



Chairman Robert Aderholt

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

FY 2016 Budget Hearing – USDA’s Rural Development Mission Area March 18, 2015 Opening Statement As Prepared

Good morning. The Subcommittee will come to order.

Thank you for joining us for our hearing to discuss USDA’s FY 2016 budget request for Rural Development. I would like to welcome:

- Ms. Lisa Mensah, Under Secretary, Rural Development;
- Ms. Lillian Salerno, Administrator, Rural Business-Cooperative Service;
- Mr. Tony Hernandez, Administrator, Rural Housing Service;
- Mr. Jasper Schneider, Acting Administrator, Rural Utilities Service; and
- Mr. Mike Young, USDA’s budget director.

Ms. Mensah, congratulations on your confirmation as Under Secretary of Rural Development. It has been a pleasure to get to know you. I look forward to learning more about your approach, which is based on your unique background, to Rural Development’s programs and policy.

Mr. Schneider, I would like to thank you for serving as Acting Administrator of the Rural Utilities Service. This could not have been easy on your family. I believe I can speak for this Subcommittee when I say that we appreciate it when public servants, like you, step up to fill a need in an agency.

The budget request proposes \$2.6 billion for Rural Development for FY 2016. This is an increase of \$200 million above the FY 2015 enacted level. Unfortunately, there are many questionable increases in this budget request. It also includes some decreases that have been rejected many times in the past.

I believe that everyone here today knows that we are operating in a very constrained funding environment. In 2011, the President and Congress agreed upon statutory spending caps. At this time, we are bound by that law. The many increases proposed for Rural Development ignore the reality of that agreement and our present fiscal situation.

Of course, we are going to do our best to address the highest priority needs within this Subcommittee’s jurisdiction. We need your help today to identify them. But, please be aware that any increases most likely will have to be offset by decreases in other accounts and programs.

Today, I am sure we will discuss the proposed reductions for the Mutual and Self-Help Housing Program; the Business and Industry Loan Program; the circuit rider program; and the unspecified “efficiencies” in Rural Development operations.

Three notable increases are for new pilot programs and initiatives. One is the Rural Child Poverty Pilot. The budget request includes very little justification for it. Another is the Healthy Food Financing Initiative. Research has shown similar initiatives are ineffective, and it has been rejected by Congress several times over the past few years. A third is the Rural Corps pilot program. This seems to me to be what Rural Development should be doing every day.

Given the budget situation, perhaps we should be getting back to basics. We probably should not be trying out new things, particularly when we have to work so hard to ensure there is sufficient funding to meet the basic needs of rural America for housing, water, business development, and electric and telecommunications systems.

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