actual</u>		<u>2010 Estimated</u>		Increase or <u>Decrease</u>	<u>2011 Budget</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>		<u>Amount</u>	<u>Staff Years</u>
1. Direct Appropriation	\$218,574,982	1,776	\$313,632,553	1,685	-\$81,375,553	\$232,257,000	1,941
2. Rural Electrification and Telecommunications Loans Program Account	39,245,000	319	39,959,000	344	-1,585,000	\$38,374,000	321
3. Rural Housing Insurance Fund Program Account	460,217,000	3,739	468,593,000	4,029	-14,210,000	\$454,383,000	3,796
4. Rural Development Loan Fund Program Account	4,853,000	39	4,941,000	42	105,000	\$5,046,000	42
Total Available or Estimate	722,889,982	5,873	827,125,553	6,100	-97,065,553	730,060,000	6,100
Unobligated balance, start of year:							
Supplemental Appropriation for Hurricane Recovery <u>g/</u>	-246,567	--	--	--			
Supplemental Appropriation for 2007 Emergency Disaster Assistance <u>b/</u>	-493,435	--	--	--			
Supplemental for Disaster Emergency Assistance <u>c/</u>	0		-4,500,000	--			
Supplemental Appropriation for Recovery and Reinvestment Act, 2009 <u>d/</u>	-35,249,447	--	-95,550,553	--			
Secretary's Interchange Transfer <u>e/</u>	-2,190,056	--	--	--			
Unobligated balance transferred to 2010 for IT purposes <u>f/</u>	11,595,000		-11,595,000				
Unobligated balance expiring	493,523	--	--	--			
Total, Appropriation	696,799,000	5,873	715,480,000	6,100			

g/ Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006, pursuant to P.L. 109-234.

b/ Disaster Supplemental for U.S. Troop Readiness, Veterans' Care, Katrina Recovery and Iraq Accountability Appropriations Act, 2007, pursuant to P.L. 110-28

c/ Supplemental Appropriations for the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, pursuant to P.L. 110-329.

d/ Supplemental Appropriations for American Recovery and Reinvestment Act of 2009, pursuant to P.L. 111-5.

e/ Secretary's Interchange Authority, 7 U.S.C. 2257.

f/ Omnibus Appropriations Act, 2009, pursuant to Public Law 111-8, General Provision 738.

	<u>FY 2010</u>	<u>Pav Cost</u>	<u>Maintain Portfolio Compliance, etc</u>	<u>Rural C&I Program</u>	<u>CCE Refresh</u>	<u>Other Program Adjustments</u>	<u>FY 2011</u>
1. Direct Appropriation	\$201,987,000	\$2,377,000	-\$1,694,000	\$1,400,000	\$12,000,000	\$16,187,000	\$232,257,000
2. Rural Electrification and Telecommunications Loans Program Account	39,959,000	374,000	-335,000	0	0	-1,624,000	38,374,000
3. Rural Housing Insurance Fund Program Account	468,593,000	4,383,000	-3,930,000	0	0	-14,663,000	454,383,000
4. Rural Development Loan Fund Program Account	4,941,000	46,000	-41,000	0	0	100,000	5,046,000
Total	715,480,000	7,180,000	-6,000,000	1,400,000	12,000,000	0	730,060,000

RURAL DEVELOPMENT
SALARIES AND EXPENSES

JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of \$14,580,000 (\$715,480,000 available in 2010) in salaries and expenses:

(a) An increase of \$7,180,000 to fund increased pay costs.

The increase is needed to fund the FY 2011 pay raise at the assumed 1.4 percent rate for the first three quarters of calendar year 2011 and the 2.1 percent cost of living change for the fourth quarter of calendar year 2010 for current staffing levels.

(b) An increase of \$1,400,000 to fund the Regional Innovation Initiative.

The budget request proposes to establish a Regional Innovation Initiative (RII). To help with the planning and coordination, RD will establish a Regional Innovation Council (RIC) comprising representatives from the Office of the Secretary and all USDA mission areas. A small office called the Office of Regional Innovation will be established within Rural Development to coordinate the work of the RIC across the Department. This office will be staffed with up to four full-time employees and provide up to five cooperative agreements or challenge grants for regional development activities.

Under the Presidential and Secretarial principles set forth, RD will have a critical role in ensuring that rural areas are economically thriving and individuals in rural areas contribute to, and benefit from, the overall health of the American economy. Redeveloping economically struggling communities requires a community-based or regionally-based approach to long-term planning. RII recognizes that individual communities are often affected by linkages to other communities within regions and that working together can produce more prosperity for all.

(c) A decrease of \$6,000,000 for maintaining portfolio compliance, safety and soundness.

Significant Information Technology infrastructure gains related to maintaining portfolio compliance, safety, and soundness were made through the investment of Recovery Act administrative funding in 2010. The proposed reduction is supported through the gains achieved in 2010, which will reduce the need for these investments in 2011.

(d) An increase of \$12,000,000 for the Common Computing Environment (CCE) refresh.

An increase of \$12 million for the Common Computing Environment refresh is requested. The 2011 budget includes \$12 million for the RD portion of the Departmental effort to modernize and upgrade the IT infrastructure (also known as the Common Computing Environment (CCE)) for the Service Center Agencies (SCAs). This funding will be used to replace outdated components of the CCE, many of which have exceeded their expected life cycles, to reduce system vulnerabilities to failure and improve the performance and effectiveness of the shared infrastructure. These improvements will allow the SCAs to better serve program participants with a more flexible and reliable IT infrastructure. This funding will allow for the first system-wide refresh of the CCE since the infrastructure was implemented in 2000. In addition, as the components of the CCE are replaced, USDA will implement a right-sizing process whereby configuration changes will be made to better support the delivery of current and future programs. As part of this process, the Department will strive to improve system security, reduce the long term cost of infrastructure services, and improve service reliability.

RURAL DEVELOPMENT

Geographic Breakdown of Obligations and Staff Years
2009 Actual and Estimated 2010 and 2011

	2009		2010		2011	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama.....	\$8,515,903	95	\$8,898,591	115	\$9,079,926	115
Alaska.....	3,198,003	34	3,341,715	38	3,409,812	38
Arizona.....	5,795,218	62	6,055,644	64	6,179,045	64
Arkansas.....	11,581,138	123	12,101,571	132	12,348,176	132
California.....	13,057,185	131	13,643,949	132	13,921,984	132
Colorado.....	5,332,376	57	5,572,002	58	5,685,548	58
Connecticut.....	1,316,388	14	1,375,544	14	1,403,575	14
Delaware.....	3,458,738	36	3,614,167	37	3,687,816	37
District of Columbia.....	295,930,685	1,653	309,229,220	1,716	315,530,671	1,716
Florida.....	10,101,072	111	10,554,994	112	10,770,083	112
Georgia.....	12,258,094	127	12,808,948	129	13,069,968	129
Hawaii.....	3,642,928	35	3,806,634	39	3,884,205	39
Idaho.....	6,293,212	65	6,576,016	66	6,710,022	66
Illinois.....	10,469,683	123	10,940,170	122	11,163,108	122
Indiana.....	8,733,456	100	9,125,920	100	9,311,887	100
Iowa.....	10,574,734	112	11,049,941	115	11,275,116	115
Kansas.....	5,836,919	68	6,099,219	71	6,223,508	71
Kentucky.....	10,851,502	119	11,339,147	126	11,570,215	126
Louisiana.....	9,589,898	105	10,020,849	110	10,225,053	110
Maine.....	7,281,046	81	7,608,242	82	7,763,282	82
Maryland.....	1,623,238	18	1,696,183	18	1,730,748	18
Massachusetts.....	4,117,571	40	4,302,606	41	4,390,285	41
Michigan.....	11,843,752	125	12,375,987	128	12,628,184	128
Minnesota.....	9,798,846	110	10,239,187	109	10,447,840	109
Mississippi.....	15,976,673	176	16,694,633	180	17,034,835	180
Missouri.....	12,573,087	140	13,138,096	143	13,405,824	143
Montana.....	4,784,503	49	4,999,509	52	5,101,389	52
Nebraska.....	6,242,776	67	6,523,314	67	6,656,246	67
Nevada.....	2,519,825	25	2,633,061	25	2,686,717	25
New Hampshire.....	1,912,649	23	1,998,600	23	2,039,327	23
New Jersey.....	4,139,726	44	4,325,757	47	4,413,907	47
New Mexico.....	4,284,718	44	4,477,265	53	4,568,502	53
New York.....	10,108,316	114	10,562,564	115	10,777,807	115
North Carolina.....	15,368,806	169	16,059,450	174	16,386,708	174
North Dakota.....	5,019,322	54	5,244,880	55	5,351,760	55
Ohio.....	10,009,901	109	10,459,726	110	10,672,874	110
Oklahoma.....	8,062,200	86	8,424,499	89	8,596,173	89
Oregon.....	6,502,786	66	6,795,008	72	6,933,476	72
Pennsylvania.....	10,343,436	110	10,808,249	114	11,028,499	114
Puerto Rico.....	6,760,549	76	7,064,355	91	7,208,312	91
Rhode Island.....	427,232	5	446,431	5	455,528	5
South Carolina.....	10,441,531	111	10,910,753	110	11,133,091	110
South Dakota.....	6,496,923	71	6,788,882	73	6,927,225	73
Tennessee.....	12,093,149	134	12,636,591	138	12,894,099	138
Texas.....	15,349,802	174	16,039,592	190	16,366,445	190
Utah.....	4,455,926	47	4,656,166	46	4,751,049	46
Vermont.....	3,916,411	37	4,092,407	40	4,175,801	40
Virginia.....	9,748,058	104	10,186,116	106	10,393,688	106
Washington.....	6,795,699	72	7,101,084	74	7,245,790	74
West Virginia.....	6,471,830	72	6,762,661	76	6,900,470	76
Wisconsin.....	8,019,911	96	8,380,310	100	8,551,083	100
Wyoming.....	3,183,854	35	3,326,930	39	3,394,726	39
Western Pacific Areas.....	1,153,897	15	1,205,751	15	1,230,322	15
Virgin Islands.....	345,395	4	360,916	4	368,271	4
Subtotal, Available or Estimate.....	684,710,476	5,873	715,480,000	6,100	730,060,000	6,100
Unobligated balance	12,088,524					
Total, Available or Estimate.....	\$696,799,000	5,873	\$715,480,000	6,100	\$730,060,000	6,100

RURAL DEVELOPMENT

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Personnel Compensation:			
Washington, D.C.	\$126,750,986	\$125,947,652	\$127,792,834
Field.....	277,682,952	280,335,096	284,442,134
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11 Total personnel compensation.....	404,433,938	406,282,748	412,234,968
12 Personnel benefits.....	107,130,240	107,330,062	108,896,642
13 Benefits for former personnel.....	385,896	385,896	385,896
Total personnel compensation and benefits.....	511,950,074	513,998,706	521,517,506
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Other Objects:			
21 Travel and transportation of persons.....	13,399,155	14,004,781	14,083,459
22 Transportation of things.....	535,388	537,376	541,348
23.1 Rental payments to GSA.....	97,469	107,329	110,449
23.2 Rental payments to Non-GSA.....	15,616,044	20,001,339	20,094,888
23.3 Communications, utilities, and miscellaneous charges...	7,658,852	8,157,473	8,216,719
24 Printing and reproduction.....	1,399,156	1,538,827	1,550,234
25 Other contractual services.....	39,131,619	54,685,482	52,954,700
25.1 Advisory and assistance services.....	3,164,920	3,546,001	3,568,798
25.2 Other services.....	4,436,535	5,422,207	5,429,841
25.3 Other purchases of goods and services from government accounts.....	1,782,258	1,817,220	1,824,976
25.4 Operation and maintenance of facilities.....	848,451	867,969	884,193
25.5 Research and development contracts.....	67,921,046	73,546,802	73,892,456
25.6 ADP Services and Supplies.....	0	0	0
25.7 Operation and maintenance of equipment.....	2,050,862	2,133,161	2,229,778
26 Supplies and materials.....	6,375,654	6,494,525	6,526,431
31 Equipment.....	7,946,369	8,270,389	16,283,861
33 Investments and Loans.....	50	50	0
41 Grants, subsidies, and contributions.....	0	0	0
42 Insurance claims & indemnities.....	350,363	350,363	350,363
43 Interest and dividends.....	46,211	0	0
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Total other objects.....	172,760,402	201,481,294	208,542,494
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Total direct obligations.....	\$684,710,476	\$715,480,000	\$730,060,000

Position Data:

Average Salary, ES positions.....	\$188,548	\$192,319	\$196,358
Average Salary, GS positions.....	\$81,780	\$83,416	\$85,167
Average Grade, GS positions.....	9.8	9.9	9.9

RURAL DEVELOPMENT
Salaries and Expenses

SUMMARY OF RECOVERY ACT FUNDING

<u>Item of Change</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Personnel Compensation	\$1,685,885	\$24,564,115	N/A
Travel, Communication, Materials, Contractual Services....	33,563,562	70,986,438	N/A
Total Available	\$35,249,447	\$95,550,553	N/A

Program Implementation Activities:

	<u>2009</u>	<u>2010</u>	<u>Total</u>	<u>Funding Assumptions</u>
Personnel Compensation:				
Temporary personnel compensation	\$1,564,236	\$19,435,764	\$21,000,000	Hire 130 temporary employees.
Personnel benefits	121,649	5,128,351	5,250,000	
Travel and transportation of persons	330,351	9,419,649	9,750,000	Travel for permanent and temporary staff
Rent, communications, and utilities	7,082	2,792,918	2,800,000	Phone lines, computer lines, and utilities.
Communication services	0	1,695,000	1,695,000	Cell phones, blackberries
Building rentals	0	2,750,000	2,750,000	Temporary office space throughout the U.S. and Territories
Postage and related fees	0	2,250,000	2,250,000	Mailings, FedEx across the U.S. and Territories
Printing and reproduction	27,784	4,222,216	4,250,000	Materials.
Other contractual services	32,798,402	1,606,598	34,405,000	Appraisals, underwriting, legal, professional services, servicing, engineering and feasibility studies, and monitoring.
Other services - IT	0	43,200,000	43,200,000	Replacement and enhancement of IT systems to support the programs.
Supplies and materials	85,151	2,414,849	2,500,000	Supplies for additional staff and increase in program activity.
Equipment	314,792	635,208	950,000	Laptops, computers, printers, scanners.
Total Salaries and Expenses	\$35,249,447	\$95,550,553	\$130,800,000	

The American Recovery and Reinvestment Act of 2009 (ARRA), signed by the President on February 17, 2009, provided Rural Development with approximately \$21 billion in program funds. It also authorized Rural Development to utilize up to 3 percent of the Budget Authority provided for those programs to cover administrative expenses related to the delivery of the ARRA programs.

Of the funds available, \$4,500,000 of the administrative funds will be used for Rural Business Service's guaranteed loans and grants, pursuant to sections 310(E)(a)(2)(A) and 310B© of the Consolidated Farm and Rural Development Act. Rural Housing Service's (RHS) administrative funds is \$9,900,000 for the rural housing insurance fund section 502 direct loans and section 502 unsubsidized guaranteed loans. In addition, RHS funds will be used to cover costs to modify direct and guaranteed loans and to process direct loans for rural Community Facilities programs. \$116,400,000 in administrative funds is for the Water and Waste Disposal Program for direct loans and grants, and Broadband loans and loan guarantees.

Administrative expenses include ARRA-related contracting for services, travel, purchase of computer or communications equipment, and hiring temporary employees. Rural Development hired up to 130 temporary workers to support ARRA funded loans and grant activity at headquarters and in the field. The additional staff is needed to process loan applications, support quality control procedures, provide technical advice, and support other critical but temporary mission area needs related to ARRA, including required reporting standards. Rural Development plans to pursue hiring retired federal annuitants (on a temporary basis) who already are familiar with Rural Development's programs and can contribute immediately to ARRA activities. The majority (75%) of the temporary employees will be deployed in the field. It is anticipated that 30% of temporary staff will be used to support Broadband, 25% Water and Waste, 20% for Business Programs, 12.5% will be used to support Community Facilities, and 12.5% for Single Family Housing.

The bulk of the ARRA IT funding will be used to modernize Rural Development's antiquated direct loans, loan guarantees, and grant processing systems. To responsibly deliver the levels of funding provided for in Rural Development's ARRA appropriation, these IT systems must be modernized to enable the agency to account for the outlays in a fiscally responsible manner, prevent improper payments, manage the volume of anticipated loan servicing actions, and provide timely reporting to oversight agencies and stakeholders on an ongoing basis for many years. The existing IT systems, and the staff and resources that support them, would be severely challenged to provide the level of service and tracking required by the volume and dollar level of ARRA activity.

Performance data are included on the program exhibits.