

2010 Explanatory Notes  
Rural Development

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## RURAL DEVELOPMENT

Available Funds and Staff Years  
2008 Actual and Estimated 2009 and 2010

Item	Actual 2008		Estimated 2009		Estimated 2010	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Rural Community Facility Program Account a/.....	\$68,469,336	--	\$63,830,000	--	\$54,993,000	--
Rural Housing Insurance Fund Program Account: Subsidy d/...	207,299,673	--	421,951,000	--	155,732,000	--
Rural Housing Assistance Grants e/.....	38,727,000	--	56,500,000	--	41,500,000	--
Farm Labor Program f/.....	21,846,000	--	18,269,000	--	16,968,000	--
Rental Assistance Program g/.....	478,715,370	--	902,500,000	--	1,091,430,000	--
Rural Housing Voucher Program h/.....	27,804,000	--	27,714,000	--	26,616,000	--
Mutual and Self-help Housing Grants i/.....	38,727,000	--	38,727,000	--	38,727,000	--
Rural Water and Waste Disposal Program Account b/.....	538,767,045	--	538,768,000	--	546,230,000	--
Rural Electrification and Telecommunications						
Program Account: Subsidy.....	3,713,820	--	525,000	--	--	--
Rural Telephone Bank Program Account: Subsidy .....	--	--	--	--	--	--
Distance Learning, Telemedicine, and Broadband Program j/...	54,565,350	--	63,780,000	--	81,691,000	--
Guaranteed Local Television Program Account.....	--	--	--	--	--	--
High Energy Cost Grants k/.....	19,860,000	--	17,500,000	--	--	--
Rural Business Program Account c/.....	87,086,100	--	87,385,000	--	97,116,000	--
Rural Development Loan Fund Program Account: Subsidy.....	14,383,605	--	14,035,000	--	8,464,000	--
Rural Economic Development Loans						
Program Account: Subsidy l/.....	[7,472,094]	--	[7,472,094]	--	[4,316,549]	--
Rural Economic Development Grants Rescission.....	-34,000,000	--	-20,000,000	--	-43,000,000	--
Rural Microentrepreneur Assistance Program .....	--	--	--	--	22,000,000	--
Biorefinery Assistance Program.....	--	--	--	--	17,339,000	--
Renewable Energy Program.....	35,748,000	--	5,000,000	--	68,130,000	--
Rural Cooperative Development Grants m/.....	27,828,000	--	14,513,000	--	38,636,000	--
Rural Empowerment Zone/Enterprise Community Grants n/.....	8,129,691	--	8,130,000	--	--	--
Subtotal, Ongoing Programs.....	1,637,669,990	--	2,259,127,000	--	2,262,572,000	--
American Recovery and Reinvestment Act Authorities:						
Rural Community Facility Program Account.....	--	--	130,000,000	--	--	--
Rural Housing Insurance Fund Program Account: Subsidy.....	--	--	200,000,000	--	--	--
Rural Water and Waste Disposal Program Account.....	--	--	1,380,000,000	--	--	--
Distance Learning, Telemedicine, and Broadband Program.....	--	--	2,500,000,000	--	--	--
Rural Business Program Account.....	--	--	150,000,000	--	--	--
Subtotal, American Recovery and Reinvestment Act Author	--	--	4,360,000,000	--	--	--
Farm Bill Authorities:						
Rural Water and Waste Disposal Program Account.....	120,000,000	--	--	--	--	--
Rural Microentrepreneur Assistance Program.....	--	--	4,000,000	--	4,000,000	--
Biorefinery Assistance Program.....	--	--	75,000,000	--	245,000,000	--
Energy Assistance Payments.....	--	--	90,000,000	--	55,000,000	--
Renewable Energy Program.....	--	--	55,000,000	--	60,000,000	--
Rural Cooperative Development Grants o/.....	--	--	15,000,000	--	--	--
Subtotal, Farm Bill Authorities.....	120,000,000	--	239,000,000	--	364,000,000	--

Salaries and Expenses p/.....	661,657,746	5,906	696,799,000	6,100	709,480,000	6,100
Total, Salaries and Expenses & Program Resources.....	781,657,746	5,906	696,799,000	6,100	709,480,000	6,100

Obligations under other USDA Appropriations:

Reimbursements from:

Farm Service Agency.....	6,645,692	--	7,000,000	--	8,000,000	--
Natural Resources & Conservation Service.....	461,262	--	1,000,000	--	1,000,000	--
Office of the Chief Information Officer.....	1,798,566	--	2,000,000	--	3,000,000	--
Foreign Agriculture Services.....	64,870	--	1,000,000	--	1,000,000	--
Miscellaneous Reimbursements.....	8,294,375	--	9,000,000	--	9,000,000	--
Total, Other USDA appropriations.....	17,264,765	--	20,000,000	--	22,000,000	--

Total, Agriculture Appropriations.....	2,316,592,501	5,906	5,076,799,000	6,100	2,994,052,000	6,100
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Rural Economic Development Loans q/.....	7,472,000	--	7,472,094	--	4,316,549	--
Rural Economic Development Grants q/.....	10,000,000	--	10,000,000	--	10,000,000	--

Other Federal Funds:

Reimbursement from NADBank.....	--	--	--	--	--	--
Appalachian Regional Commission Program r/.....	14,989,794	--	--	--	--	--
Delta Regional Authority Grants s/.....	732,750	--	--	--	--	--
NADBank t/.....	--	--	--	--	--	--
Economic Development Administration.....	--	--	--	--	--	--
Federal Emergency Management Agency.....	871,126	--	--	--	--	--
Department of Interior.....	175,000	--	--	--	--	--

Subtotal, Other Federal Funds.....	16,768,670	--	0	--	0	--
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Total, Rural Development.....	2,343,361,171	5,906	5,094,271,094	6,100	2,994,052,000	6,100
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- a/ Excludes \$22,444,242.10 of unobligated balances and \$8,929,000 in recoveries of prior year obligations which were available in FY 2008. Also excludes \$16,490,091.71 of unobligated balances available in FY 2009. Excludes \$40,000,000 in 2008 disaster appropriations and \$12,000,000 transfer carryover of Kansas Tornado funds.
- b/ Excludes \$86,025,339.24 of unobligated balances and \$30,806,000 in recoveries of prior year obligations which were available in FY 2008. Also excludes the appropriation of \$120,000,000 from the 2008 Farm Bill in FY 2008. Excludes \$19,860,000 for high energy cost grants in FY 2008. Excludes \$109,231,492.10 in unobligated balances available in FY 2009. Also excludes \$17,500,000.00 for high energy grants in FY 2009. Excludes transfer of \$1,000,000 in unobligated balances from the Secretary's Tornado funds. Excludes \$25,000,000 in appropriated funds for for 2008 disasters.
- c/ Excludes \$28,274,000 of unobligated balances and \$15,972,000 of recoveries of prior year obligations which were available in FY 2008. Excludes \$8,562,994.35 of unobligated balances available in FY 2009.
- d/ Excludes \$33,286,903.44 of unobligated balances and \$998,000 in recoveries of prior year obligations which were available in FY 2008. Also excludes the transfer of \$763,500 to the Working Capital Fund, \$9,744,791.79 from FLH, and \$697,165 from RHAG in FY 2008. Excludes \$9,138,856.55 of unobligated balances available in FY 2009. Also excludes \$50,000,000 in 2008 disasters appropriations and \$1,065,000 in carryover transferred to RCFP in FY 2009.
- e/ Excludes \$36,774,494.02 of unobligated balances and \$1,309,000 in recoveries of prior year obligations which were available in FY 2008. Excludes \$12,808,192.08 of unobligated balances available in FY 2009. 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. Unobligated balances for the Demonstration program were transferred to the Rural Housing Voucher Program as of October 1, 2007.
- f/ Excludes \$14,323,462.37 of unobligated balances and \$9,547,000 in recoveries of prior year funds which were available in FY 2008. Also excludes \$39,744,791.79 transferred to RHIF. Excludes \$11,312,01.73 of unobligated balances available in FY 2009.
- g/ Excludes \$402.09 of unobligated balances available in 2009.

- h/ Excludes \$24,901,775.50 of unobligated balances and \$585,000 in recoveries of prior year obligations which were available in FY 2008. Also excludes the \$3,710,953 in 2008 disasters appropriations. Excludes \$21,299,207.89 of unobligated balances available in FY 2009. Excludes unobligated balances of \$3,419,768.00 transferred from the RHAG program account as of October 1, 2007.
- i/ Excludes \$1,279,938.73 of unobligated balances and \$1,183,000 in recoveries of prior year obligations which were available in FY 2008. Excludes \$3,313,304.52 of unobligated balances available in FY 2009.
- j/ Excludes \$15,167,424.50 of unobligated balances and \$2,436,000 in recoveries of prior year obligations which were available in FY 2008. Also excludes the transfer of \$1,145,952.50 to the Working Capital Fund in FY 2008. Excludes \$10,448,024.99 unobligated balances available in FY 2009 and \$69,334.81 in expired carryover from FY 2008.
- k/ Excludes \$20,907,352.17 of unobligated balances which were available in FY 2008. Excludes \$19,507,531.17 of unobligated balances which were available in FY 2009.
- l/ Excludes \$9,862.01 of unobligated balances and \$203,000 in recoveries of prior year obligations which were available in FY 2008. Excludes \$364,855.20 of unobligated balances which were available in FY 2009.
- m/ Excludes \$877,957.35 of unobligated balances and \$1,005,249 in recoveries of prior year obligations which were available in FY 2008. Excludes \$1,790,407.50 in unobligated balances available in FY 2009. Also excludes \$15,000,000 from the Farm Bill in FY 2009.
- n/ Excludes \$2,594,414.36 in unobligated balances which were available in FY 2007. Excludes \$1,248,671.36 in unobligated balances available in FY 2009.
- o/ Excludes \$1,544.77 of unobligated balances which were available in FY 2008. Excludes \$1,005,249.20 in unobligated balances available in FY 2009.
- p/ Excludes \$246,264.00 for Congressional Liaison Activities in FY 2008. Excludes a rescission of \$4,664,254 in FY 2008.
- 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 \$11,370,422.47 of unobligated balances available in FY 2008. Excludes \$12,413,727.21 unobligated balances available in FY 2009.
- s/ Excludes \$268,895.00 of unobligated balances available in FY 2008. Excludes \$68,895 of unobligated balances available in FY 2009.
- t/ Excludes \$359,058.36 of unobligated balances which were available in FY 2008. Excludes \$351,233.39 of unobligated balances available in FY 2009.

## RURAL DEVELOPMENT

Permanent Positions by Grade and Staff Year Summary  
2008 Actual and Estimated 2009 and 2010

Grade	2008			2009			2010		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive									
Service	17	0	17	17	0	17	17	0	17
SL-00	2	0	2	2	0	2	2	0	2
GS-15	48	50	98	48	50	98	48	50	98
GS-14	99	28	127	99	28	127	99	28	127
GS-13	335	394	729	397	394	791	397	394	791
GS-12	243	1,276	1,519	203	1,276	1,479	203	1,276	1,479
GS-11	113	579	692	100	667	767	100	667	767
GS-10	3	2	5	3	2	5	3	2	5
GS-9	72	502	574	72	563	635	72	563	635
GS-8	89	39	128	89	39	128	89	39	128
GS-7	447	896	1,343	528	896	1,424	528	896	1,424
GS-6	71	242	313	71	242	313	71	242	313
GS-5	50	187	237	50	187	237	50	187	237
GS-4	24	36	60	24	36	60	24	36	60
GS-3	7	3	10	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.....	1,626	4,235	5,861	1,716	4,384	6,100	1,716	4,384	6,100
Unfilled Positions									
end-of-year.....	22	16	38	0	0	0	0	0	0
Total, Permanent									
Full-Time Employment									
end-of-year.....	1,604	4,219	5,823	1,716	4,384	6,100	1,716	4,384	6,100
Staff Year									
Estimate.....	1,636	4,270	5,906	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, 2010 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 2007	754	202	10	1	0	0	0	967	\$4,355,314
Change from 2007	5	(8)	5	0	0	0	0	2	300,271
FY 2008	759	194	15	1	0	0	0	969	4,655,585
Change from 2008	0	0	0	0	0	0	0	0	300
FY 2009	759	194	15	1	0	0	0	969	4,655,885
Change from 2009	0	0	0	0	0	0	0	0	0
FY 2010	759	194	15	1	0	0	0	969	4,655,585

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 958 GSA Leased and 11 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; [~~\$192,484,000~~] \$195,987,000: 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.

This Change: These activities are not necessary for delivering the programs. It removes specific authority to use Salaries and Expenses funds to promote and advertise RD programs.

RURAL DEVELOPMENT

LEAD-OFF TABULAR STATEMENT

SALARIES AND EXPENSES

Appropriations Act, 2009 .....	\$696,799,000
Budget Estimate, 2010 .....	709,480,000
Increase in Appropriation .....	<u>12,681,000</u>

RURAL DEVELOPMENT

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

<u>Item of Change</u>	2009 <u>Estimate</u>	<u>Pay Costs</u>	Program <u>Changes</u>	2010 <u>Estimated</u>
Salaries and Expenses .....	\$696,799,000	\$12,681,000	\$0	\$709,480,000
Total Available .....	<u>696,799,000</u>	<u>12,681,000</u>	<u>0</u>	<u>709,480,000</u>

RURAL DEVELOPMENT  
SALARIES AND EXPENSES

Project Statement by Program  
(On basis of appropriation)

	<u>2008 Actual</u>		<u>2009 Estimated</u>		Increase or <u>Decrease</u>	<u>2010 Estimated</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>		<u>Amount</u>	<u>Staff Years</u>
Direct Appropriation	\$169,312,475	1,507	\$192,484,000	1,685	\$3,503,000	\$195,987,000	1,685
Rural Electrification and Telecommunications Loans Program Account	38,352,639	342	39,245,000	344	\$714,000	\$39,959,000	344
Rural Housing Insurance Fund Program Account	449,756,511	4,015	460,217,000	4,029	\$8,376,000	\$468,593,000	4,029
Rural Development Loan Fund Program Account	4,740,582	42	4,853,000	42	\$88,000	\$4,941,000	42
<b>Total Available or Estimate</b>	<b>662,162,207</b>	<b>5,906</b>	<b>696,799,000</b>	<b>6,100</b>	<b>12,681,000</b>	<b>709,480,000</b>	<b>6,100</b>
Unobligated balance, start of year:							
Supplemental Appropriation for Hurricane Recovery <u>a/</u>	-445,396	--	--	--			
Supplemental Appropriation for 2007 Emergency Disaster Assistance <u>b/</u>	-993,704	--	--	--			
Supplemental for Disaster Emergency Assistance <u>c/</u>	-4,500,000	--	--	--			
Secretary's Interchange Transfer <u>d/</u>	-2,000,263	--	--	--			
Unobligated balance expiring	64,013	--	--	--			
Unobligated Balance, end of year	2,706,635	--	--	--			
Rescission <u>e/</u>	4,664,254	--	--	--			
<b>Total, Appropriation</b>	<b>661,657,746</b>	<b>5,906</b>	<b>696,799,000</b>	<b>6,100</b>			

a/ 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/ Secretary's Interchange Authority

e/ The amount rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-61.

RURAL DEVELOPMENT  
SALARIES AND EXPENSES

Project Statement by Program  
(On basis of availability)

	<u>2008 Actual</u>		<u>2009 Estimated</u>		Increase or <u>Decrease</u>	<u>2010 Estimated</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>		<u>Amount</u>	<u>Staff Years</u>
Direct Appropriation	\$169,312,475	1,507	\$265,850,052	1,685	-\$11,698,052	\$254,152,000	1,685
Rural Electrification and Telecommunications Loans Program Account	38,352,639	342	39,245,000	344	\$714,000	\$39,959,000	344
Rural Housing Insurance Fund Program Account	449,756,511	4,015	460,217,000	4,029	\$8,376,000	\$468,593,000	4,029
Rural Development Loan Fund Program Account	4,740,582	42	4,853,000	42	\$88,000	\$4,941,000	42
Total Available or Estimate	662,162,207	5,906	770,165,052	6,100	-2,520,052	767,645,000	6,100
Unobligated balance, start of year:							
Supplemental Appropriation for Hurricane Recovery <u>a/</u>	-445,396	--	-230,783	--			--
Supplemental Appropriation for 2007 Emergency Disaster Assistance <u>b/</u>	-993,704	--	-500,269	--			--
Supplemental for Disaster Emergency Assistance <u>c/</u>	-4,500,000	--	--	--			--
Secretary's Interchange Transfer <u>d/</u>	-2,000,263	--	--	--			--
Unobligated balance expiring	64,013	--	--	--			--
Unobligated Balance, end of year	2,706,635	--	--	--			--
Rescission <u>e/</u>	4,664,254	--	--	--			--
Supplemental Appropriation for Recovery and Reinvestment Act, 2009 <u>f/</u>	--	--	-72,635,000	--		-\$58,165,000	--
Total, Appropriation	661,657,746	5,906	696,799,000	6,100		709,480,000	6,100

a/ 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/ Secretary's Interchange Authority

e/ The amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-61.

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

RURAL DEVELOPMENT

**Justification of Increases and Decreases**

(1) An increase of \$12,681,000 in Salaries and Expenses is requested to accomplish Rural Development's goals and objectives. Rural Development (RD) is requesting:

(a) An increase of \$12,681,000 to fund increased pay costs.

The increase is requested to fund pay and benefit costs for current staffing. Because approximately 75 percent of the total Salaries and Expenses account goes to salaries and benefits, these funds are needed to ensure that RD is positioned to carry out its mission.

## RURAL DEVELOPMENT

Geographic Breakdown of Obligations and Staff Years  
2008 Actual and Estimated 2009 and 2010

	2008		2009		2010	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama.....	\$8,841,796	100	\$9,349,639	115	\$9,519,792	115
Alaska.....	3,116,797	31	3,295,815	38	3,355,796	38
Arizona.....	5,657,474	61	5,982,420	64	6,091,293	64
Arkansas.....	11,694,920	129	12,366,636	132	12,591,696	132
California.....	12,729,172	127	13,460,292	132	13,705,255	132
Colorado.....	5,140,185	55	5,435,420	58	5,534,338	58
Connecticut.....	1,016,837	15	1,075,240	15	1,094,809	15
Delaware.....	3,824,346	37	4,044,003	36	4,117,600	36
District of Columbia.....	273,799,486	1,636	289,525,589	1,716	294,794,646	1,716
Florida.....	9,936,742	114	10,507,475	112	10,698,700	112
Georgia.....	12,144,888	133	12,842,449	129	13,076,168	129
Hawaii.....	3,432,451	33	3,629,599	33	3,695,654	33
Idaho.....	6,238,605	66	6,596,929	66	6,716,986	66
Illinois.....	10,302,122	123	10,893,841	122	11,092,097	122
Indiana.....	8,565,614	99	9,057,594	100	9,222,432	100
Iowa.....	10,434,941	113	11,034,288	115	11,235,100	115
Kansas.....	6,202,201	64	6,558,434	71	6,677,791	71
Kentucky.....	10,868,920	124	11,493,193	126	11,702,357	126
Louisiana.....	9,547,193	107	10,095,551	110	10,279,279	110
Maine.....	7,104,540	82	7,512,600	82	7,649,322	82
Maryland.....	1,124,035	19	1,188,596	19	1,210,227	19
Massachusetts.....	4,226,067	41	4,468,798	41	4,550,125	41
Michigan.....	11,674,348	126	12,344,883	128	12,569,546	128
Minnesota.....	9,908,240	111	10,477,335	109	10,668,011	109
Mississippi.....	16,700,551	193	17,659,773	180	17,981,162	180
Missouri.....	12,195,272	138	12,895,727	143	13,130,415	143
Montana.....	4,709,583	49	4,980,085	52	5,070,717	52
Nebraska.....	6,113,958	68	6,465,123	67	6,582,781	67
Nevada.....	2,213,110	22	2,340,224	25	2,382,813	25
New Hampshire.....	1,750,000	22	1,850,514	23	1,884,191	23
New Jersey.....	4,270,748	46	4,516,045	46	4,598,232	46
New Mexico.....	4,532,651	50	4,792,991	53	4,880,218	53
New York.....	9,860,823	113	10,427,195	115	10,616,959	115
North Carolina.....	15,550,260	181	16,443,414	174	16,742,667	174
North Dakota.....	4,870,085	54	5,149,806	54	5,243,527	54
Ohio.....	10,147,955	109	10,730,819	110	10,926,108	110
Oklahoma.....	8,038,578	88	8,500,287	89	8,654,983	89
Oregon.....	6,227,658	63	6,585,353	72	6,705,200	72
Pennsylvania.....	10,153,889	110	10,737,093	113	10,932,497	113
Puerto Rico.....	6,930,131	80	7,328,174	91	7,461,539	91
Rhode Island.....	476,642	5	504,019	5	513,192	5
South Carolina.....	10,114,833	114	10,695,794	110	10,890,446	110
South Dakota.....	6,458,209	71	6,829,146	73	6,953,429	73
Tennessee.....	11,712,562	130	12,385,291	138	12,610,690	138
Texas.....	14,978,443	174	15,838,753	190	16,127,002	190
Utah.....	4,415,366	47	4,668,970	46	4,753,940	46
Vermont.....	4,122,481	40	4,359,263	40	4,438,597	40
Virginia.....	9,384,482	101	9,923,494	106	10,104,091	106
Washington.....	6,653,202	72	7,035,339	74	7,163,375	74
West Virginia.....	6,364,137	68	6,729,671	76	6,852,144	76
Wisconsin.....	7,955,317	96	8,412,243	100	8,565,337	100
Wyoming.....	3,150,552	36	3,331,509	39	3,392,139	39
Western Pacific Areas.....	1,055,202	16	1,115,809	21	1,136,116	21
Virgin Islands.....	312,510	4	330,460	4	336,474	4
			0		0	
Subtotal, Available or Estimate.....	658,951,111	5,906	696,799,000	6,100	709,480,000	6,100
Unobligated balance .....	2,706,635					
Total, Available or Estimate.....	\$661,657,746	\$5,906	\$696,799,000	\$6,100	\$709,480,000	\$6,100

## RURAL DEVELOPMENT

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<b>Personnel Compensation:</b>			
Washington, D.C. ....	\$120,321,701	\$126,171,891	\$129,316,779
Field.....	273,998,456	280,692,255	287,692,167
11 Total personnel compensation.....	394,320,157	406,864,146	417,008,946
12 Personnel benefits.....	104,112,507	107,920,263	110,456,463
13 Benefits for former personnel.....	538,370	50,000	50,000
Total personnel compensation and benefits.....	498,971,035	514,834,409	527,515,409
<b>Other Objects:</b>			
21 Travel and transportation of persons.....	14,662,611	13,490,798	13,490,798
22 Transportation of things.....	766,136	680,684	680,684
23.1 Rental payments to GSA.....	513,753	534,690	534,690
23.2 Rental payments to Non-GSA.....	15,749,699	16,040,692	16,040,692
23.3 Communications, utilities, and miscellaneous charges...	9,866,626	10,159,105	10,159,105
24 Printing and reproduction.....	2,049,582	1,956,354	1,956,354
25 Other contractual services.....	22,835,993	46,163,089	46,163,089
25.1 Advisory and assistance services.....	3,657,718	3,908,759	3,908,759
25.2 Other services.....	1,436,246	1,309,378	1,309,378
25.3 Other purchases of goods and services from government accounts.....	1,484,250	1,329,585	1,329,585
25.4 Operation and maintenance of facilities.....	3,130,708	2,782,461	2,782,461
25.5 Research and development contracts.....	60,018,951	59,211,287	59,211,287
25.6 ADP Services and Supplies.....	0	0	0
25.7 Operation and maintenance of equipment.....	15,227,130	16,566,567	16,566,567
26 Supplies and materials.....	5,885,265	5,470,533	5,470,533
31 Equipment.....	2,491,544	2,310,470	2,310,470
33 Investments and Loans.....	1,093	969	969
41 Grants, subsidies, and contributions.....	0	0	0
42 Insurance claims & indemnities.....	55,443	49,170	49,170
43 Interest and dividends.....	147,328	0	0
Total other objects.....	159,980,076	181,964,591	181,964,591
Total direct obligations.....	<u>\$658,951,111</u>	<u>\$696,799,000</u>	<u>\$709,480,000</u>
<b>Position Data:</b>			
Average Salary, ES positions.....	\$169,778	\$174,871	\$180,117
Average Salary, GS positions.....	\$81,072	\$83,910	\$86,343
Average Grade, GS positions.....	9.9	9.8	9.8

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 .....	\$10,000,000	\$16,250,000	N/A
Travel, Communication, Materials, Contractual Services....	62,635,000	41,915,000	N/A
<b>Total Available .....</b>	<b>\$72,635,000</b>	<b>\$58,165,000</b>	

Program Implementation Activities:

	<u>2009</u>	<u>2010</u>	<u>Total</u>	<u>Funding Assumptions</u>
<b>Personnel Compensation:</b>				
Temporary personnel compensation	\$8,000,000	\$13,000,000	\$21,000,000	Hire 130 temporary employees
Personnel benefits	2,000,000	3,250,000	5,250,000	
Travel and transportation of persons	3,750,000	6,000,000	9,750,000	Travel for permanent and temporary staff
Rent, communications, and utilities	1,000,000	1,800,000	2,800,000	Phone lines, computer lines, utilities
Communication services	735,000	960,000	1,695,000	Cell phones, blackberries
Building rentals	1,000,000	1,750,000	2,750,000	Temporary office space throughout the U.S. and Territories
Postage and related fees	750,000	1,500,000	2,250,000	Mailings, FedEx across the U.S. and Territories
Printing and reproduction	1,750,000	2,500,000	4,250,000	Materials
Other contractual services	10,000,000	24,405,000	34,405,000	Appraisals, underwriting, legal, professional services, servicing, engineering and feasibility studies, monitoring
Other services - IT	42,200,000	1,000,000	43,200,000	Replacement and enhancement of IT systems to support the programs
Supplies and materials	1,000,000	1,500,000	2,500,000	Supplies for additional staff and increase in program activity
Equipment	450,000	500,000	950,000	Laptops, computers, printers, scanners
<b>Total Salaries and Expenses</b>	<b>\$72,635,000</b>	<b>\$58,165,000</b>	<b>\$130,800,000</b>	

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.

\$4,500,000 of the administrative funds will be used for Rural Business Service's guaranteed loans and grants, pursuant to sections 310(B)(a)(2)(A) and 310B(c) 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 plans to hire 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 loan, loan guarantee, 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.