

2012 Explanatory Notes
Rural Development

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RURAL DEVELOPMENT

Available Funds and Staff Years
2010 Actual and Estimated 2011 and 2012

Item	Actual 2010		Estimated 2011		Estimated 2012	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Rural Community Facility Program Account a/.....	\$54,993,000	--	\$54,993,000	--	\$38,400,000	--
Rural Housing Insurance Fund Program Account: Subsidy d/.....	238,908,000	--	238,908,000	--	61,687,000	--
Rural Housing Assistance Grants e/.....	45,500,000	--	45,500,000	--	11,520,000	--
Farm Labor Program f/.....	19,746,000	--	19,746,000	--	0	--
Rental Assistance Program g/.....	980,000,000	--	980,000,000	--	906,653,000	--
Rural Housing Voucher Program h/.....	43,191,000	--	43,191,000	--	16,000,000	--
Mutual and Self-help Housing Grants i/.....	41,864,000	--	41,864,000	--	0	--
Rural Water and Waste Disposal Program Account b/.....	568,730,000	--	568,730,000	--	488,978,000	--
Rural Electrification and Telecommunications						
Program Account: Subsidy y/.....	--	--	--	--	--	--
Rural Telephone Bank Program Account: Subsidy	--	--	--	--	--	--
Distance Learning, Telemedicine, and Broadband Program j/.....	84,691,000	--	84,691,000	--	47,976,000	--
Guaranteed Local Television Program Account.....	--	--	--	--	--	--
High Energy Cost Grants k/.....	--	--	--	--	--	--
Rural Business Program Account c/.....	97,366,000	--	97,366,000	--	89,857,000	--
Rural Development Loan Fund Program Account: Subsidy.....	8,464,000	--	8,464,000	--	12,324,000	--
Rural Economic Development Loans						
Program Account: Subsidy l/.....	[4,316,549]	--	[5,924,091]	--	[4,293,395]	--
Rural Economic Development Grants Rescission.....	-44,463,000	--	-44,463,000	--	-241,794,000	--
Rural Microentrepreneur Assistance Program	5,000,000	--	5,000,000	--	5,700,000	--
Renewable Energy Program.....	39,340,000	--	39,340,000	--	36,788,000	--
Rural Cooperative Development Grants m/.....	37,854,000	--	37,854,000	--	35,854,000	--
Rural Empowerment Zone/Enterprise Community Grants n/.....	499,000	--	499,000	--	--	--
Subtotal, Ongoing Programs.....	2,221,683,000	--	2,221,683,000	--	1,509,943,000	--
American Recovery and Reinvestment Act Authorities:						
Rural Community Facility Program Account.....	83,293,000	--	--	--	--	--
Rural Housing Insurance Fund Program Account: Subsidy.....	62,647,000	--	--	--	--	--
Rural Water and Waste Disposal Program Account.....	603,718,000	--	--	--	--	--
Distance Learning, Telemedicine, and Broadband Program.....	2,425,000,000	--	--	--	--	--
Rural Business Program Account.....	126,559,000	--	--	--	--	--
Salaries and Expenses.....	95,551,000	--	--	--	--	--
Subtotal, American Recovery and Reinvestment Act Authorities..	3,396,768,000	--	0	--	0	--
Farm Bill Authorities:						
Rural Microentrepreneur Assistance Program u/.....	4,000,000	--	4,000,000	--	3,000,000	--
Biorefinery Assistance Program v/.....	245,000,000	--	--	--	--	--
Energy Assistance Payments w/.....	55,000,000	--	85,000,000	--	105,000,000	--
Renewable Energy Program x/.....	60,000,000	--	70,000,000	--	70,000,000	--
Rural Cooperative Development Grants o/.....	--	--	--	--	--	--
Subtotal, Farm Bill Authorities.....	364,000,000	--	159,000,000	--	178,000,000	--
Salaries and Expenses p/.....	715,480,000	6,100	715,480,000	6,100	690,980,000	6,050

Total, Salaries and Expenses & Program Resources.....	6,697,931,000	6,100	3,096,163,000	6,100	2,378,923,000	6,050
<u>Obligations under other USDA Appropriations:</u>						
Reimbursements from:						
Farm Service Agency.....	10,086,505	--	10,000,000	--	10,000,000	--
Natural Resources & Conservation Service.....	2,207,438	--	3,000,000	--	3,000,000	--
Office of the Chief Information Officer.....	667,504	--	1,000,000	--	1,000,000	--
Foreign Agriculture Services.....	47,456	--	100,000	--	100,000	--
Miscellaneous Reimbursements.....	1,686,865	--	2,000,000	--	2,000,000	--
Total, Other USDA appropriations.....	14,695,769	--	16,100,000	--	16,100,000	--
Total, Agriculture Appropriations.....	2,951,858,769	6,100	731,580,000	6,100	2,217,023,000	6,050
Rural Economic Development Loans q/.....	4,316,549	--	5,924,091	--	4,293,395	--
Rural Economic Development Grants q/.....	10,000,000	--	10,000,000	--	10,000,000	--
<u>Other Federal Funds:</u>						
Appalachian Regional Commission Program r/.....	22,721,205	--	--	--	--	--
Delta Regional Authority Grants s/.....	20,568	--	--	--	--	--
NADBank t/.....	--	--	--	--	--	--
Economic Development Administration.....	--	--	--	--	--	--
Federal Emergency Management Agency.....	--	--	--	--	--	--
Department of Commerce.....	428,331	--	--	--	--	--
Department of Interior.....	15,000	--	--	--	--	--
Subtotal, Other Federal Funds.....	23,185,104	--	0	--	0	--
Total, Rural Development.....	2,989,360,422	6,100	747,504,091	6,100	2,231,316,395	6,050

- a/ Excludes \$26,888,250.78 of unobligated balances and \$10,208,000 in recoveries of prior year obligations which were available in FY 2010. Also, excludes \$15,129,711.73 of unobligated balances available in FY 2011. Excludes \$11,956,656.51 in unobligated balances of natural disaster funds rescinded in FY 2010 but still remaining in the account and in the accounting system until processed by Treasury.
- b/ Excludes \$278,634,315.49 of unobligated balances and \$109,603,000 in recoveries of prior year obligations which were available in FY 2010. Also, excludes \$104,908,814.70 of unobligated balances available in FY 2011. Excludes \$22,447,139.55 in unobligated balances of natural disaster funds rescinded in FY 2010 but still remaining in the account and in the accounting system until processed by Treasury.
- c/ Excludes \$22,475,129.35 of unobligated balances and \$21,957,000 in recoveries of prior year obligations which were available in FY 2010. Excludes \$18,031,899.61 of unobligated balances available in FY 2011. Includes \$250,000 for GP 738 - Kansas Farm Bureau Foundation. Excludes \$7,165,751.68 in unobligated balances of natural disaster funds rescinded in FY 2010 but still remaining in the account and in the accounting system until processed by Treasury.
- d/ Excludes \$41,392,697.55 of unobligated balances and \$3,204,000 in recoveries of prior year obligations which were available in FY 2010. Excludes \$327,350.52 of unobligated balances available in FY 2011. Excludes \$43,887,835.89 in unobligated balances of natural disaster funds rescinded in FY 2010 but still remaining in the account and in the accounting system until processed by Treasury.
- e/ Excludes \$10,801,128.81 of unobligated balances and \$1,270,000 in recoveries of prior year obligations which were available in FY 2010. Excludes \$3,684,301.07 of unobligated balances available in FY 2011. Excludes \$19,113,294.36 in unobligated balances of natural disaster funds rescinded in FY 2010 but still remaining in the account and in the accounting system until processed by Treasury.
- f/ Excludes \$730,776.97 of unobligated balances and \$7,229,000 in recoveries of prior year funds which were available in FY 2010. Excludes \$12,332,631.68 of unobligated balances available in FY 2010.
- g/ Excludes \$402.09 in unobligated balances of natural disaster funds rescinded in FY 2010 but still remaining in the account and in the accounting system until processed by Treasury.
- h/ Excludes \$13,197,037.45 of unobligated balances and \$546,000 in recoveries of prior year obligations which were available in FY 2010. Also excludes \$19,001,595.89 of unobligated balances available in FY 2010. Excludes \$5,514,977.95 in unobligated balances of natural disaster funds rescinded in FY 2010 but still remaining in the account and in the accounting system until processed by Treasury.
- i/ Excludes \$14,522,204.01 of unobligated balances and \$825,000 in recoveries of prior year obligations which were available in FY 2010.

- Excludes \$14,524,663.25 of unobligated balances available in FY 2011.
- j/ Excludes \$24,074,955.84 of unobligated balances and \$5,260,000 in recoveries of prior year obligations which were available in FY 2010. Excludes \$104,019,835.36 of unobligated balances available in FY 2011.
 - k/ Excludes \$17,633,271.17 of unobligated balances which were available in FY 2010. Excludes \$17,178,885.17 of unobligated balances available in FY 2011.
 - l/ Excludes \$652,072.76 of unobligated balances and \$2,067,000 in recoveries of prior year obligations which were available in FY 2010. Excludes \$4,174,567.54 of unobligated balances available in FY 2011.
 - m/ Excludes \$7,043,090.09 of unobligated balances and \$599,726 in recoveries of prior year obligations which were available in FY 2010. Excludes \$20,837,201.88 in unobligated balances available in FY 2011. Includes \$3,000,000 for GP 728 - Wisconsin Department of Agriculture, Trade, and Consumer Protection in FY 2011.
 - n/ Excludes \$12,957.36 in unobligated balances and \$20,498.89 in recoveries of prior year obligations which were available in FY 2010. Excludes \$33,456.33 in unobligated balances available in FY 2011.
 - o/ Excludes \$15,597,162.72 of unobligated balances and \$11,922 in recoveries of prior year obligations which were available in FY 2010. Excludes \$819,426.44 in unobligated balances available in FY 2011.
 - p/ Excludes \$289,000.00 for Congressional Liaison Activities in FY 2010. Excludes \$3,894,570.31 in unobligated balances of natural disaster funds rescinded in FY 2010 but still remaining in the account and in the accounting system until processed by Treasury.
 - 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 \$10,302,859.82 of unobligated balances available in FY 2010. Excludes \$7,402,847 unobligated balances available in FY 2011.
 - s/ Excludes \$89,463.48 of unobligated balances available in FY 2010. Excludes \$20,568.48 of unobligated balances available in FY 2011.
 - t/ Excludes \$351,233.39 of unobligated balances which were available in FY 2010 and FY 2011.
 - u/ Excludes \$4,000,000 of unobligated balances available in FY 2010. Excludes \$3,345,592 of unobligated balances available in FY 2011.
 - v/ Excludes \$39,993,000 of unobligated balances and \$8,335,000 in recoveries of prior year obligations which were available in FY 2010. Excludes \$273,996,850 of unobligated balances available in FY 2011.
 - w/ Excludes \$90,000,000 of unobligated balances which were available in FY 2010. Excludes \$124,497,419.31 of unobligated balances available in FY 2011.
 - x/ Excludes \$31,999.51 of unobligated balances and \$313,262.98 in recoveries of prior year obligation which were available in FY 2010. Excludes \$3,386,429.70 of unobligated balances available in FY 2011.
 - y/ Excludes \$8,019,371.66 in unobligated balances of natural disaster funds rescinded in FY 2010 but still remaining in the account and in the accounting system until processed by Treasury.

RURAL DEVELOPMENT

Permanent Positions by Grade and Staff Year Summary
2010 Actual and Estimated 2011 and 2012

Grade	2010			2011			2012		
	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	105	46	151	105	46	151	105	46	151
GS-14	124	32	156	124	32	156	124	32	156
GS-13	355	401	756	425	520	945	410	520	930
GS-12	218	1,363	1,581	218	1,363	1,581	203	1,353	1,556
GS-11	117	568	685	132	628	760	107	568	675
GS-10	5	0	5	5	0	5	5	0	5
GS-9	73	497	570	73	497	570	73	447	520
GS-8	85	30	115	85	30	115	85	30	115
GS-7	417	887	1,304	417	888	1,305	392	838	1,230
GS-6	46	203	249	46	203	249	46	203	249
GS-5	36	146	182	36	146	182	36	146	182
GS-4	20	26	46	20	26	46	20	26	46
GS-3	3	3	6	3	3	6	3	3	6
GS-2	2	2	4	2	2	4	2	2	4
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	0	0	0	0	0	0
Total Permanent									
Positions.....	1,631	4,204	5,835	1,716	4,384	6,100	1,636	4,214	5,850
Unfilled Positions									
end-of-year.....	51	124	175	0	0	0	0	0	0
Total, Permanent									
Full-Time Employment									
end-of-year.....	1,580	4,080	5,660	1,716	4,384	6,100	1,636	4,214	5,850
Staff Year									
Estimate.....	1,667	4,390	6,057	1,716	4,384	6,100	1,636	4,214	5,850

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 Vehicles	Ambulances	Buses	Heavy Duty		
		4X2	4X4						
FY 2009	736	237	17	1	0	0	0	991	4,681,120
Change from 2009**	61	(122)	74	0	0	0	0	13	13,000
FY 2010	797	115	91	1	0	0	0	1,004	4,694,120
Change from 2010**	0	0	0	0	0	0	0	0	15,000
FY 2011	797	115	91	1	0	0	0	1,004	4,709,120
Change from 2011**	0	0	0	0	0	0	0	0	15,000
FY 2012	797	115	91	1	0	0	0	1,004	4,724,120

** The passenger motor vehicles of Rural Development are used almost exclusively by Rural Development state field office staff (about 4,443) in order to provide program delivery to essential facilities, 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 offices, which are only accessible by car.

Rural Development's total motor vehicle fleet consists of 1,004 GSA 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; \$234,301,000: *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

Annualized Continuing Resolution, 2011	\$715,480,000
Budget Estimate, 2012	<u>690,980,000</u>
Change in Appropriation	<u>-24,500,000</u>

RURAL DEVELOPMENT

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

<u>Item of Change</u>	2010 <u>Estimated</u>	Pay Costs	Program <u>Changes</u>	2011 <u>Estimated</u>
Salaries and Expenses	\$715,480,000	\$0	-\$24,500,000	<u>\$690,980,000</u>
Total Available	<u>\$715,480,000</u>	<u>\$0</u>	<u>-\$24,500,000</u>	<u>\$690,980,000</u>

RURAL DEVELOPMENT
SALARIES AND EXPENSES

Project Statement by Program
(On basis of availability)

	<u>2010 Estimated</u>		<u>2011 Estimated</u>		<u>Increase or Decrease</u>	<u>2012 Estimated</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	\$312,993,137	1,642	\$209,487,000	1,685	\$24,814,000	\$234,301,000	1,685
2. Rural Electrification and Telecommunications Loans Program Account	39,959,000	344	39,959,000	344	0	39,959,000	344
3. Rural Housing Insurance Fund Program Account	468,593,000	4,029	468,593,000	4,029	-56,814,000	411,779,000	3,779
4. Rural Development Loan Fund Program Account	4,941,000	42	4,941,000	42	0	4,941,000	42
Total Available or Estimate	826,486,137	6,057	722,980,000	6,100	-32,000,000	690,980,000	5,850
Supplemental for Disaster Emergency Assistance a/	-3,895,000	--	--	--			
Supplemental Appropriation for Recovery and Reinvestment Act, 2009 b/	-95,550,553	--	--	--			
Unobligated balance transferred from 2009 for IT purposes	-11,595,000	--	-7,500,000	--			
Unobligated balance expiring	34,416	--	--	--			
Total, Appropriation	715,480,000	6,057	715,480,000	6,100			

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

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

	<u>FY 2011</u>	<u>CCE Refresh</u>	<u>Redistribution</u>	<u>Maintain Portfolio</u>	<u>FY 2012</u>
			<u>of Administrative Expenses</u>	<u>Compliance, etc</u>	
1. Direct Appropriation	\$201,987,000	\$9,000,000	\$29,314,000	-\$6,000,000	\$234,301,000
2. Rural Electrification and Telecommunications Loans Program Account	39,959,000	0	0	0	39,959,000
3. Rural Housing Insurance Fund Program Account	468,593,000	0	-56,814,000	0	411,779,000
4. Rural Development Loan Fund Program Account	4,941,000	0	0	0	4,941,000
Total	715,480,000	9,000,000	-27,500,000	-6,000,000	690,980,000

**RURAL DEVELOPMENT
SALARIES AND EXPENSES**

JUSTIFICATION OF INCREASES AND DECREASES

This request reflects a greater balance of fiscal resources between direct federal investments, federal guarantees of private sector loans, and human resources to ensure that current investments are properly serviced. New direct investments are responsibly made, with an emphasis on supporting programs that serve the greatest need across Rural Development to reach geographic areas and demographic groups that remain unserved or underserved.

(1) A net decrease of \$24,500,000 (\$715,480,000 available in 2011) in salaries and expenses Rural Development (RD):

(a.) An increase of \$9,000,000 for the Common Computing Environment (CCE) Refresh.

An increase of \$9 million to modernize and upgrade the Common Computing Environment (CCE). RD will work with OCIO, through its Information Technology Service (ITS), and with other the Service Center agencies to develop an implementation strategy for the CCE Refresh. Efforts to implement the CCE refresh will focus on ways to make processes more efficient and flexible and to ensure system security and reliability. This increase will provide for replacement of outdated components of the IT infrastructure, many of which have exceeded their expected life cycles, to reduce system vulnerabilities to failure and improve the performance and effectiveness of the share infrastructure.

(b.) A decrease of \$27,500,000 and 250 Staff Years and Administrative Efficiencies.

This funding decrease results from the elimination and reduction of some Rural Housing Insurance Fund (RHIF) programs. The decrease will be realized through the reduction of 250 staff years in headquarters and the field and will be managed through attrition, hiring controls, and the reduction of temporary staff, if necessary. The savings in salaries and benefits associated with this staffing reduction is approximately \$24 million. In addition, further savings of \$3,500,000 will be realized through administrative efficiencies obtained by pursuing direct endorsement authority for the section 502 guaranteed loan program, continuation of current information technology (IT) system modernization, as well as reductions in advisory contracts, travel of people and things, printing, supplies, and equipment.

Because of the reduction and termination of certain RHS programs, RD requests shifting funding from the RHIF Program account to the direct appropriation where IT and administrative support will be centralized and can provide efficient support throughout the Rural Development mission area.

(c.) A decrease of \$6,000,000 in Information Technology (IT) Investment for maintaining portfolio compliance, safety and soundness.

Significant information technology (IT) infrastructure gains related to maintaining portfolio compliance, safety, and soundness were made through the additional investment of American Recovery and Reinvestment Act (ARRA) administrative funding in 2010. The proposed reduction is feasible due to the gains achieved in 2010 and 2011, which reduce the need for new investments in 2012.

RURAL DEVELOPMENT

Geographic Breakdown of Obligations and Staff Years
2010 Actual and Estimated 2011 and 2012

	2010		2011		2012	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama.....	\$9,260,238	105	\$9,358,791	110	\$9,056,633	110
Alaska.....	3,610,199	34	3,648,621	43	3,530,822	41
Arizona.....	6,164,039	66	6,229,641	63	6,028,510	62
Arkansas.....	11,645,134	132	11,769,069	131	11,389,093	127
California.....	13,760,093	129	13,906,537	131	13,457,550	127
Colorado.....	5,723,250	61	5,784,161	59	5,597,413	58
Connecticut.....	1,327,785	16	1,341,916	16	1,298,591	15
Delaware.....	3,815,647	36	3,856,256	38	3,731,752	37
District of Columbia.....	301,695,476	1,667	304,906,314	1,716	293,662,104	1,636
Florida.....	10,712,158	117	10,826,164	126	10,476,630	109
Georgia.....	12,745,539	129	12,881,185	131	12,465,303	126
Hawaii.....	3,417,573	35	3,453,945	38	3,342,431	37
Idaho.....	6,615,701	76	6,686,110	70	6,470,242	64
Illinois.....	11,002,567	127	11,119,663	119	10,760,654	118
Indiana.....	9,184,260	104	9,282,005	100	8,982,326	97
Iowa.....	11,252,170	119	11,371,923	116	11,004,769	111
Kansas.....	6,507,925	71	6,577,187	70	6,364,835	69
Kentucky.....	11,337,519	125	11,458,180	123	11,088,241	121
Louisiana.....	9,903,297	108	10,008,694	108	9,685,553	106
Maine.....	7,451,519	82	7,530,823	80	7,287,683	79
Maryland.....	1,420,362	17	1,435,478	17	1,389,133	16
Massachusetts.....	4,229,777	46	4,274,793	40	4,136,777	39
Michigan.....	12,367,041	134	12,498,659	125	12,095,127	124
Minnesota.....	10,451,967	117	10,563,204	107	10,222,160	105
Mississippi.....	16,094,780	175	16,266,071	174	15,740,904	170
Missouri.....	13,374,241	146	13,516,578	142	13,080,182	140
Montana.....	4,872,520	51	4,924,377	50	4,765,388	49
Nebraska.....	6,638,011	70	6,708,657	65	6,492,061	60
Nevada.....	2,910,972	28	2,941,952	30	2,846,969	29
New Hampshire.....	2,088,110	22	2,110,333	22	2,042,199	21
New Jersey.....	4,368,431	45	4,414,923	48	4,272,382	43
New Mexico.....	4,295,400	47	4,341,114	54	4,200,957	50
New York.....	10,301,670	119	10,411,307	112	10,075,167	108
North Carolina.....	15,513,450	171	15,678,554	179	15,172,356	168
North Dakota.....	5,269,546	56	5,325,628	55	5,153,685	53
Ohio.....	10,546,188	113	10,658,427	108	10,314,309	106
Oklahoma.....	8,129,894	88	8,216,418	86	7,951,142	84
Oregon.....	6,949,306	70	7,023,265	76	6,796,512	69
Pennsylvania.....	10,729,219	118	10,843,406	112	10,493,316	109
Puerto Rico.....	7,298,196	81	7,375,868	91	7,137,731	87
Rhode Island.....	387,767	5	391,894	5	379,241	5
South Carolina.....	10,607,059	113	10,719,946	110	10,373,842	106
South Dakota.....	6,772,657	71	6,844,736	73	6,623,747	70
Tennessee.....	12,377,912	135	12,509,646	139	12,105,759	132
Texas.....	16,122,353	183	16,293,938	185	15,767,871	180
Utah.....	4,697,049	52	4,747,038	49	4,593,775	44
Vermont.....	3,996,648	41	4,039,183	41	3,908,774	38
Virginia.....	10,171,222	106	10,279,471	107	9,947,588	101
Washington.....	7,332,377	78	7,410,413	78	7,171,160	71
West Virginia.....	6,887,250	72	6,960,549	73	6,735,820	70
Wisconsin.....	8,173,074	94	8,260,057	98	7,993,373	96
Wyoming.....	3,407,113	34	3,443,374	38	3,332,201	35
Western Pacific Areas.....	1,723,069	16	1,741,407	19	1,685,184	18
Virgin Islands.....	308,864	4	312,151	4	302,073	4
Subtotal, Available or Estimate.....	707,945,584	6,057	715,480,000	6,100	690,980,000	5,850
Unobligated balance 1/ ..	7,534,416					
Total, Available or Estimate.....	\$715,480,000	6,057	\$715,480,000	6,100	\$690,980,000	5,850

1/ \$7,500,000 transferred to 2011 for IT purposes.

RURAL DEVELOPMENT

Classification by Objects
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Personnel Compensation:			
Washington, D.C.	\$128,452,861	\$125,092,880	\$119,248,124
Field	282,510,860	286,222,325	272,672,504
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11 Total personnel compensation	\$410,963,721	\$411,315,205	\$391,920,628
12 Personnel benefits	114,438,313	116,011,981	111,167,558
13 Benefits for former personnel	0	0	0
Total personnel compensation and benefits	<u>\$525,402,034</u>	<u>\$527,327,186</u>	<u>\$503,088,186</u>
Other Objects:			
21 Travel and transportation of persons	\$15,232,769	\$15,000,000	\$14,385,000
22 Transportation of things	420,934	450,000	400,000
23.1 Rental payments to GSA.....	1,021,857	1,000,000	969,000
23.2 Rental payments to Non-GSA.....	15,087,467	15,000,000	14,375,000
23.3 Communications, utilities, and miscellaneous charges....	5,786,516	5,500,000	5,375,000
24 Printing and reproduction	2,714,272	2,700,000	2,590,000
25 Other contractual services.....	50,053,598	53,100,000	56,000,000
25.1 Advisory and assistance services.....	668,686	700,000	670,000
25.2 Other services.....	15,123,413	14,082,814	13,502,814
25.4 Operation and maintenance of facilities.....	2,352,521	2,300,000	2,205,000
25.5 Research and development contracts.....	57,942,547	62,500,000	62,500,000
25.7 Operation and maintenance of equipment.....	1,676,956	1,700,000	1,625,000
26 Supplies and materials	7,647,411	7,600,000	7,275,000
31 Equipment	6,234,024	6,200,000	5,700,000
33 Investments and Loans	2,161	0	0
41 Grants, subsidies, and contributions	0	0	0
42 Insurance claims & indemnities	319,458	320,000	320,000
43 Interest and dividends	258,960	0	0
<hr/>			
Total other objects	<u>\$182,543,550</u>	<u>\$188,152,814</u>	<u>\$187,891,814</u>
<hr/>			
Total direct obligations.....	<u>\$707,945,584</u>	<u>\$715,480,000</u>	<u>\$690,980,000</u>
Position Data:			
Average Salary, ES positions	\$198,146	\$198,146	\$198,146
Average Salary, GS positions	\$86,411	\$86,117	\$85,652
Average Grade, GS positions	10.1	10.6	10.2

RURAL DEVELOPMENT
Salaries and Expenses

SUMMARY OF RECOVERY ACT FUNDING
(On basis of appropriation)

<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 compensator	\$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 person	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 were used for Rural Business Service's guaranteed loans and grants, pursuant to sections 310(E)(a)(2)(A) and 310B (c) of the Consolidated Farm and Rural Development Act. Rural Housing Service's (RHS) administrative funds were \$9,900,000 for the rural housing insurance fund section 502 direct loans and section 502 unsubsidized guaranteed loans. In RHS funds were 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 were 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 350 temporary workers to support ARRA funded loans and grant activity at headquarters and in the field. The additional staff was 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. The majority of the temporary hires were in the field.

The bulk of the ARRA IT funding was 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 had to 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 systems, and the staff and resources that support them, would have been 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.