

**Statement By
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Before the Subcommittee on Agriculture, Rural Development, Food and Drug
Administration, and Related Agencies
Committee on Appropriations, U.S. House of Representatives
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Thank you, Chairman Bishop, Ranking Member Fortenberry, and members of this Subcommittee, for inviting me here today to discuss the Administration's priorities for USDA Rural Development (RD) and to provide you an overview of the President's fiscal year (FY) 2022 budget for RD.

Prior to being appointed as Deputy Under Secretary for Rural Development, I served six years as Chief Executive Officer at the Mary Reynolds Babcock Foundation. My team and I worked to support a unique private-public partnership with USDA, Bank of America, and seven foundations. We developed a racial equity lens to inform the impact of the investments; and, we tripled the 2020 grant-making in response to the COVID-19 pandemic.

You heard recently from Secretary Vilsack about the department's overarching priorities: Containing the pandemic, promoting racial justice and equity, addressing the mounting hunger and nutrition insecurity crisis, rebuilding the rural economy, strengthening and building markets for farmers and producers and addressing the impacts of climate change. He also emphasized the need to build back better in rural America.

When appropriately modernized and resourced, Rural Development's unique mission and incredible set of economic and community development tools play a critical role in advancing outcomes-based inclusive prosperity across rural America. We create jobs and help rural places build and maintain wealth within their communities. Rural Development helps to finance the building of critical community facilities like schools, libraries, hospitals, and public safety buildings. We provide distance learning and telemedicine equipment, connecting underserved communities with educational opportunities and health professionals. Rural Development funds water and wastewater facilities, giving rural places clean and safe drinking water. We help to modernize and expand electricity and broadband connectivity to bring rural communities into the 21st century. We fund clean, renewable energy. And we are poised to help rural America lead the nation in a biobased manufacturing revolution powered by the amazing productivity of American

farmers and producers. We are well positioned to be a driving force for racial and spatial equity – reaching underserved communities and ensuring that rural communities have the same tools, resources, and access as urban communities.

The vision of building back better in rural America begins with understanding what rural America is, and what it is not.

Rural America is not monolithic. It contains impressive diversity – economically, racially, culturally, and geographically. Just looking at the rural economy alone is instructive: 20% of rural counties are farming-dependent, 17% of rural counties are manufacturing dependent, 12% of rural counties rely on government assistance, 11% of rural counties are recreation-dependent, and around 9% of rural counties are mining-dependent. The final almost one-third of rural counties are not reliant on any one industry for a large portion of their employment; instead, they are diverse economies.

As diverse as rural communities are, so too are their needs, their vision, and their strategies. These facts make flexibility within our programs essential.

RD's unique structure is locally focused and therefore a good foundation for flexibility and customization. We have outstanding economic development professionals living and working in the rural communities that we exist to serve. These experts deeply understand the challenges, opportunities and people of these special places.

However: We need more of these professionals with strategic and economic development expertise--and more training. And we need all these things soon to get help to rural places. Our portfolio is currently more than twice as large as it was 10 years ago with a staff that is 30% smaller. Our workforce is managing a financial portfolio with staffing levels that are dangerously beneath industry standards with another challenge looming: In three years' time, one-third of RD's expert professionals will be eligible for retirement.

It is difficult to innovate when you are overextended. Our programs, meanwhile, beg for innovation. They can be difficult to access, narrowly focused and have not kept pace with a changing world or with the diversity of the communities we serve.

RD does have a proud history of innovation and of meeting the moment. The Rural Electrification Act was implemented through RD programs, bringing power to every community in our nation; we believe that, when fully supported by adequate funding and the ability to modernize our delivery processes, the Reconnect Program for broadband will be just as historic

as the Rural Electrification Act. We know RD can innovate and meet the moment again to help bring broadband to the last mile.

It is important to note that we have found our programs are only as successful as our partners' ability to participate. Partnerships are essential to the implementation of RD's programs, and the country's better-resourced communities are most successful at accessing the support we offer. This leaves some communities with historically, persistent levels of poverty and distress in an ongoing state of need while other communities can access the help that is available. We want to serve every community. Our mission is to help everyone.

The president's FY 22 budget proposal seeks to bring impactful change that addresses equity, climate change and economic opportunity for all. With this support, we will make huge strides and do a better job reaching those communities that need our help the most.

Supporting rural communities is an incredibly meaningful mission, and I appreciate the support of this committee in carrying it out.

Highlights of the budget designed to address the economic and infrastructure challenges and build inclusive prosperity in rural America are:

- \$400 million in new funding to give rural electric providers financial flexibility as they accelerate to carbon-pollution free electricity by 2035. The discretionary request also provides funding to support \$6.5 billion in loan authority for rural electric loans. This is an increase of \$1 billion over the 2021 enacted level to support additional clean energy, energy storage, and transmission projects to put people back to work in good-paying union jobs to help meet the ambitious climate progress that science demands.
- \$717 million for Rural Water and Wastewater Grants and Loans, an increase of more than \$100 million over the 2021 enacted level. That funding includes \$100 million for grants targeted to poor, rural communities in the most need, including \$25 million to Colonias, Native Americans, and Alaska Native Villages.
- \$700 million, an increase of \$65 million over the 2021 enacted level, for the Rural e-Connectivity Program "Reconnect," which provides grants and loans to deploy broadband to unserved areas.
- \$32 million for a renewed and expanded initiative to leverage USDA's extensive network of offices to help people in high poverty counties. Referred to as the "StrikeForce"

initiative, USDA will coordinate with other Federal agencies on an all-of-government approach to connect rural stakeholders with Federal programs and resources. This initiative directly addresses the challenge of our partners' ability to participate in our programs.

I am relatively new in my position, but my colleagues have already told me stories that I will carry with me through this work.

For example, stories of what broadband infrastructure has done in the Navajo Nation. One of our Community Connect Grants was used to create an internet training center at the Huerfano Chapter in New Mexico that is used by four other Navajo Chapters, drawing hundreds of people every week—including children who have internet access for the first time to help with school work (there isn't a library within the 20,000 square mile area), artisans who use the internet to sell their handicrafts, and Navajo women who use design apps for creation of their rugs and blankets.

RD worked with the Havasupai people in the Grand Canyon to connect them to expert medical care. We also helped bring internet access to the Indian Medical Center in Gallup, New Mexico, where the public Wi-Fi hot spot enabled a Navajo grandfather and his granddaughter to reconnect at a critical time in their lives.

This is community development done right; it is just one example of the ways in which these budget dollars will improve the quality of life in rural America. When RD's programs are implemented in the communities most in need, impactful change is evident, and it is unforgettable.

I look forward to working with this Subcommittee and to answering any questions you may have about our budget proposals.