



Chairman Hal Rogers

House Committee on Appropriations

Fiscal Year 2016 Budget Hearing: USDA Rural Development
March 18, 2015
Opening Statement As Prepared

Mr. Chairman, thank you for yielding. We are pleased to have such a distinguished panel with us this morning to discuss the President's budget request for USDA Rural Development.

USDA Rural Development plays an important role in improving the economy and the quality of life in rural communities across the country. I want to start off this morning thanking USDA Rural Development for all your efforts in my region. I have a wonderful working relationship with Tom Fern and the Kentucky State Office for Rural Development. Under Secretary Mensah and Administrator Hernandez, I appreciate your visits and the time you have spent in Eastern Kentucky.

I especially want to thank you for your proposal to maintain level funding in the single family direct loan program. Over the past several years, USDA has proposed to dramatically reduce the program, which helps the poorest in rural America achieve the dream of owning a home. While it does require greater staff resources than other federal programs, it continues to be one of our most successful programs.

As most of you on the panel are aware, in my district alone we have lost approximately 9,000 coal mining jobs in the last few years. To help address this horrible problem, Governor Steve Beshear and I have collaborated to form "Shaping our Appalachian Region" or SOAR. From the beginning of the bipartisan SOAR initiative, USDA Rural Development has stepped up to the plate and served as a major partner. I truly appreciate your engagement with SOAR and I look forward to working with you as we strive to strengthen and grow the economy in that region.

While I do appreciate your partnership, I unfortunately find some aspects of this budget request troublesome. For the last several years, USDA has proposed substantial reductions in Mutual and Self Help Housing programs, and Congress has rejected those requests. This year, USDA has once again requested an almost \$18 million cut to this program. As you know, the Mutual and Self Help Housing program provides low-income families with a way to build their own homes. This year, the 50,000th family will have utilized the program to complete their homes. I can provide numerous examples of families that have turned their lives around in my district alone. After witnessing firsthand the results of this program, I look forward to hearing from you today about why you feel these cuts are necessary.

Another disappointment in the President's budget request is the \$162 million reduction in Business and Industry Loan Authorization. This program guarantees loans for rural businesses,

which allows private lenders to provide more affordable financing for businesses in rural areas. This program opens doors for the creation of new jobs through new company development and small business expansion, and is more important than ever in my region because of the struggling economy. Rural areas need more, not less, of this type of program to encourage small businesses to expand and create more jobs. I hope you can shed some light on your intentions in reducing this loan authorization.

Thank you all for being with us today. This Committee takes seriously our role in overseeing the budget policies of USDA Rural Development, and I appreciate your continued engagement with us. I yield back.

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