

Keeping rural America alive

By [Michael Strand](#) 7/22/2007

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Welcome to government class. Today, we'll start with a pop quiz.

1. Which federal agency helped fund a new outpatient clinic in Oberlin, so local residents can meet with specialists?

- a) U.S. Department of Health and Human Services.
- b) U.S. Department of Agriculture

2. Which federal agency helped fund new transmission equipment for Smoky Hills Public Television, bringing digital TV to northwest Kansas?

- a) Federal Communications Commission
- b) U.S. Department of Agriculture

3. Which federal agency helped fund new equipment for grocery stores in Marion and Phillipsburg, making them more energy efficient?

- a) U.S. Department of Energy
- b) U.S. Department of Agriculture

4. Which federal agency helped fund a telemedicine project in Ellsworth, which will allow doctors in Salina and Wichita to examine patients?

- a) National Aeronautics and Space Administration
- b) U.S. Department of Agriculture

If you answered "USDA" for all four questions, congratulations.

As it turns out, the USDA is the go-to agency for a large share of government assistance in America's rural areas, including a range of programs that might not seem related at all to agriculture.

Ask Roger Pearson, administrator at Ellsworth County Medical Center. There's the \$297,000 grant his facility got from the USDA this spring for the telemedicine project -- and a \$1 million loan from the USDA three years ago for a new medical center.

"Ellsworth County has done really well with these programs," Pearson said. "The USDA is a lot more than just the farm payments."

Chuck Banks, state director of the USDA's rural development program, concurs.

"There are about 2 million Americans who receive farm payments, and about 1 million live on the farm -- but there are 65 million Americans in rural communities, with under 25,000 people," he said. "There are a lot of people who live in rural America who aren't involved in agriculture directly."

In just the past five years, more than \$1 billion in money has flowed into Kansas under the USDA's rural development program -- some in loans and some in grants.

In general, the goal is to help keep rural America alive.

It will be about two years before the telemedicine project in Ellsworth is up and running, Pearson said. Once it is, "it will allow us to have a patient in one location, and a physician in another location and have a medical-quality exam take place.

"For patients who go out of the area for a surgical event, the follow-up visits can be done via this technology," he said. "It will be a major convenience and cost savings for our elderly population."

Pearson envisions that the technology also will be used for distance learning, so hospital staff can be trained without having to leave town.

Funding for Oberlin clinic

Better care for its elderly is part of the reason behind Decatur County Hospital's plans to build an \$800,000, 3,275 square-foot outpatient clinic. Of the project's \$800,000 cost, \$650,000 is from a USDA loan.

The USDA's check arrived July 5, and already concrete has been poured, said Lynn Doeden, chief executive officer of the hospital. The building, to open in November, will include three exam rooms, a cardiac stress test room and a procedure room. It'll be used by visiting specialists who come to the community on a regular basis.

Those clinics now are conducted in the town's fitness center, and "that means people can't work out," she said.

Doeden added that it is important that that fitness routines not be interrupted.

In addition, privacy is lacking at the fitness center.

"We'll have 18 to 20 patients for a specialty clinic, and that means everybody gets to know who's seeing the specialist," she said. "It leads to, 'Oh, did you know so-and-so went to see the urologist -- I wonder what's wrong ...'"

Expanding services locally will save many people trips out of town, she said.

"We're a geriatric community. If they have to go to Wichita, or Salina, or Denver or Kearney (Neb.), that means a son or daughter has to take time off work," she said. "If you have to take them to Denver, it can mean taking two days off work; with this clinic, it will mean an hour or two."

Energy efficiency work

Banks said another popular program of the USDA is its effort to help small, rural businesses improve their energy efficiency.

Pat White, who has White's Food Liner grocery stores in Kingman, Goddard, Medicine Lodge, Hugoton and Phillipsburg, has made use of that program even though he threw away the first notice of it that he received from the USDA.

"I saw 'Department of Agriculture' on the envelope and thought, 'I'm not a farmer' and threw it away, he said with a chuckle. "A couple years later, I found out they had something to help grocery stores."

At the Phillipsburg store, grants and loans have helped White replace the frozen food cases, which he described as "old and inefficient," and also install more efficient lighting fixtures. He plans to replace the refrigerated produce cases soon.

"In general, one of the things that has kept small-town grocers from succeeding is they don't re-invest in their businesses," White said.

Reinvestment, he said, "helps you compete better in the future, and that helps small towns, too. It's not as important as churches and schools, but if you don't have a viable store that has the things people want, it takes business out of town."

He's since talked up the USDA program to other small-town grocers, including Linda Carlson of Carlson's Grocery in Marion.

Carlson, too, used a combination of grants and loans to replace lighting, freezers and install programmable thermostats. An energy audit predicts the project will pay for itself in about nine years, she said.

Rural Internet access

The USDA also seeks to improve broadband Internet access in rural areas, Banks said.

"Broadband, I put that in the same boat as other infrastructure, part of being connected," Banks said. "It's like waterways, railroads, Interstate highways. Look what happened to many communities that were just a few miles off the railroad, or just a few miles away from the Interstate -- many of them didn't survive."

In other words, it's not just so rural teenagers can download music -- though in a way, that is part of the goal.

"It also helps with youth retention," Banks said, as a lack of decent Internet service can prove one more reason for young people to pack up and leave.

Rural TV improved

A better connection to the larger world also is behind Smoky Hills Public Television's installation of a new digital transmission system to cover 11 counties in northwest Kansas.

The \$3 million project -- of which \$2 million came from the USDA -- replaced five "old and cranky analog repeaters" near Goodland, Oberlin, Oakley, Hoxie and Norton with a 1,200-foot tower near Brewster, said Lawrence Holden, general manager and chief executive officer of Smoky Hills.

The transmitter went online in early June, delivering standard- and high-definition channels that include regular PBS programming and some special-interest programs.

"My experience is that people who are further away from civilization still want to stay connected," Holden said. "This gives them a chance to stay connected." He said the region served by the new transmitter includes about 42,000 people, and only about half of them are in areas served by cable television. "Cable wants a certain number of people per mile (to be economically viable)" Holden said. "Out here, it's miles per person."

"That's one role of government -- to do things the private sector can't do," he said. "We really appreciate that the USDA saw the value of this -- my buddies at the New York City station aren't getting this kind of help."

Grants vs. loans

Holden is right. There are differences in the way federal money is distributed in urban and rural areas -- but it doesn't always work in favor of rural areas.

For one, "urban centers are getting grants, rural areas are expected to pay it back," said John Cyr, executive director of the North Central Regional Planning Commission, based in Beloit.

He points to Congressional testimony in February by Vernon Kelley, past president of the National Association of Development Organizations, who expressed both appreciation for the rural development program and dismay at the trend.

"While USDA Rural Development is an essential partner for our rural communities, we are alarmed that its infrastructure, broadband and community facilities portfolio has become almost exclusively focused on direct loan and loan guarantee programs," Kelley told the Senate Committee on Agriculture, Nutrition and Forestry. "In fact, the administration's fiscal 2008 budget proposal recommends deep cuts in grants for community facilities, water and waste water, broadband and business development programs. ... For distressed and underserved communities, especially the smaller and more rural areas, the trend of increased reliance on federal loan and loan guarantee programs puts costly infrastructure improvement projects out of reach."

Kelley said part of the difference is that different government agencies provide the services.

"It's been a slow process," Cyr said of the shift to loans. "I don't think there's any date I can put my finger on, just a change in the mindset of Congress to move from grants to loans that created that dichotomy. I don't think it was something that happened intentionally -- it was just a progression."

Banks said he couldn't comment on how other federal agencies, operating in different areas, fund projects. But he confirmed the trend in USDA is away from outright grants.

"There are less grant dollars than there used to be -- that's just the trend," he said. "We still have grant dollars for those communities that need that assistance. We can still do that. We try to blend grants with loans to get the best of both worlds."

And, he added, "if a project is going to take 100 percent grant money to carry out, you have to ask whether it's really economically viable."

There's a saying, Banks said, that he likes to repeat: "You can't grant yourself to prosperity."

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