



# NEWS RELEASE

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Release No. 0541.10

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## **USDA Releases Report on the Impact of the Recovery Act on America's Rural Communities**

*Over 300,000 Jobs are Estimated to have been Saved or Created, Millions of Americans will Benefit from Improved Services*

WASHINGTON, Oct. 20, 2010 – USDA Under Secretary for Rural Development Dallas Tonsager today issued a report on how the agency's distribution of loan and grant funds provided to the agency through the American Recovery and Reinvestment Act of 2009 (Recovery Act) has helped the Nation's rural residents. The report estimates that millions of business owners and agricultural producers; Internet users, and thousands of homeowners will benefit and over 300,000 jobs are being created or saved. The job estimates contained in the report are derived from recipient reported data or program-based economic models.

"With Rural Development's loans, grants, and loan-grant combination financing for new and existing programs, we have leveraged our Recovery Act funds to ensure the greatest bang for the taxpayer's buck, allowing our agency to make unprecedented and lasting investments in rural America," said Tonsager. "I am proud of what we have accomplished over the last two years towards building livable, innovative, and sustainable rural communities."

Of the \$40.7 billion in Recovery Act funding obligated by the U.S. Department of Agriculture, Rural Development obligated more than half for projects (\$21.2 billion in program-level funding)[1] through seven programs. In all, 95,000 loans and 2,500 grants were provided to recipients in all 50 states, American territories, the District of Columbia and the Commonwealth of Puerto Rico. This record level of Federal investment leveraged additional private investment in communities across the country, demonstrating the positive impact that public-private partnerships can have on rural communities and economies.

Throughout the report are various examples of how Recovery Act funding is making a difference in rural communities.

For example, USDA's Rural Utilities Service (RUS), a Rural Development mission area, received \$2.5 billion in funding to deploy high-speed broadband networks to the hardest-to-reach rural areas of the country. Working with partners at the Department of Commerce's National Telecommunications and Information Administration (NTIA), RUS invested \$3.5 billion in funding for 297 broadband infrastructure projects, four satellite awards, and 19 technical

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assistance grants to extend the benefits of broadband to rural communities, Native American and Alaska Native lands in 45 States and 1 territory. An estimated 7 million people, many of them located in extremely remote areas, will have access to improved broadband services.

In Reedsburg, Wis., (located in Sauk County), the Reedsburg Utilities Commission used \$5,239,168 in Recovery Act funds to bring broadband service to an area of southwestern Wisconsin that is deficient in broadband services due to hilly terrain. In addition to the USDA funds, more than \$2.3 million in private investment was provided. It is estimated that 310 businesses and more than 2,400 homes will be able to access the utility's services, and an estimated 42 new jobs will be generated.

USDA has also funded 854 water and wastewater projects to improve public health and environmental quality; 563 public safety facilities; 312 cultural and educational facilities, including 196 libraries; and 180 healthcare facilities.

For example, In Jamestown, (Stutsman County), North Dakota, Recovery Act funding of \$31 million is helping to build a new hospital on a 55-acre campus. Jamestown area residents are currently served by an outdated hospital that was designed in 1927. Upon completion, the 117,000-square-foot, medical-care facility will benefit more than the 14,000 residents of Jamestown and an additional 54,000 people living within a 60 mile radius of the facility. The project will create or save an estimated 700 jobs in the East Central region of North Dakota.

Recovery Act funding will also make possible a \$23 million project to bring an end to the persistent sewage problems that have plagued the colonias community of Yuma County, AZ. Colonias are low-income, rural communities along the U.S.-Mexico border. More than \$18 million in Recovery Act loan and grant funds will be added to funds provided by other Federal and State agencies and the North American Development Bank. The project will connect residents to a nearby municipal treatment system. The community will abandon individual septic systems and cesspools, reduce contamination of the groundwater table from failing septic systems, improve public health and safety, and improve the water quality of the nearby Colorado River.

The report also shows that Recovery Act funds were used to support 2,000 businesses by providing loan guarantees. For example, the Mortex Corporation, headquartered in Wendell, N.C., oversees a large apparel manufacturing operation and has built up a workforce of more than 300 employees. In early 2009, the firm lost its credit line. With hundreds of jobs in jeopardy, the company turned to USDA. Through the Business & Industry program a loan guarantee was provided to a bank to make a loan to Mortex. The guaranteed allowed Mortex to continue operations and maintain its workforce.

The report outlines the following results: (Obligations)

- Broadband Initiatives Program (BIP) Loans and Grants: \$3,529,090,888 in funding. 25,800 jobs.
- Business and Industry (B&I) Guaranteed Loans: \$1,601,007,139 in funding. 33,000 jobs.

- Community Facilities (CF) Program Loans and Grants: \$1,389,529,796 in funding. 32,500 jobs.
- Rural Business Enterprise Grants (RBEG): \$19,398,942 in funding. 13,000 jobs.
- Single Family Housing Direct (SFHD) Loans: \$1,562,971,449 in funding. 19,500 jobs.
- Single Family Housing Guaranteed (SFHG) Loans: \$10,056,306,317 in funding. 125,000 jobs.
- Water and Waste Disposal (WWD) Program Loans and Grants \$3,271,300,435 in funding. 66,000 jobs.

The entire report can be read [here](#).

President Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act) into law last year. It is designed to jumpstart the Nation's economy, create or save millions of jobs and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. The Act includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need. More information about USDA's efforts regarding the Recovery Act is available at [www.usda.gov/recovery](http://www.usda.gov/recovery). More information about the Federal government's efforts on the economic stimulus is available at [www.recovery.gov](http://www.recovery.gov).

Through its Rural Development mission area, USDA administers and manages more than 40 housing, business and community infrastructure and facility programs through a network of 6,100 employees located in the nation's capital and 500 state and local offices. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers, and ranchers and improve the quality of life in rural America. Rural Development has an existing portfolio of more than \$142 billion in loans and loan guarantees.

Rural Development serves as the lead Federal entity for rural development needs and administers program assistance through its housing, business, community and infrastructure programs. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

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