

2011 Explanatory Notes  
Rural Utilities Service

Table of Contents

	<u>Page</u>
Purpose Statement.....	29-1
Rural Water and Waste Disposal Program Account:	
Appropriations Language.....	29-5
Project Statement.....	29-8
Justifications.....	29-13
Geographic Breakdown of Obligations.....	29-14
Classification by Objects.....	29-26
Rural Electrification and Telecommunications Program Account:	
Appropriations Language.....	29-27
Project Statement.....	29-29
Justifications.....	29-32
Geographic Breakdown of Obligations.....	29-33
Classification by Objects.....	29-36
Distance Learning, Telemedicine, and Broadband Program Account:	
Appropriations Language.....	29-37
Project Statement.....	29-39
Justifications.....	29-41
Geographic Breakdown of Obligations.....	29-42
Classification by Objects.....	29-45
High Energy Cost Grants:	
Project Statement.....	29-46
Geographic Breakdown of Obligations.....	29-47
Classification by Objects.....	29-48
Summary of Recovery Act Funding.....	29-49
Status of Program.....	29g-1
Statement of Agency Goals and Objectives.....	29-53
Key Performance Outcomes and Measures.....	29-58
Full Cost by Strategic Goal.....	29-62



## RURAL UTILITIES SERVICE

### Purpose Statement

Rural Utilities Service (RUS) programs enhance the quality of life and improve economic opportunity in rural communities by providing financing for the basic infrastructure of modern life. Electricity and telecommunications are essential services for individuals and businesses alike. Adequate water and wastewater treatment capacity are significant quality of life, environmental and economic development issues. Tighter environmental standards and the importance of accommodating business growth in a rapidly diversifying rural economy add significantly to program demand.

### Authorization and Program Descriptions

The RUS delivers electric and telecommunications programs authorized by the Rural Electrification Act of 1936, as amended, 7 U.S.C. 901 et seq., (RE Act).

### Electric Programs

The Electric programs offers direct loans, guaranteed loans, and bond and note guarantees. The primary differences among the various electric loan programs are the statutory authority, qualifying criteria and the interest rate. The program also administers the High Energy Cost Grant Program.

Direct loans include hardship rate loans. Direct loans may be used to finance improvements to electric distribution, transmission, and generation systems, including demand side management, energy efficiency and conservation programs, and renewable energy systems to serve rural areas. Eligibility requirements under each type of direct loan vary. Program authorities under the RE Act were amended in the 2008 Farm Bill and regulations implementing the various changes are in process.

Hardship rate direct loans are available to finance electric system improvements for qualified borrowers that meet thresholds for retail rate disparity and for customer per capita and household incomes, or that have suffered a severe, unavoidable hardship, such as a natural disaster. Supplemental financing is not required. Fixed rate 5 percent loans are available under 7 U.S.C. 935. Direct Hardship loans are authorized by 2008 amendments to 7 U.S.C. 904, but have not yet been funded. Regulations are under development.

Guaranteed loans are provided under 7 U.S.C. 936 for financing of electric distribution, transmission, generation and headquarters facilities. The Treasury Department's Federal Financing Bank (FFB) has been the primary source of these loans. FFB loan guarantees remain available to all electric borrowers under annual appropriations. FFB interest rates are fixed to the prevailing cost of money to the Treasury, plus an administrative fee of one-eighth of 1 percent. USDA guaranteed private loans issued through CFC, Co Bank or other lenders carry an interest rate negotiated between the lender and the borrower.

Bond and note guarantees for cooperative lenders are authorized under section 313A of the RE Act. USDA may guarantee payments on certain bonds or notes issued by qualified cooperative or other non-profit lenders. The bond or note proceeds must be used for eligible rural electrification or telephone purposes (excluding electric generation), and must be of investment grade. The interest rate is equal to the Treasury rate for notes of similar maturities plus an annual fee of 30 basis points on any unpaid principal balance. Regulations implementing 2008 amendments are under development.

High Energy Cost Grants under section 19 of the RE Act are available for energy generation, transmission, and distribution facilities, including energy efficiency and conservation programs and renewable energy systems that serve rural communities with extremely high energy costs that exceed 275 percent of the national average. Grants are awarded directly from RUS. In addition, RUS may make grants to the Denali Commission to carry out eligible projects in small remote villages in Alaska.

### Telecommunications Program

Infrastructure loans are made to furnish and improve telecommunications services, including a wide array of telecommunication related services, in rural areas.

Hardship (direct loans) loans bear interest at a fixed rate of 5 percent per year. These loans are intended only for borrowers with extremely high investment costs in terms of per subscriber service. These borrowers also have a very low number of subscribers for each mile of telecommunications line constructed. This low subscriber "density" inherently increases the cost to serve the most sparsely populated rural areas. Because of the high cost of the investment needed, these borrowers cannot typically afford higher interest rate loans.

Direct loans (or Treasury rate loans) bear interest at the government's cost of money (or the current Treasury rate). Thus, the interest charged varies with the Treasury rate. As Treasury rates increase, so does the cost to the borrower for these loans.

Guaranteed loans are provided to borrowers of a non-government lender or from the Federal Financing Bank (FFB). The interest rate charged on FFB loans is the Treasury rate plus an administrative fee of one-eighth of 1 percent. The terms of these loans may vary significantly and allow borrowers more flexibility in meeting their financing needs.

In terms of risk, all loans are based on extensive feasibility studies that determine a borrower's ability to repay the loan and loans are monitored and secured through covenants in loan contracts and the borrower's mortgage with Rural Development, which gives the government a first lien on all of the assets of the borrower.

Broadband loans were first authorized in the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) which established a new loan and loan guarantee program "Access to Broadband Telecommunications Services in Rural Areas." This program is designed to provide funding for the cost of constructing, improving, and acquiring facilities and equipment for broadband service in rural communities of 20,000 inhabitants or less. Direct loans are made at the cost of money to the Treasury for the life of the facilities financed. Loans may be made at four percent to rural communities where broadband service does not currently exist. Loan guarantees bear an interest rate set by the private lender consistent with the current applicable market rate for a loan of comparable maturity and are guaranteed for no more than 80 percent of the principal amount.

American Recovery and Reinvestment Act of 2009 (ARRA) Broadband Initiatives Program provides \$2.5 billion in budget authority for loan, grant and loan/grant combinations financing of broadband infrastructure in rural communities. This program was announced in a Notice of Funds Availability published on July 9, 2009.

Distance learning and telemedicine (DLT) loans and grants are authorized by 7 U.S.C. 950aaa. This program assists rural schools and learning centers gain access to improved educational resources, and assists rural hospitals and health care centers gain access to improved medical resources. Building on advanced telecommunications infrastructure, telemedicine projects are providing new and improved health care services and benefits to rural residents, many in medically underserved areas, by linking to urban medical centers for clinical interactive video consultation, distance training of rural health care providers, and access to medical expertise and library resources. Distance learning projects provide funding for Internet-based educational services in schools and libraries and promote confidence in, and understanding of, the world-wide-web and its benefits to students and young entrepreneurs. Loans, made at the Treasury rate of interest, and grants will encourage, improve, and make affordable the use of advanced telecommunications. This increased use will provide educational and health care benefits to people living in rural areas. Program results have demonstrated the dramatic benefits that can be achieved by investments made in educational interactive video, Internet, and other information networks.

investments made in educational interactive video, Internet, and other information networks.

Water and Waste Disposal Loans and Grants

Direct Water and Waste Disposal Loans - Section 306 CONACT & 7 U.S.C. 1926. Direct loans may be made to develop water and wastewater systems, including solid waste disposal and storm drainage, in rural areas and in cities and towns with a population of 10,000 or less.

Guaranteed Water and Waste Disposal Loans - Section 306 CONACT & 7 U.S.C. 1926. Guaranteed loans may be made for the same purpose as direct loans. They are made and serviced by private lenders such as banks and savings and loan associations. The guarantee is 90 percent of the eligible loss incurred by the lender.

Water and Waste Disposal Grants - Section 306 CONACT & 7 U.S.C. 1926. Grants are available to reduce water and waste disposal costs to a reasonable level for users of the system. Grants may be made, in some instances, up to 75 percent of eligible project costs.

Water and Waste Facility Loans and Grants to alleviate health risks - Section 306(c) CONACT & 7 U.S.C. 1926. Section 306C loans and grants are available to low-income rural communities whose residents face significant health risks because they do not have access to water supply systems or waste disposal facilities. The grants are available to provide water or waste services to designated colonias in Arizona, California, New Mexico, and Texas. Grants may be made in conjunction with loans and up to 100 percent of the eligible project cost.

Solid Waste Management Grants - Section 310 (b) CONACT & 7 U.S.C. 1932. Grants are made available to eligible organizations to address solid waste management issues and threats to water resources from solid waste in rural communities. Assistance may be provided to enhance operator skills in operations and maintenance, identify threats to water resources, reduce or eliminate pollution of water resources, improve planning and management of solid waste disposal facilities in rural areas, and reduce the solid waste stream.

Geographic dispersion of offices and employees

Rural Development programs are administered by the three programs within Rural Development: Housing and Community Facilities, Business and Cooperative Development and Utilities Service. Rural Development headquarters is located in Washington, D.C. As of September 30, 2009, there were 5,873 total permanent full-time employees including 1,653 in the headquarters office and 4,220 in field offices.

OIG Reports

09601-004-TE FINAL – Broadband Loan and Grant Programs. In an effort to address criticisms and challenges encountered (from industry, Congress, the IG, as well as desired internal changes), Rural Development issued a Proposed Rule, published in May 2007 seeking comments from interested parties, that:

- (1) clearly defined served, underserved, and un-served markets based on service availability and the number of existing competitors and target un-served an underserved areas;
- (2) provided applicants with a clear definition of which communities are eligible for funding;
- (3) established equity requirements that provide incentives for serving the un-served;
- (4) reduced market survey requirements;
- (5) increased application transparency through web-based information dissemination; and
- (6) imposed new time limits for timely deployment of services to rural customers.

**New Regulation Implementing 2008 Farm Bill:**

New regulations have been drafted; proceeding with publishing this regulation will address many of the open concerns reported in the last (and upcoming) OIG Audit. The new rules will:

- Implement a new definition of “rural” – eliminating financing in the “urbanized areas”
- Limit funding where there are already three or more service providers
- Place an emphasis on serving the un-served and under-served
- Streamline application procedures and increase the transparency of the application process

**Current Status:**

All the agency’s resources have been dedicated to the full implementation of funding provided in the Recovery Act. The agency continues to develop an interim final rule to improve the ongoing broadband program.

**Current OIG Audit:**

Discussion draft issued January 6, 2009; exit conference was January 29, 2009.

The audit was still critical of the program, noting that since the original audit, many recommendations had not been adopted; specifically, issues concerning the definition of rural, funding in competitive areas, funding in “suburban” areas. Despite publishing a proposed rule that addressed these concerns (in May 2007), the audit made no reference to that action. The proposed rule:

- clearly defined served, underserved, and un-served markets based on service availability and the number of existing competitors and target un-served and underserved areas;
- provided applicants with a clear definition of which communities are eligible for funding;
- established minimum transmission rates that must be delivered to the consumer;
- established equity requirements that provide incentives for serving the un-served;
- increased application transparency through web-based information dissemination; and
- imposed new time limits for timely deployment of services to rural customers.

OIG revised the draft audit and provide some credit for issuing the proposed rule.

**Current Status:**

Official draft audit was issued 2/23/09.

Rural Development has responded with comments on 3/25/09, noting discrepancies and inaccuracies. The final audit was dated 3/31/09.

**GAO Reports**

320368 – Reviewing the Use and Effectiveness of U.S. Financial, Program, and Technical Assistance Under the Amended Compact of Free Association (P.L. 108-188) and Related Agreements.

360666 – Entrance: Impact of Coastal Barrier Resources Act (Departmental Audit – Rural Development has the lead).

360754 – Entrance: Freshwater Programs (Departmental Audit – Utilities Programs has the lead).

543159 – Exit: Funding of Public Broadcasting. Program staff had no issues with the comments in the report.

## RURAL UTILITIES SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Water and Waste Disposal Program Account (including transfer of balances)

For the cost of direct loans, loan guarantees, and grants for the rural water, waste water, waste disposal, and solid waste management programs authorized by sections 306, 306A, 306C, 306D, 306E, and 310B and described in sections 306C(a)(2), 306D, 306E, and 381E(d)(2) of the Consolidated Farm and Rural Development Act, [~~\$568,730,000~~]\$534,414,000, to remain available until expended, of which not to exceed \$497,000 shall be available for the rural utilities program described in section 306(a)(2)(B) of such Act, and of which not to exceed \$993,000 shall be available for the rural utilities program described in section 306E of such Act: *Provided*, That [~~\$70,000,000~~]\$65,000,000 of the amount appropriated under this heading shall be for loans and grants including water and waste disposal systems grants authorized by 306C(a)(2)(B) and 306D of the Consolidated Farm and Rural Development Act, Federally-recognized Native American Tribes authorized by 306C(a)(1), and the Department of Hawaiian Home Lands (of the State of Hawaii):

1 [Provided further, That not less than \$65,000,000 of the unobligated balances available for grants authorized by 306D of the Consolidated Farm and Rural Development Act shall be obligated within 90 days of the enactment of this Act: ]*Provided further*, That not to exceed [~~\$19,500,000~~]\$19,000,000 of the amount appropriated under this heading shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act, unless the Secretary makes a determination of extreme need, of which \$6,000,000 shall be made available for a grant to a qualified non-profit multi-state regional technical assistance organization, with experience in working with small communities on water and waste water problems, the principal purpose of such grant shall be to assist rural communities with populations of 3,300 or less, in improving the planning, financing, development, operation, and management of water and waste water systems, and of which not less than \$800,000 shall be for a qualified national Native American organization to provide technical assistance for rural water systems for tribal communities: *Provided further*, That not to exceed [~~\$15,000,000~~]\$14,000,000 of the amount appropriated under this heading shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That

2, 3 of the amount appropriated under this heading, the amount equal to the amount of Rural Water and Waste Disposal Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year [~~2009~~]2010, shall be available through June 30, [~~2010~~]2011,

4 for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones for the rural utilities programs described in section 381E(d)(2) of such Act: [*Provided further*, That \$17,500,000 of the amount appropriated under this heading shall be transferred to, and merged with, the Rural Utilities Service, High Energy Cost Grants Account to provide grants authorized under section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a): *Provided further*, That any prior year balances for high cost energy grants authorized by section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a) shall be transferred to and merged with the Rural Utilities Service, High Energy Costs Grants Account: ]*Provided further*, That section 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to the funds made available under this heading: *Provided further*, That any prior balances in the Rural Development, Rural Community Advancement Program account programs authorized by sections 306, 306A, 306C, 306D, 306E, and 310B and described in sections 306C(a)(2), 306D, 306E, and 381E(d)(2) of such Act be transferred and merged with this account and any other prior balances from the Rural Development, Rural Community Advancement Program account that the Secretary determines is appropriate to transfer.

The first change removes the language requiring an obligation of unobligated balances within a specific timeframe.

The second change reflects the change of the fiscal year the designation of set-aside for Rural Economic Area Partnership Zones funds is formulated by.

The third change modifies the expiration date of set-aside funds for rural economic area partnership zones from June 30, 2010, to June 30, 2011.

The fourth change eliminates the High Energy Cost grants since the program has been funded in previous years and unobligated funds are available for this purpose.

## RURAL UTILITIES SERVICE

Analysis of Change in AppropriationRURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

(On basis of loan level, subsidy, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2010.....	\$1,097,161,804	\$77,071,000	\$474,159,000
Budget Estimate, 2011.....	1,111,293,707	88,914,000	445,500,000
Increase or decrease in Appropriations.....	<u>14,131,903</u>	<u>11,843,000</u>	<u>-28,659,000</u>

PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidies and grants)

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Water and Waste Disposal Programs:								
Direct loans.....	\$554,095	\$81,009	\$1,022,162	\$77,071	\$14,132 (1)	\$11,843 (2)	\$1,036,294	\$88,914
Direct loans - ARRA <u>g</u> /.....	991,645	144,978	0	0	0	0	0	0
Direct loans 2008 disasters em supp. <u>f</u> /.....	17,726	2,592	0	0	0	0	0	0
Guaranteed loans <u>a</u> /.....	1,996	0	75,000	0	0	0	75,000	0
Grants.....	237,782	237,782	351,728	351,728	-9,218	-9,218 (3)	342,510	342,510
Grants - ARRA <u>g</u> /.....	585,603	585,603	0	0	0	0	0	0
Grants - May 6, 2007 disasters em. supp. <u>e</u> /.....	0	0	0	0	0	0	0	0
Grants - 2008 disasters em. supp. <u>f</u> /.....	11,147	11,147	0	0	0	0	0	0
Technical assistance grants for rural waste systems.....	19,532	19,532	19,500	19,500	-500	-500 (3)	19,000	19,000
Technical assistance grants for rural waste systems - ARRA <u>g</u> /.....	0	0	0	0	0	0	0	0
Circuit rider - technical assistance grants for rural water systems.....	13,592	13,592	15,000	15,000	-1,000	-1,000 (3)	14,000	14,000
Circuit rider - technical assistance grants for rural water systems - ARRA <u>g</u> /.....	4,100	4,100	0	0	0	0	0	0
WWD grants, Alaskan villages.....	10,289	10,289	24,500	24,500	-5,000	-5,000 (3)	19,500	19,500
WWD grants, native American tribes.....	15,549	15,549	16,000	16,000	0	0	16,000	16,000
Water and waste disposal grants, colonias.....	24,545	24,545	24,500	24,500	0	0	24,500	24,500
WWD grants, Hawaiian homelands.....	0	0	5,000	5,000	0	0	5,000	5,000
Grants - 2003/2004 hurricane em. supp. <u>b</u> /.....	0	0	0	0	0	0	0	0
Grants - 2005 hurricane em. supp. <u>c</u> /.....	5,330	5,330	0	0	0	0	0	0
Water well system grants.....	993	993	993	993	0	0	993	993
Water and wastewater revolving funds.....	496	496	497	497	0	0	497	497
Solid waste management grants.....	3,465	3,465	3,441	3,441	59	59 (4)	3,500	3,500
Emergency and imminent community water assistance grants.....	4,540	4,540	13,000	13,000	-13,000	-13,000 (5)	0	0
Emergency community water assistance grants - emergency supplemental.....	0	0	0	0	0	0	0	0
Emergency community water assistance grants - 2005 hurricanes em. Supp. <u>c</u> /.....	0	0	0	0	0	0	0	0
High energy costs grants <u>d</u> /.....	0	0	0	0	0	0	0	0

PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidies and grants)

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Total Available or Estimate.....	2,502,424	1,165,541	1,571,321	551,230	-14,527	-16,816	1,556,794	534,414
Total administrative expenses - ARRA g/.....	0	41,400	0	0	0	0	0	0
Total administrative expenses - 2008 disasters f/.....	0	0	0	0	0	0	0	0
Transfer to high energy cost grants d/.....	17,500	17,500	17,500	17,500	-17,500	-17,500	0	0
Transfer of unobligated balances.....	-67,590	-26,000	0	0	0	0	0	0
Recovery of prior year obligations.....	-31,961	-47,556	0	0	0	0	0	0
Unobligated balance available, start of year.....	-140,913	-109,231	0	0	0	0	0	0
Unobligated balance expiring.....	73,004	0	0	0	0	0	0	0
Unobligated balance available, end of year...	2,743,386	894,614	0	0	0	0	0	0
ARRA Appropriation g/.....	-3,672,476	-1,380,000	0	0	0	0	0	0
Total Appropriation .....	1,423,375	556,268	1,588,821	568,730	-32,027	-34,316	1,556,794	534,414

NOTE: Amounts reflected above are budget projections of use of funds within the Water and Waste Disposal Program Account. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Water and Waste Disposal Programs:								
Direct loans.....	\$554,095	\$81,009	\$1,781,492	\$134,324	-\$745,198	-\$45,410	\$1,036,294	\$88,914
Direct loans - ARRA <u>g</u> /.....	991,645	144,978	1,167,103	88,000	-1,167,103	-88,000	0	0
Direct loans 2008 disasters em supp. <u>f</u> /.....	17,726	2,592	61,783	4,658	-61,783	-4,658	0	0
Guaranteed loans <u>a</u> /.....	1,996	0	75,000	0	0	0	75,000	0
Grants.....	237,782	237,782	478,722	478,722	-136,212	-136,212	342,510	342,510
Grants - ARRA <u>g</u> /.....	585,603	585,603	500,539	500,539	-500,539	-500,539	0	0
Grants - May 6, 2007 disasters em. supp. <u>e</u> /.....	0	0	1,000	1,000	-1,000	-1,000	0	0
Grants - 2008 disasters em. supp. <u>f</u> /.....	11,147	11,147	5,853	5,853	-5,853	-5,853	0	0
Technical assistance grants for rural waste systems.....	19,532	19,532	19,999	19,999	-999	-999	19,000	19,000
Technical assistance grants for rural waste systems - ARRA <u>g</u> /.....	0	0	5,000	5,000	-5,000	-5,000	0	0
Circuit rider - technical assistance grants for rural water systems.....	13,592	13,592	15,408	15,408	-1,408	-1,408	14,000	14,000
Circuit rider - technical assistance grants for rural water systems - ARRA <u>g</u> /.....	4,100	4,100	10,180	10,180	-10,180	-10,180	0	0
WWD grants, Alaskan villages.....	10,289	10,289	98,857	98,857	-79,357	-79,357	19,500	19,500
WWD grants, native American tribes.....	15,549	15,549	16,509	16,509	-509	-509	16,000	16,000
Water and waste disposal grants, colonias.....	24,545	24,545	27,600	27,600	-3,100	-3,100	24,500	24,500
WWD grants, Hawaiian homelands.....	0	0	5,000	5,000	0	0	5,000	5,000
Grants - 2003/2004 hurricane em. supp. <u>b</u> /.....	0	0	3,093	3,093	-3,093	-3,093	0	0
Grants - 2005 hurricane em. supp. <u>c</u> /.....	5,330	5,330	6,607	6,607	-6,607	-6,607	0	0
Water well system grants.....	993	993	993	993	0	0	993	993
Water and wastewater revolving funds.....	496	496	498	498	-1	-1	497	497
Solid waste management grants.....	3,465	3,465	3,750	3,750	-250	-250	3,500	3,500
Emergency and imminent community water assistance grants.....	4,540	4,540	13,360	13,360	-13,360	-13,360	0	0
Emergency community water assistance grants - emergency supplemental.....	0	0	190	190	-190	-190	0	0
Emergency community water assistance grants - 2005 hurricanes em. Supp. <u>c</u> /.....	0	0	4,953	4,953	-4,953	-4,953	0	0
High energy costs grants <u>d</u> /.....	0	0	0	0	0	0	0	0

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Total Available or Estimate.....	2,502,424	1,165,541	4,303,490	1,445,094	-2,746,696	-910,680	1,556,794	534,414
Total administrative expenses - ARRA g/.....	0	41,400	0	0	0	0	0	0
Total administrative expenses - 2008 disasters f/.....	0	0	0	750	0	-750	0	0
Transfer to high energy cost grants d/.....	17,500	17,500	17,500	17,500	-17,500	-17,500	0	0
Transfer of unobligated balances.....	-67,590	-26,000	0	0	0	0	0	0
Recovery of prior year obligations.....	-31,961	-47,556	-2,746,822	-894,614	2,746,822	894,614	0	0
Unobligated balance available, start of year.....	-140,913	-109,231	0	0	0	0	0	0
Unobligated balance expiring.....	73,004	0	0	0	0	0	0	0
Unobligated balance available, end of year...	2,743,386	894,614	0	0	0	0	0	0
ARRA Appropriation g/.....	-3,672,476	-1,380,000	0	0	0	0	0	0
<b>Total Appropriation .....</b>	<b>1,423,375</b>	<b>556,268</b>	<b>1,574,168</b>	<b>568,730</b>	<b>-17,374</b>	<b>-34,316</b>	<b>1,556,794</b>	<b>534,414</b>

NOTE: Amounts reflected above are budget projections of use of funds within the Water and Waste Disposal Program Account. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

Project Statement Footnotes

- a/ Negative subsidy rate of 0.82 percent was calculated for FY 2009, FY 2010 and a negative subsidy rate of 0.85 percent was calculated for FY 2011. Therefore, corresponding budget authority is not required to support the loan levels.
- b/ Provided by the Emergency Supplemental Appropriations for Hurricanes Disasters Assistance Act of 2005, P.L. 108-324, signed October 13, 2004, for the purpose of serving communities affected by hurricanes and tropical storms in calendar year 2003 or 2004.
- c/ Provided by the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and the Pandemic Influenza Act, 2006, P.L. 109-148, signed December 30, 2005, for the purpose of serving communities affected by hurricanes that occurred during the 2005 calendar year.
- d/ This program was transferred to the Rural Utilities Service, High Energy Cost Grant Account in accordance with the Omnibus Appropriations Act, 2009 and the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010.
- e/ Transfer of unobligated balances in the amount of \$1 million from the funds provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, P.L. 110-28, signed May 25, 2007, for areas in Kansas hit by the tornadoes on May 6, 2007, to water and waste disposal grants.
- f/ Transfers from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329 in the amount of \$25 million.
- g/ Provided by the American Recovery and Reinvestment Act (ARRA) of 2009, P.L. 111-5, signed February 17, 2009, for the purpose of making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The funds are available through the fiscal year ending September 30, 2010.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$14,131,903 in direct water and waste disposal loans (\$1,022,161,804 available in 2010).

These loans are targeted to communities with the most urgent needs for basic water improvements and wastewater infrastructure. Because of the relatively low interest rates on loans, more projects are feasible with less grant funds required and the overall program should be able to operate at a higher loan to grant ratio. In addition, the program is contributing to the new Regional Innovation Initiative which focuses planning and coordination of USDA and other sources of assistance for rural communities, allowing for communities with the same region working together instead of independently produce more prosperity for all communities involved.

- (2) An increase of \$11,843,000 in the loan subsidy for the direct water and waste disposal loans (\$77,071,000 available in 2010).

The requested subsidy amount is necessary to support the estimated loan obligations associated with the requested FY 2011 loan levels for the direct water and waste disposal loan program. The change is due to the subsidy rate increases from 7.54 percent to 8.58 percent due to the projected interest rates for the FY 2011 President's Budget economic assumptions.

- (3) A decrease of \$15,718,000 in rural water and waste disposal grants (\$410,728,000 available in 2010).

Because of the relatively low interest rates on loans, more projects are feasible with less grant funds required and the overall program should be able to operate at a higher loan to grant ratio. State directors have the flexibility to better utilize limited funding by transferring up to 25 percent between loan and grant funds. This flexibility allows funds to be directed to meet State and local priorities. In addition, the funding for FY 2011 will be sufficient to meet Technical Assistance, Circuit Rider, and the Federally recognized Tribes, Alaskan Villages and Hawaiian Homeland needs. The decrease in these set-asides puts funds back in the general program.

- (4) An increase of \$59,000 in solid waste management grants (\$3,441,000 available in 2010).

The request continues support for the program which normally receives high levels of demand.

- (5) A decrease of \$13,000,000 in emergency and imminent community water assistance grants (\$13,000,000 available in 2010).

For the emergency and imminent community water assistance grants, the budget maintains flexibility to transfer funding among programs, in the Water and Waste Disposal Program Account. This flexibility allows funds to be directed to meet local priorities.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Disposal Loan Program - Direct

	2009	2010	2011
Alabama	\$16,927,100	\$29,729,000	\$20,360,000
Alaska	--	8,298,000	6,956,000
Arizona	--	17,569,000	11,591,000
Arkansas	16,341,000	21,271,000	13,442,000
California	16,764,000	31,555,000	18,584,000
Colorado	--	14,380,000	9,997,000
Connecticut	3,836,000	9,193,000	7,403,000
Delaware	9,216,065	7,108,000	6,361,000
Florida	8,684,000	30,777,000	18,195,000
Georgia	--	38,419,000	22,014,000
Hawaii	4,047,000	7,467,000	6,540,000
Idaho	7,680,000	11,007,000	8,310,000
Illinois	17,197,400	25,614,000	15,614,000
Indiana	5,748,000	26,275,000	15,944,000
Iowa	6,156,000	17,632,000	11,623,000
Kansas	15,491,000	13,351,000	9,482,000
Kentucky	22,945,000	30,644,000	18,129,000
Louisiana	13,953,000	20,551,000	13,082,000
Maine	9,244,000	13,872,000	9,743,000
Maryland	4,135,600	11,995,000	3,404,000
Massachusetts	7,731,000	8,983,000	3,998,000
Michigan	31,843,000	37,584,000	21,598,000
Minnesota	20,183,000	22,273,000	13,943,000
Mississippi	15,668,150	27,223,000	16,418,000
Missouri	18,243,255	26,634,000	16,124,000
Montana	8,658,000	10,749,000	8,181,000
Nebraska	9,190,000	10,914,000	8,264,000
Nevada	754,000	9,800,000	7,707,000
New Hampshire	1,025,000	10,042,000	7,828,000
New Jersey	6,758,000	8,922,000	7,268,000
New Mexico	5,517,541	11,311,000	8,462,000
New York	11,353,000	29,795,000	17,704,000
North Carolina	28,471,000	42,025,000	23,818,000
North Dakota	6,558,350	7,941,000	6,777,000
Ohio	9,195,000	36,872,000	21,243,000
Oklahoma	4,999,800	19,521,000	12,567,000
Oregon	2,726,900	15,360,000	10,487,000
Pennsylvania	20,522,100	34,814,000	20,213,000
Rhode Island	--	5,624,000	5,620,000
South Carolina	16,182,900	27,485,000	16,549,000
South Dakota	1,912,500	9,327,000	7,470,000
Tennessee	22,195,000	33,638,000	19,626,000
Texas	26,476,700	42,029,000	23,820,000
Utah	5,336,000	8,734,000	7,174,000
Vermont	3,159,000	9,532,000	7,573,000
Virginia	22,161,200	26,450,000	16,032,000
Washington	37,620,600	17,949,000	11,782,000
West Virginia	17,763,500	15,578,000	10,596,000
Wisconsin	1,985,000	23,967,000	14,790,000
Wyoming	--	7,148,000	6,381,000
Puerto Rico	11,540,000	10,570,000	8,092,000
Virgin Islands	--	830,000	3,222,000
W. Pacific Areas	--	830,000	3,222,000
Undistributed	--	784,331,000	394,971,000
Total Avail./Est.	<u>\$554,094,661</u>	<u>\$1,781,492,000</u>	<u>\$1,036,294,000</u>

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Disposal Loan Program - Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$12,991,000	--	--
Alaska	--	--	--
Arizona	2,767,000	--	--
Arkansas	2,143,000	--	--
California	10,632,400	--	--
Colorado	--	--	--
Connecticut	21,351,000	--	--
Delaware	2,090,000	--	--
Florida	13,335,200	--	--
Georgia	20,518,300	--	--
Hawaii	1,012,000	--	--
Idaho	6,940,000	--	--
Illinois	7,286,000	--	--
Indiana	55,902,200	--	--
Iowa	2,016,000	--	--
Kansas	16,947,000	--	--
Kentucky	28,827,100	--	--
Louisiana	12,693,000	--	--
Maine	10,558,000	--	--
Maryland	13,137,000	--	--
Massachusetts	814,000	--	--
Michigan	99,714,000	--	--
Minnesota	26,275,000	--	--
Mississippi	15,487,375	--	--
Missouri	33,883,000	--	--
Montana	6,229,000	--	--
Nebraska	870,000	--	--
Nevada	175,906	--	--
New Hampshire	14,866,000	--	--
New Jersey	13,129,000	--	--
New Mexico	17,277,000	--	--
New York	46,367,000	--	--
North Carolina	3,160,000	--	--
North Dakota	14,425,800	--	--
Ohio	22,281,000	--	--
Oklahoma	18,641,440	--	--
Oregon	26,940,000	--	--
Pennsylvania	36,240,150	--	--
Rhode Island	386,000	--	--
South Carolina	38,973,300	--	--
South Dakota	29,377,000	--	--
Tennessee	13,071,000	--	--
Texas	20,176,330	--	--
Utah	5,569,000	--	--
Vermont	12,571,200	--	--
Virginia	30,078,000	--	--
Washington	36,849,000	--	--
West Virginia	52,772,000	--	--
Wisconsin	11,830,000	--	--
Wyoming	--	--	--
Puerto Rico	13,534,000	--	--
Virgin Islands	--	--	--
W. Pacific Areas	88,536,000	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$991,644,701</u>	<u>\$1,167,102,715</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Disposal Loans  
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arkansas	\$413,000	--	--
Illinois	845,000	--	--
Iowa	1,541,000	--	--
Maine	253,000	--	--
Mississippi	411,000	--	--
Missouri	4,199,000	--	--
Nebraska	146,000	--	--
Ohio	503,000	--	--
Texas	9,415,000	--	--
Total Avail./Est.	<u>\$17,726,000</u>	<u>\$61,783,273</u> <u>1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Disposal Loan Program - Guaranteed

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	--	\$1,532,000	\$1,532,000
Alaska	--	924,000	924,000
Arizona	--	1,187,000	1,187,000
Arkansas	--	1,292,000	1,292,000
California	\$346,100	1,583,000	1,583,000
Colorado	--	1,096,000	1,096,000
Connecticut	--	949,000	949,000
Delaware	--	890,000	890,000
Florida	--	1,561,000	1,561,000
Georgia	--	1,778,000	1,778,000
Hawaii	--	900,000	900,000
Idaho	--	1,000,000	1,000,000
Illinois	--	1,415,000	1,415,000
Indiana	--	1,434,000	1,434,000
Iowa	--	1,188,000	1,188,000
Kansas	--	1,067,000	1,067,000
Kentucky	--	1,558,000	1,558,000
Louisiana	--	1,271,000	1,271,000
Maine	--	1,082,000	1,082,000
Maryland	--	1,028,000	1,028,000
Massachusetts	--	943,000	943,000
Michigan	--	1,755,000	1,755,000
Minnesota	--	1,320,000	1,320,000
Mississippi	--	1,461,000	1,461,000
Missouri	--	1,444,000	1,444,000
Montana	--	993,000	993,000
Nebraska	--	998,000	998,000
Nevada	--	966,000	966,000
New Hampshire	--	973,000	973,000
New Jersey	--	941,000	941,000
New Mexico	--	1,009,000	1,009,000
New York	--	1,534,000	1,534,000
North Carolina	--	1,881,000	1,881,000
North Dakota	1,250,000	913,000	913,000
Ohio	--	1,734,000	1,734,000
Oklahoma	--	1,242,000	1,242,000
Oregon	--	1,124,000	1,124,000
Pennsylvania	--	1,676,000	1,676,000
Rhode Island	--	848,000	848,000
South Carolina	--	1,468,000	1,468,000
South Dakota	--	953,000	953,000
Tennessee	--	1,643,000	1,643,000
Texas	--	1,878,000	1,878,000
Utah	--	936,000	936,000
Vermont	--	959,000	959,000
Virginia	--	1,439,000	1,439,000
Washington	400,000	1,197,000	1,197,000
West Virginia	--	1,130,000	1,130,000
Wisconsin	--	1,368,000	1,368,000
Wyoming	--	891,000	891,000
Puerto Rico	--	988,000	988,000
Virgin Island	--	830,000	830,000
W. Pacific Areas	--	830,000	830,000
Undistributed	--	10,000,000	10,000,000
Total Avail./Est.	<u>\$1,996,100</u>	<u>\$75,000,000</u>	<u>\$75,000,000</u>

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Disposal Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$1,894,575	\$10,095,000	5,047,000
Alaska	11,635,927	2,820,000	1,410,000
Arizona	4,153,465	5,967,000	2,984,000
Arkansas	-5,972,000	7,223,000	3,612,000
California	9,958,200	10,714,000	5,357,000
Colorado	24,300	4,884,000	2,442,000
Connecticut	1,548,000	3,123,000	1,562,000
Delaware	3,121,272	2,416,000	1,208,000
Florida	5,015,280	10,450,000	5,225,000
Georgia	--	13,044,000	6,522,000
Hawaii	1,773,005	2,538,000	1,269,000
Idaho	3,505,000	3,739,000	1,870,000
Illinois	7,590,715	8,698,000	4,349,000
Indiana	1,130,250	8,922,000	4,461,000
Iowa	4,116,500	5,988,000	29,994,000
Kansas	7,022,700	4,535,000	2,267,000
Kentucky	8,758,127	10,405,000	5,202,000
Louisiana	8,473,249	6,979,000	3,490,000
Maine	9,275,000	4,712,000	2,356,000
Maryland	10,357,257	4,075,000	2,038,000
Massachusetts	1,849,975	3,052,000	1,526,000
Michigan	14,423,000	12,761,000	6,381,000
Minnesota	6,891,500	7,563,000	3,782,000
Mississippi	9,997,950	9,244,000	4,622,000
Missouri	8,242,300	9,044,000	4,522,000
Montana	4,919,380	3,651,000	1,826,000
Nebraska	5,421,000	3,708,000	1,854,000
Nevada	1,104,674	3,329,000	1,665,000
New Hampshire	2,975,000	3,411,000	1,706,000
New Jersey	3,219,000	3,031,000	1,516,000
New Mexico	12,859,637	3,842,000	1,921,000
New York	10,189,224	10,117,000	5,059,000
North Carolina	10,005,300	14,268,000	7,134,000
North Dakota	3,075,000	2,698,000	1,349,000
Ohio	6,715,000	12,519,000	6,259,000
Oklahoma	25,727,815	6,629,000	3,315,000
Oregon	2,191,626	5,217,000	2,609,000
Pennsylvania	13,258,610	11,821,000	5,911,000
Rhode Island	509,700	1,912,000	956,000
South Carolina	7,942,400	9,333,000	4,667,000
South Dakota	1,714,000	3,169,000	1,585,000
Tennessee	8,663,400	11,421,000	5,711,000
Texas	19,236,296	14,269,000	7,135,000
Utah	1,028,250	2,968,000	1,484,000
Vermont	2,500,000	3,238,000	1,619,000
Virginia	10,945,800	8,981,000	4,491,000
Washington	4,210,000	6,096,000	3,048,000
West Virginia	8,924,828	5,291,000	2,646,000
Wisconsin	2,465,630	8,138,000	4,069,000
Wyoming	813,000	2,429,000	1,215,000
Puerto Rico	3,888,000	3,591,000	1,796,000
Virgin Islands	--	830,000	415,000
W. Pacific Areas	--	830,000	415,000
Undistributed	--	317,366,498	238,636,000
Total Avail./Est.	<u>\$321,232,117</u>	<u>\$657,094,498</u>	<u>\$435,510,000</u>

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Disposal Grants - Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$5,122,000	--	--
Alaska	3,273,500	--	--
Arizona	16,841,448	--	--
Arkansas	6,711,000	--	--
California	6,346,850	--	--
Colorado	--	--	--
Connecticut	15,349,490	--	--
Delaware	2,136,000	--	--
Florida	7,065,700	--	--
Georgia	3,663,000	--	--
Hawaii	716,800	--	--
Idaho	2,615,000	--	--
Illinois	3,149,000	--	--
Indiana	31,596,200	--	--
Iowa	3,948,000	--	--
Kansas	18,574,500	--	--
Kentucky	6,640,700	--	--
Louisiana	3,652,220	--	--
Maine	18,444,000	--	--
Maryland	11,829,697	--	--
Massachusetts	666,000	--	--
Michigan	59,357,000	--	--
Minnesota	20,202,000	--	--
Mississippi	7,932,756	--	--
Missouri	27,778,034	--	--
Montana	4,598,600	--	--
Nebraska	495,000	--	--
Nevada	--	--	--
New Hampshire	16,143,000	--	--
New Jersey	6,993,000	--	--
New Mexico	11,252,280	--	--
New York	40,974,830	--	--
North Carolina	2,600,000	--	--
North Dakota	7,792,760	--	--
Ohio	22,420,000	--	--
Oklahoma	24,087,850	--	--
Oregon	20,220,300	--	--
Pennsylvania	2,988,960	--	--
Rhode Island	295,000	--	--
South Carolina	18,938,200	--	--
South Dakota	12,455,000	--	--
Tennessee	4,373,300	--	--
Texas	6,856,630	--	--
Utah	3,603,000	--	--
Vermont	18,385,100	--	--
Virginia	15,277,600	--	--
Washington	8,478,000	--	--
West Virginia	22,358,800	--	--
Wisconsin	8,360,900	--	--
Wyoming	--	--	--
Puerto Rico	7,224,642	--	--
Virgin Islands	--	--	--
W. Pacific Areas	15,019,300	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$585,802,947</u>	<u>\$500,539,053 1/</u>	<u>--</u>

RURAL UTILITIES SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Disposal Grants

Technical Assistance Grants for Rural Waste Systems - Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>          --</u>	<u>\$5,000,000 <u>1/</u></u>	<u>          --</u>

Circuit Rider Technical Assistance Grants for Rural Water Systems - Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Oklahoma	<u>\$4,100,333</u>	<u>          --</u>	<u>          --</u>
Total Avail./Est.	<u>\$4,100,333</u>	<u>\$10,179,666 <u>1/</u></u>	<u>          --</u>

1/ Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Disposal Grants  
for Natural Disaster

	2009	2010	2011
Total Avail./Est.	--	\$40,556 <sup>1/</sup>	--

Rural Water and Waste Disposal Grants - Stimulus  
2003/2004 for Hurricanes Disasters

	2009	2010	2011
Total Avail./Est.	--	\$3,052,784 <sup>1/</sup>	--

Rural Water and Waste Disposal Grants  
2005 for Hurricanes for Natural Disaster

	2009	2010	2011
Louisiana	\$463,230	--	--
Texas	4,867,000	--	--
Total Avail./Est.	\$5,330,230	\$6,607,357 <sup>1/</sup>	--

Rural Water and Waste Disposal Grants  
2007 Tornadoes Disasters

	2009	2010	2011
Total Avail./Est.	--	\$1,000,000 <sup>1/</sup>	--

Rural Water and Waste Disposal Grants - 2008 Disasters

	2009	2010	2011
Arkansas	\$188,000	--	--
California	722,500	--	--
Illinois	271,000	--	--
Iowa	1,618,300	--	--
Louisiana	218,000	--	--
Maine	747,000	--	--
Mississippi	1,211,000	--	--
Missouri	395,000	--	--
Nebraska	746,800	--	--
Ohio	410,000	--	--
Texas	4,619,000	--	--
Total Avail./Est.	\$11,146,600	\$4,658,459 <sup>1/</sup>	--

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Individually-Owned Water Well System Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
California	\$100,000	--	--
Georgia	100,000	--	--
Minnesota	144,000	--	--
Ohio	149,000	--	--
Tennessee	100,000	--	--
Virginia	300,000	--	--
Wisconsin	100,000	--	--
Total Avail./Est.	<u>\$993,000</u>	<u>\$993,000</u> <sup>1/</sup>	<u>\$993,000</u> <sup>1/</sup>

Rural Water and Wastewater Revolving Fund Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arkansas	\$496,000	--	--
Total Avail./Est.	<u>\$496,000</u>	<u>\$498,000</u> <sup>1/</sup>	<u>\$497,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Solid Waste Management Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alaska	\$698,000	--	--
Arizona	210,000	--	--
California	246,000	--	--
Colorado	100,000	--	--
Florida	98,000	--	--
Iowa	98,000	--	--
Louisiana	95,000	--	--
Maine	184,000	--	--
Massachusetts	90,000	--	--
Michigan	100,000	--	--
Minnesota	100,000	--	--
Missouri	50,000	--	--
Nevada	198,000	--	--
New Mexico	40,000	--	--
New York	58,000	--	--
North Carolina	110,000	--	--
Ohio	99,000	--	--
Oklahoma	78,000	--	--
Pennsylvania	235,000	--	--
Texas	130,000	--	--
Vermont	200,000	--	--
Washington	68,000	--	--
West Virginia	180,000	--	--
Total Avail./Est.	<u>\$3,465,000</u>	<u>\$3,749,939</u> <sup>1/</sup>	<u>\$3,500,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Emergency and Imminent Community Water Assistance Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$54,600	--	--
Idaho	15,000	--	--
Missouri	574,000	--	--
Nebraska	1,177,000	--	--
Nevada	500,000	--	--
Oklahoma	500,000	--	--
Oregon	126,000	--	--
Tennessee	925,000	--	--
Texas	85,000	--	--
Washington	583,000	--	--
Total Avail./Est.	<u>\$4,539,600</u>	<u>\$13,360,399 <sup>1/</sup></u>	<u>--</u>

Emergency and Imminent Community Water Assistance Grants  
for Natural Disaster

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$189,987 <sup>1/</sup></u>	<u>--</u>

Emergency and Imminent Community Water Assistance Grants  
2005 Hurricanes for Natural Disaster

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$4,953,300 <sup>1/</sup></u>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Rural Water and Waste Disposal Program  
Hawaiian Homelands

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Hawaii	--	\$5,000,000	\$5,000,000
Total Avail./Est.	<u>--</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>

## RURAL UTILITIES SERVICE

## RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

Classification by Objects  
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$41,400,000	\$750,000	\$0
41 Grants, subsidies, and contributions.....	<u>1,165,741,578</u>	<u>1,445,094,438</u>	<u>534,414,000</u>
Total direct obligations.....	<u>1,207,141,578</u>	<u>1,445,844,438</u>	<u>534,414,000</u>

## RURAL UTILITIES SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Electrification and Telecommunications Loans Program Account (including transfer of funds)

- The principal amount of direct and guaranteed loans as authorized by sections 305 and 306 of the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936) shall be made as follows: 5 percent rural electrification loans, \$100,000,000; loans made pursuant to section 306 of that Act, rural electric, 1 ~~[\$6,500,000,000; guaranteed underwriting loans pursuant to section 313A, \$500,000,000]~~ \$4,000,000,000; 5 percent rural telecommunications loans, \$145,000,000; cost of money rural telecommunications loans, \$250,000,000; and for loans made pursuant to section 306 of that Act, 2 rural telecommunications loans, \$295,000,000: Provided, That[, notwithstanding section 6106(b) of the Food, Conservation, and Energy Act of 2008, a guaranteed underwriting loan may not be issued. until the amendments to the Rural Electrification Act of 1936 contained in section 6106(a) of the 3 Food, Conservation, and Energy Act of 2008 are administratively implemented] no funds made available under this paragraph shall be made available for construction, acquisition or improvement of fossil fueled electric generating plants (whether new or existing) unless such funds are made available for carbon sequestration systems.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, ~~[\$39,959,000]~~\$38,374,000, which shall be [transferred to and merged with] paid to the appropriation for "Rural Development, Salaries and Expenses"

The first change eliminates the funding for the 313A guaranteed underwriting loan program.

The second change removes the language concerning implementation of changes in the guaranteed program made due to the Farm Bill.

The third change adds language reflecting the President's 2009 G20 commitment to phase out fossil fuels subsidies. Loan funds will be used only for the transmission and distribution of electricity, carbon capture projects, and the generation of electricity from renewable sources, including wind.

## RURAL UTILITIES SERVICE

Analysis of Change in AppropriationRURAL ELECTRIFICATION AND TELECOMMUNICATIONS ACCOUNT

(On basis of loan level, subsidy, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expenses</u>
Appropriations Act, 2010.....	\$7,790,000,000	\$0	\$39,959,000
Budget Estimate, 2011.....	4,790,000,000	0	38,374,000
Decrease in Appropriations.....	<u>-3,000,000,000</u>	<u>0</u>	<u>-1,585,000</u>

PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidies and grants)

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Electric Loans:								
Direct, 5% <u>a/</u>	\$98,477	\$0	\$100,000	\$0	\$0	\$0	\$100,000	\$0
Direct, FFB <u>b/</u>	6,500,000	0	6,500,000	0	-2,500,000 (1)	0	4,000,000	0
Electric Underwriting Loans	0	0	500,000	0	-500,000 (2)	0	0	0
Total Electric	6,598,477	0	7,100,000	0	-3,000,000	0	4,100,000	0
Telecommunications Loans:								
Direct, 5% <u>c/</u>	145,000	0	145,000	0	0	0	145,000	0
Direct, Treasury Rate <u>h/</u>	250,000	525	250,000	0	0	0	250,000	0
Direct, FFB <u>d/</u>	295,000	0	295,000	0	0	0	295,000	0
Total Telecommunications.....	690,000	525	690,000	0	0	0	690,000	0
Total loans and subsidies	7,288,477	525	7,790,000	0	-3,000,000	0	4,790,000	0
Total administrative expenses <u>e/</u>	0	39,245	0	39,959	0	-1,585 (3)	0	38,374
Unobligated balance expiring	1,523	0	0	0	0	0	0	0
Transfer of unobligated balance	-970	-1,000						
Unobligated balance available, end of year	970	8,015	0	0	0	0	0	0
Total Appropriation.....	7,290,000	46,785	7,790,000	39,959	-3,000,000	-1,585	4,790,000	38,374

NOTE: Individual columns may not add due to rounding

Staff-years are reflected in the Salaries and Expenses Project Statement

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Electric Loans:								
Direct, 5% a/.....	\$98,477	\$0	\$100,000	\$0	\$0	\$0	\$100,000	\$0
Direct, FFB b/.....	6,500,000	0	6,500,000	0	-2,500,000	0	4,000,000	0
Direct, FFB, loan modifications - 2005								
Hurricane Supplemental f/.....	0	0	7,015	7,015	-7,015	-7,015	0	0
Direct, FFB, loan modifications - 2008								
Disasters Supplemental g/.....	0	0	970	970	-970	-970	0	0
Electric Underwriting Loans .....	0	0	500,000	0	-500,000	0	0	0
Total Electric.....	6,598,477	0	7,107,985	7,985	-3,007,985	-7,985	4,100,000	0
Telecommunications Loans:								
Direct, 5% c/.....	145,000	0	145,000	0	0	0	145,000	0
Direct, Treasury Rate.....	250,000	525	250,000	0	0	0	250,000	0
Direct, FFB d/.....	295,000	0	295,000	0	0	0	295,000	0
Total Telecommunications.....	690,000	525	690,000	0	0	0	690,000	0
Total loans and subsidies.....	7,288,477	525	7,797,985	7,985	-3,007,985	-7,985	4,790,000	0
Total administrative expenses e/.....	0	39,245	0	39,959	0	-1,585	0	38,374
Total administrative expenses - 2008								
Disasters g/.....	0	0	30	30	-30	-30	0	0
Unobligated balance available, start of year.....	0	-7,015	-8,015	-8,015	8,015	8,015	0	0
Unobligated balance expiring.....	1,523	0	0	0	0	0	0	0
Transfer of unobligated balance.....	-970	-1,000	0	0	0	0	0	0
Unobligated balance available, end of year.....	970	8,015	0	0	0	0	0	0
Rescission.....	0	0	0	0	0	0	0	0
Total Appropriation.....	7,290,000	39,770	7,790,000	39,959	-3,000,000	-1,585	4,790,000	38,374

NOTE: Individual columns may not add due to rounding.

Staff-years are reflected in the Salaries and Expenses Project Statement.

- a/ Negative subsidy rates of 2.38%, 27.73%, and 7.38% respectively, were calculated for FY 2009, FY 2010 and FY 2011. Therefore, corresponding budget authority is not required to support the program levels.
- b/ Negative subsidy rates of 2.28%, 0.47%, and 4.43% respectively, were calculated for FY 2009, FY 2010 and FY 2011. Therefore, corresponding budget authority is not required to support the program levels
- c/ Negative subsidy rates of 1.76%, 18.59%, and 7.37% respectively were calculated for FY 2009, FY 2010 and FY 2011. Therefore, corresponding budget authority is not required to support the program levels.
- d/ Negative subsidy rates of 0.94%, 0.65%, and 4.65% respectively, were calculated for FY 2009, FY 2010 and FY 2011. Therefore, corresponding budget authority is not required to support the program levels.
- e/ In FY 2009 and FY 2010, funding of \$39,245,000 and \$39,959,000 respectively, was appropriated and transferred to the Rural Development Salaries and Expenses account. In FY 2011, funding of \$38,374,000 is requested and will be paid to the Rural Development Salaries and Expenses account.
- f/ Provided by the Department of Defense, Emergency Supplemental Appropriations to address Hurricanes in the Gulf of Mexico and Pandemic Influenza Act, 2006, P.L. 109-148, signed December 30, 2005, to respond to damage caused by hurricanes that occurred during the 2005 calendar years.
- g/ Provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, Division B - Disaster Relief and Recovery Supplemental Appropriations Act, 2008, P.L. 110-329, dated September 30, 2008, the President declared major disaster, occurring during 2008.
- h/ Negative subsidy rates of -0.4% and -4.43% respectively were calculated for FY 2009 and FY 2010. Therefore, budget authority is not required to support program levels.

JUSTIFICATION OF DECREASES

- (1) A decrease of \$2,500,000,000 in direct electric FFB loans for 2011 (\$6,500,000,000 available in 2010).

The 2011 budget reflects the President's 2009 G20 commitment to phase out fossil fuels subsidies. Consistent with this commitment, no loan funds are provided for new construction of base or peak load generation from coal or natural gas. Loan funds will be used only for the transmission and distribution of electricity, carbon capture projects, and the generation of electricity from renewable sources, including wind. The budget supports \$4.1 billion in loans for these purposes, which is expected to be sufficient to meet the demand. Loans for nuclear power generation will continue to be handled by the Department of Energy.

- (2) A decrease of \$500,000,000 in guaranteed electric underwriting Loans for bonds and notes (\$500,000,000 available in FY 2010).

No funds are being requested for the program as it is duplicative of other programs.

- (3) A decrease of \$1,585,000 in administrative expenses (\$39,959,000 available in 2010).

Justifications for administrative expenses in the amount of \$38,374,000 and the associated staff-years are reflected in the Rural Development Salaries and Expenses Project Statement.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Electric Loans - Direct 5%

	<u>2009</u>	<u>2010</u>	<u>2011</u>
California	\$8,032,000	--	--
Iowa	11,600,000	--	--
Kansas	14,900,000	--	--
Montana	2,467,000	--	--
North Carolina	24,000,000	--	--
Oklahoma	9,893,000	--	--
Pennsylvania	12,492,000	--	--
Virginia	4,500,000	--	--
Wyoming	10,593,000	--	--
Total Avail./Est.	<u>\$98,477,000</u>	<u>\$100,000,000</u> <sup>1/</sup>	<u>\$100,000,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Electric Loans - FFB

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$42,441,000	--	--
Alaska	65,328,000	--	--
Arizona	84,104,000	--	--
Arkansas	132,329,000	--	--
California	20,928,000	--	--
Colorado	144,585,000	--	--
Delaware	21,000,000	--	--
Florida	290,846,000	--	--
Georgia	938,754,000	--	--
Idaho	72,408,000	--	--
Illinois	51,989,000	--	--
Indiana	48,200,000	--	--
Iowa	21,550,000	--	--
Kansas	149,775,000	--	--
Kentucky	591,239,000	--	--
Louisiana	229,872,000	--	--
Maine	10,485,000	--	--
Maryland	88,898,000	--	--
Michigan	14,000,000	--	--
Minnesota	145,319,000	--	--
Mississippi	233,190,000	--	--
Missouri	554,670,000	--	--
Montana	58,285,000	--	--
New Mexico	67,593,000	--	--
North Carolina	140,000,000	--	--
North Dakota	640,410,000	--	--
Ohio	42,182,000	--	--
Oklahoma	184,732,000	--	--
Oregon	23,490,000	--	--
Pennsylvania	45,350,000	--	--
South Carolina	552,769,000	--	--
South Dakota	150,414,000	--	--
Tennessee	116,912,000	--	--
Texas	262,066,000	--	--
Vermont	7,900,000	--	--
Virginia	70,400,000	--	--
Washington	12,914,000	--	--
Wisconsin	28,500,000	--	--
Wyoming	144,173,000	--	--
Total Avail./Est.	<u>\$6,500,000,000</u>	<u>\$6,500,000,000 1/</u>	<u>\$4,000,000,000 1/</u>

Guaranteed Underwriting Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$500,000,000 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Telephone Loans - Direct 5% and Treasury Rate

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arizona	\$4,835,000	--	--
Arkansas	17,000,000	--	--
Colorado	2,948,000	--	--
Illinois	27,335,000	--	--
Iowa	30,674,000	--	--
Kansas	82,378,000	--	--
Kentucky	15,436,000	--	--
Montana	25,000,000	--	--
Nebraska	8,230,000	--	--
New Mexico	28,176,000	--	--
North Dakota	67,963,000	--	--
Ohio	10,124,000	--	--
Oregon	5,631,000	--	--
South Dakota	10,000,000	--	--
Texas	5,947,000	--	--
Wisconsin	21,677,000	--	--
West Pacific	31,646,000	--	--
Total Avail./Est.	<u>\$395,000,000</u>	<u>\$395,000,000 1/</u>	<u>\$395,000,000 1/</u>

Telephone Loans FFB

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Illinois	\$1,050,000	--	--
Iowa	41,548,000	--	--
Kansas	64,951,000	--	--
Minnesota	7,949,000	--	--
Mississippi	21,095,000	--	--
Montana	47,960,000	--	--
Ohio	3,000,000	--	--
South Carolina	77,965,000	--	--
South Dakota	28,982,000	--	--
Texas	500,000	--	--
Total Avail./Est.	<u>\$295,000,000</u>	<u>\$295,000,000 1/</u>	<u>\$295,000,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL UTILITIES SERVICE

## RURAL ELECTRIFICATION AND TELECOMMUNICATIONS PROGRAM

Classification by Objects  
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$39,245,000	\$39,959,000	\$38,374,000
41 Grants, subsidies, and contributions.....	<u>525,000</u>	<u>0</u>	<u>0</u>
Total direct obligations.....	<u><u>39,770,000</u></u>	<u><u>39,959,000</u></u>	<u><u>38,374,000</u></u>

## RURAL UTILITIES SERVICE

The estimates include appropriation language for this item as follows (new language underscores; deleted matter enclosed in brackets):

Distance Learning, Telemedicine and Broadband Program [(including rescission of funds)]

For the principal amount of broadband telecommunication loans, \$400,000,000.

- 1 For grants for telemedicine and distance learning services in rural areas, as authorized by 7 U.S.C. 950aaa et seq., [~~\$37,755,000~~]\$30,000,000, to remain available until expended: *Provided*, That \$3,000,000 shall be made available for grants authorized by 379G of the Consolidated Farm and Rural Development Act: *Provided further*, That \$4,500,000 shall be made available to those noncommercial educational television broadcast stations that serve rural areas and are qualified for Community Service Grants by the Corporation for Public Broadcasting under section 396(k) of the Communications Act of 1934, including associated translators and repeaters, regardless of the location of their main transmitter, studio-to-transmitter links, and equipment to allow local control over digital content and programming through the use of high-definition broadcast, multi-casting and datacasting technologies].

- 2 For the cost of broadband loans, as authorized by section 601 of the Rural Electrification Act, [~~\$28,960,000~~]\$22,320,000, to remain available until expended: *Provided*, That the cost of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, of the unobligated balances available for the cost of the broadband loans, \$15,000,000 are hereby permanently cancelled: *Provided*, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

In addition, \$17,976,000, to remain available until expended, for a grant program to finance broadband transmission in rural areas eligible for Distance Learning and Telemedicine Program benefits authorized by 7 U.S.C. 950aaa.

The first change eliminates \$3,000,000 in funding for health care services grants, and \$4,500,000 in funding to convert analog to digital operation to allow local control over digital content and programming through the use of high definition broadcast, multi-casting and data-casting technologies. Funding is not needed for these purposes in FY 2011.

The second change rescinds non-emergency unobligated balances in the broadband account. This program will be utilizing funds from ARRA in FY 2010, and substantial carryover will be available in FY 2011 to support demand.

## RURAL UTILITIES SERVICE

Analysis of Change in AppropriationDISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM ACCOUNT

(On basis of loan level, subsidy, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2010.....	\$400,000,000	\$28,960,000	\$55,731,000
Budget Estimate, 2011.....	400,000,000	22,320,000	47,976,000
Decrease in Appropriations.....	<u>0</u>	<u>-6,640,000</u>	<u>-7,755,000</u>

PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidies and grants)

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Distance learning and telemedicine:								
Direct loans	\$16,266	\$400	\$0	\$0	\$0	\$0	\$0	\$0
Grants	36,288	36,288	30,255	30,255	-255	-255 (1)	30,000	30,000
Health care services grants	0	0	3,000	3,000	-3,000	-3,000 (2)	0	0
Public broadcasting systems grants	5,086	5,086	4,500	4,500	-4,500	-4,500 (3)	0	0
Broadband telecommunication:								
Direct, Treasury rate loans	6,042	236	400,000	28,960	0	-6,640 (4)	400,000	22,320
Direct, Treasury rate loans - ARRA b/	0	0	0	0	0	0	0	0
Grants	13,385	13,385	17,976	17,976	0	0	17,976	17,976
Grants - ARRA b/.....	0	0	0	0	0	0	0	0
Total Available or Estimate	77,067	55,395	455,731	84,691	-7,755	-14,395	447,976	70,296
Total administrative expenses - ARRA b/	0	75,000	0	0	0	0	0	0
Recovery of prior year obligations	-12,164	-11,423	0	0	0	0	0	0
Unobligated balance available, start of year	-189,645	-10,448	0	0	0	0	0	0
Unobligated balance available, end of year	14,790,804	2,449,075	0	0	0	0	0	0
ARRA Appropriation b/	-14,375,897	-2,500,000	0	0	0	0	0	0
Rescission a/.....	158,483	6,181	0	0	0	0	0	0
<b>Total Appropriation, Discretionary</b>	<b>448,648</b>	<b>63,780</b>	<b>455,731</b>	<b>84,691</b>	<b>-7,755</b>	<b>-14,395</b>	<b>447,976</b>	<b>70,296</b>

NOTE: Individual columns may not add due to rounding

Staff-years are reflected in the Salaries and Expenses Project Statement

a/ The amounts are rescinded pursuant to P L 111-8

b/ Provided by the American Recovery and Reinvestment Act of 2009, P L 111-5, signed February 17, 2009, for the purpose of making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The funds are available through the fiscal year ending September 30, 2010

PROJECT STATEMENT  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Distance learning and telemedicine:								
Direct loans.....	\$16,266	\$400	\$5,670	\$158	-\$5,670	-\$158	\$0	\$0
Grants.....	36,288	36,288	32,379	32,379	-2,379	-2,379	30,000	30,000
Health care services grants.....	0	0	3,000	3,000	-3,000	-3,000	0	0
Public broadcasting systems grants.....	5,086	5,086	4,500	4,500	-4,500	-4,500	0	0
Broadband telecommunication:								
Direct, Treasury rate loans.....	6,042	236	408,389	29,567	-8,389	-7,247	400,000	22,320
Direct, Treasury rate loans - ARRA <u>b/</u> .....	0	0	6,698,895	485,000	-6,698,895	-485,000	0	0
Grants.....	13,385	13,385	24,162	24,162	-6,186	-6,186	17,976	17,976
Grants - ARRA <u>b/</u> .....	0	0	1,940,000	1,940,000	-1,940,000	-1,940,000	0	0
Total Available or Estimate.....	77,067	55,395	9,116,995	2,518,766	-8,669,019	-2,448,470	447,976	70,296
Total administrative expenses - ARRA <u>b/</u> .....	0	75,000	0	0	0	0	0	0
Recovery of prior year obligations.....	-12,164	-11,423	0	0	0	0	0	0
Unobligated balance available, start of year.....	-189,645	-10,448	-8,868,446	-2,449,075	8,599,629	2,434,075	-268,817	-15,000
Unobligated balance available, end of year.....	14,790,804	2,449,075	207,182	15,000	-207,182	-15,000	0	0
ARRA Appropriation <u>b/</u> .....	-14,375,897	-2,500,000	0	0	0	0	0	0
Rescission <u>a/</u> .....	158,483	6,181	0	0	0	0	0	0
Rescission <u>c/</u> .....	0	0	0	0	268,817	15,000	268,817	15,000
Total Appropriation, Discretionary	448,648	63,780	455,731	84,691	-7,755	-14,395	447,976	70,296

NOTE: Individual columns may not add due to rounding.

Staff-years are reflected in the Salaries and Expenses Project Statement.

a/ The amounts are rescinded pursuant to P.L. 111-8.

b/ Provided by the American Recovery and Reinvestment Act of 2009, P.L. 111-5, signed February 17, 2009, for the purpose of making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The funds are available through the fiscal year ending September 30, 2010.

c/ The proposed rescission is of carryover balances into FY 2010 of regular funds not anticipated being obligated due to the large carryover of ARRA funding which will be obligated first in FY 2010 as it expires on September 30, 2010.

JUSTIFICATION OF DECREASES

- (1) A decrease of \$255,000 for distance learning and telemedicine grants (\$30,255,000 available in 2010).

For the distance learning and telemedicine grants, the decreased request is sufficient to meet program needs.

- (2) A decrease of \$3,000,000 for health care services grants (\$3,000,000 available in 2010).

The budget does not include funds to continue this program in FY 2011.

- (3) A decrease of \$4,500,000 for public broadcast system grants (\$4,500,000 available in 2010).

The requested decrease eliminates funding provided for digital TV conversion in rural areas. Digital TV conversion was completed in June, 2009, and no funding is needed for this purpose in FY 2011.

- (4) A decrease of \$6,640,000 in loan subsidy for direct broadband telecommunication treasury rate (\$28,960,000 available in 2010).

The requested subsidy amount is necessary to support the estimated loan obligations associated with the requested FY 2011 loan level for the broadband direct Treasury rate loan program. The change is due to the subsidy rate decline from 7.24 percent to 5.58 percent due to the projected interest rates for the FY 2011 President's Budget economic assumptions and changes Recovery Act assumptions.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Distance Learning and Telemedicine Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alaska	\$776,834	--	--
Arkansas	536,229	--	--
Kansas	551,651	--	--
Kentucky	736,694	--	--
Maine	408,884	--	--
Mississippi	9,992,000	--	--
Oregon	480,122	--	--
Pennsylvania	1,666,523	--	--
Vermont	316,842	--	--
Wisconsin	800,000	--	--
Total Avail./Est.	<u>\$16,265,779</u>	<u>\$5,669,930</u> <u>1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Distance Learning and Telemedicine Grants

	2009	2010	2011
Alabama	\$433,867	--	--
Alaska	1,308,970	--	--
Arizona	885,081	--	--
Arkansas	2,394,628	--	--
Colorado	217,656	--	--
Georgia	1,002,298	--	--
Hawaii	453,131	--	--
Idaho	981,892	--	--
Indiana	299,458	--	--
Iowa	737,151	--	--
Kansas	1,061,295	--	--
Kentucky	822,621	--	--
Maine	3,869,307	--	--
Michigan	1,025,612	--	--
Minnesota	1,398,461	--	--
Mississippi	589,661	--	--
Missouri	1,027,554	--	--
Montana	842,709	--	--
Nebraska	695,722	--	--
New Jersey	175,584	--	--
New Mexico	1,013,970	--	--
New York	1,350,052	--	--
Ohio	433,282	--	--
Oklahoma	2,749,779	--	--
Oregon	777,844	--	--
Pennsylvania	386,798	--	--
South Dakota	1,161,873	--	--
Tennessee	2,114,418	--	--
Texas	1,443,395	--	--
Vermont	168,320	--	--
Virginia	267,633	--	--
Washington	993,057	--	--
West Virginia	1,186,107	--	--
Wisconsin	1,054,903	--	--
Wyoming	963,565	--	--
Total Avail./Est.	<u>\$36,287,654</u>	<u>\$32,379,002 1/</u>	<u>\$30,000,000 1/</u>

Public Broadcasting Systems Grants

	2009	2010	2011
Arkansas	\$749,417	--	--
Colorado	345,480	--	--
Idaho	481,770	--	--
Indiana	596,000	--	--
Louisiana	745,000	--	--
Michigan	750,000	--	--
Minnesota	496,899	--	--
Nevada	265,800	--	--
Vermont	352,094	--	--
Wyoming	304,000	--	--
Total Avail./Est.	<u>\$5,086,460</u>	<u>\$4,500,000 1/</u>	<u>-- 1/</u>

Consolidated Farm and Rural Development Act, Section 379

	2009	2010	2011
Total Avail./Est.	<u>--</u>	<u>\$3,000,000 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

Direct Broadband Telecommunications Loans - Treasury Rate

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Iowa	\$2,750,000	--	--
Kansas	2,384,000	--	--
Michigan	908,000	--	--
Total Avail./Est.	<u>\$6,042,000</u>	<u>\$408,389,199</u> 1/	<u>\$400,000,000</u> 1/

Broadband Telecommunications Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
California	\$1,038,886	--	--
Colorado	402,666	--	--
Kentucky	997,015	--	--
Louisiana	924,308	--	--
Missouri	471,905	--	--
New Mexico	1,101,900	--	--
Oklahoma	2,931,033	--	--
Oregon	550,950	--	--
Texas	3,295,246	--	--
Virginia	837,453	--	--
Washington	834,164	--	--
Total Avail./Est.	<u>\$13,385,526</u>	<u>\$24,161,951</u> 1/	<u>\$17,976,000</u> 1/

Direct Broadband Telecommunications Loans - Treasury Rate

Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$6,698,895,028</u> 1/	<u>--</u>

Broadband Telecommunications Grants

Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$1,940,000,000</u> 1/	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL UTILITIES SERVICE

## DISTANCE LEARNING, TELEMEDICINE AND BROADBAND PROGRAM ACCOUNT

Classification by Objects  
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$75,000,000	\$0	\$0
41 Grants, subsidies, and contributions.....	<u>55,395,416</u>	<u>2,533,765,956</u>	<u>70,296,000</u>
Total direct obligations.....	<u><u>130,395,416</u></u>	<u><u>2,533,765,956</u></u>	<u><u>70,296,000</u></u>

## RURAL UTILITIES SERVICE

HIGH ENERGY COST GRANTSPROJECT STATEMENT

(On basis of appropriation transfer)  
(In thousands of dollars)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
High energy cost grants a/.....	\$19,374	\$17,500	-\$17,500	\$0
Total Available or Estimate.....	19,374	17,500	-\$17,500	0
Transfer from Rural Water and Waste Disposal Program.....	-17,500	-17,500	17,500	0
Unobligated balance available, start of year.....	-19,507	0	0	0
Unobligated balance available, end of year.....	17,633	0	0	0
Total Appropriation.....	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ In FY 2009 and FY 2010, \$17,500,000 was provided for this program in the Rural Water and Waste Disposal Program account and transferred to this account. In FY 2011 no funds are proposed for this program.

PROJECT STATEMENT

(On basis of available funds)  
(In thousands of dollars)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
High energy cost grants a/.....	\$19,374	\$35,133	-\$35,133	\$0
Total Available or Estimate.....	19,374	35,133	-35,133	0
Transfer from Rural Water and Waste Disposal Program.....	-17,500	-17,500	17,500	0
Unobligated balance available, start of year.....	-19,507	-17,633	17,633	0
Unobligated balance available, end of year.....	17,633	0	0	0
Total Appropriation.....	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ In FY 2009 and FY 2010, \$17,500,000 was provided for this program in the Rural Water and Waste Disposal Program account and transferred to this account. In FY 2011 no funds are proposed for this program.

JUSTIFICATION OF DECREASE

A decrease of \$17,500,000 for high energy cost grants (\$17,500,000 available in 2010).

The high energy costs grant program traditionally carries over the previous year's appropriation into the next fiscal year. We anticipate the FY 2010 funding will be carried over and available in FY 2011 for obligation. Carryover funding is sufficient to meet program requirements.

RURAL UTILITIES SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2009 Actual and Estimated 2010 and 2011

High Energy Cost Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alaska	\$13,858,735	--	--
California	672,011	--	--
Florida	761,400	--	--
Maine	1,581,392	--	--
New Mexico	550,722	--	--
New York	1,250,000	--	--
W. Pacific Areas	<u>700,000</u>	--	--
Total Avail./Est.	<u>\$19,374,260</u>	<u>\$35,133,271</u> <u>1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL UTILITIES SERVICE

## HIGH ENERGY COST GRANTS

Classification by Objects  
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$19,374,260</u>	<u>\$35,133,271</u>	<u>\$0</u>
Total direct obligations.....	<u>19,374,260</u>	<u>35,133,271</u>	<u>0</u>

**RURAL UTILITES SERVICE****SUMMARY OF RECOVERY ACT FUNDING**

(in thousands)

<u>Program/Project/Activity</u>	<u>2009</u>	<u>2010</u>
Broadband Loan and Grants	\$0	\$8,638,895
Water and Waste Loan	\$991,645	\$1,167,103
Water and Waste Grants	\$589,903	\$515,719
Total Available for Program	\$1,581,548	\$10,321,717
Salaries and Expenses	\$64,638	\$51,762
Total Available	\$1,646,186	\$10,373,479

**Project Statement – Recovery Act****(On basis of available funds)****(in thousands)**

	<u>2009 Actual</u>		<u>2010 Estimated</u>		<u>Increase or Decrease</u>
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	
Rural Water & Waste Disposal Direct Loan Program	\$991,644	229	\$1,167,102	0	-\$1,167,102
Rural Water & Waste Disposal Grants Program	\$585,802	135	\$500,539	0	-\$500,539
Technical Assistance Grants for Rural Waste Systems	\$0	0	\$5,000	0	-\$5,000
Rural Circuit Rider Contract Grants	\$4,100	0	\$10,179	0	-\$10,179
Distance Learning, Telemedicine & Broadband Loan Program	\$0	0	\$6,698,895	0	-\$6,698,895
Distance Learning, Telemedicine & Broadband Grants Program	\$0	0	\$1,940,000	0	-\$1,940,000
Salaries and Expenses	\$64,638		\$51,762		
Total Available	\$1,646,638	364	\$10,373,479	0	-\$10,373,479

**Program Implementation Activities:****Broadband Loan and Grant Program**

Program Implementation Activities:Broadband Loan and Grant Program

## Goals

- Fund projects that will support economic development/job creation beyond the immediate construction/operations of the broadband facilities (initial priority to areas where business demand for service can already be demonstrated over areas where demand can be created).
- Ensure that broadband service is provided to rural areas lacking access, targeting un-served.

Objectives: Loans and grants will be used to fund the design and construction of broadband systems and facilities in rural areas.

## Delivery Schedule:

- Weekly meetings being held and coordinated by White House.
  - Working closely with Commerce, FCC, and the White House to coordinate efforts to rollout programs.
- First round of funding was announced through a Notice of Funds Availability published in July 2009. Application window closed August 24, 2009. More than 2,200 applications were received. Initial awards were announced on December 17, 2009. Additional awards were announced on January 25, 2010.

	Cumulative Agency ARRA Funding To Date
ALABAMA	\$113,474,002
ALASKA	3,892,920
CALIFORNIA	5,483,010
COLORADO	756,925
HAWAII	106,503
IOWA	5,132,605
KANSAS	101,201,649
LOUISIANA	12,483,600
MICHIGAN	8,605,935
MISSOURI	19,097,817
NEW HAMPSHIRE	8,058,244
NEW YORK	756,925
NORTH DAKOTA	985,000
OHIO	5,328,642
OKLAHOMA	2,433,912
OREGON	9,482,316
TENNESSEE	628,860
VIRGINIA	49,679,709
TOTAL	\$16,124,176

- A second round of funding will be announced in January 2010.
- All obligations must be made by September 30, 2010.

## Achievement of Program Goals:

- Performance goals are under development. This is a new program, and goals will be developed based on experience with the applications received under the first round of funding.

Water and Waste Disposal Program

## Goals

- 2.6 million customers receiving new or improved service.
- Reduce by 7%, rural people's exposure to water related health and safety hazards.
- 64,600 jobs created or saved (based on multiplier).

**Objectives:** Loans and grants to rural water and waste systems will be used to construct, improve or rehabilitate rural water and waste disposal systems. Grant funding will also be used to provide grants to nonprofit organizations for technical assistance for rural water and waste systems.

**Delivery Schedule:**

**Project**

- April 2009 – ARRA fund obligations for shovel ready projects.
  - April 2009 – Notice of Funds Availability (NOFA) published by Rural Development for all Rural Development programs implementing ARRA.
  - May 2009 – Allocation of funds to State Offices and National Circuit Rider Contract.
  - May – September 2009 – State allocations are monitored and teleconferences and assistance visits provided to ensure proper utilization of funds.
  - June 2009 – Complete obligation of \$1.3 Billion of ARRA funding.
  - May 2009 to August 2010 – Complete marketing of ARRA funding through outreach.
  - June 2009 to September 2010 - The Agency will manage funding to ensure the September 30, 2010 deadline for obligation is met. Funding will periodically be redistributed.
- Through September 30, 2009, ARRA had investments of \$1.58 billion in loans and grants; as of January 22, 2010, \$1.97 billion in loans and grants.

	\$ Loans Obligated	\$ Grants Obligated
FY 2009	\$ 991,644,701	\$585,802,947
FY 2010 through 1/22/2010	\$ 241,257,600	\$154,360,238
Total	\$1,232,902,301	\$740,163,185

State	FY 2009 ARRA		FY 2010 ARRA through 1/22/2010	
	Grant Obligated	Loan Obligated	Grant Obligated	Loan Obligated
ALABAMA	\$5,122,000	\$12,991,000	\$0	\$0
ALASKA	\$3,273,500	\$0	\$85,000	\$0
ARIZONA	\$16,841,448	\$2,767,000	\$0	\$0
ARKANSAS	\$6,711,000	\$2,143,000	\$39,301,000	\$20,603,000
CALIFORNIA	\$6,346,850	\$10,632,400	\$999,500	\$4,000,000
COLORADO	\$0	\$0	\$404,700	\$519,000
CONNECTICUT	\$15,349,490	\$21,351,000	\$0	\$0
DELAWARE	\$2,136,000	\$2,090,000	\$0	\$6,400,000
FLORIDA	\$7,065,700	\$13,335,200	\$3,046,300	\$5,139,000
GEORGIA	\$3,663,000	\$20,518,300	\$7,267,000	\$6,413,000
HAWAII	\$716,800	\$1,012,000	\$0	\$0
IDAHO	\$2,615,000	\$6,940,000	\$0	\$0
ILLINOIS	\$3,149,000	\$7,286,000	\$2,433,500	\$5,654,000
INDIANA	\$31,596,200	\$55,902,200	\$0	\$0
IOWA	\$3,948,000	\$2,016,000	\$0	\$0
KANSAS	\$18,574,500	\$16,947,000	\$1,169,000	\$1,165,000
KENTUCKY	\$6,640,700	\$28,827,100	\$12,125,000	\$25,698,000
LOUISIANA	\$3,652,220	\$12,693,000	\$0	\$0
MAINE	\$18,444,000	\$10,558,000	\$7,054,500	\$4,218,000
MARYLAND	\$11,829,697	\$13,137,000	\$2,647,000	\$4,663,000

MASSACHUSETTS	\$666,000	\$814,000	\$1,058,000	\$1,402,000
MICHIGAN	\$59,357,000	\$99,714,000	\$10,126,000	\$28,539,000
MINNESOTA	\$20,202,000	\$26,275,000	\$633,000	\$2,314,000
MISSISSIPPI	\$7,932,756	\$15,487,375	\$8,997,436	\$8,917,000
MISSOURI	\$27,778,034	\$33,883,000	\$1,062,010	\$1,387,300
MONTANA	\$4,598,600	\$6,229,000	\$597,000	\$649,000
NEBRASKA	\$495,000	\$870,000	\$354,000	\$442,000
NEVADA	\$0	\$175,906	\$2,486,020	\$4,394,000
NEW HAMPSHIRE	\$16,143,000	\$14,866,000	\$10,408,000	\$8,583,000
NEW JERSEY	\$6,993,000	\$13,129,000	\$621,247	\$0
NEW MEXICO	\$11,252,280	\$17,277,000	\$0	\$0
NEW YORK	\$40,974,830	\$46,367,000	\$4,550,125	\$1,581,000
NORTH CAROLINA	\$2,600,000	\$3,160,000	\$688,000	\$372,000
NORTH DAKOTA	\$7,792,760	\$14,425,800	\$0	\$0
OHIO	\$22,420,000	\$22,281,000	\$0	\$0
OKLAHOMA	\$24,087,850	\$18,641,440	\$4,354,700	\$7,236,800
OREGON	\$20,220,300	\$26,940,000	\$0	\$0
PENNSYLVANIA	\$2,988,960	\$36,240,150	\$3,431,000	\$17,153,700
PUERTO RICO	\$7,224,642	\$13,534,000	\$0	\$0
RHODE ISLAND	\$295,000	\$386,000	\$0	\$0
SOUTH CAROLINA	\$18,938,200	\$38,973,300	\$17,709,700	\$24,889,000
SOUTH DAKOTA	\$12,455,000	\$29,377,000	\$2,040,000	\$2,561,000
TENNESSEE	\$4,373,300	\$13,071,000	\$800,000	\$1,896,000
TEXAS	\$6,856,630	\$20,176,330	\$288,000	\$1,139,000
UTAH	\$3,603,000	\$5,569,000	\$316,000	\$3,119,000
VERMONT	\$18,385,100	\$12,571,200	\$2,077,000	\$723,000
VIRGIN ISLANDS	\$0	\$0	\$0	\$0
VIRGINIA	\$15,277,600	\$30,078,000	\$181,000	\$28,958,800
WASHINGTON	\$8,478,000	\$36,849,000	\$0	\$7,030,000
WEST PACIFIC	\$15,019,300	\$88,536,000	\$3,868,500	\$2,047,000
WEST VIRGINIA	\$22,358,800	\$52,772,000	\$0	\$0
WISCONSIN	\$8,360,900	\$11,830,000	\$1,181,000	\$1,452,000
WYOMING	\$0	\$0	\$0	\$0
TOTAL	\$585,802,947	\$991,644,701	\$154,360,238	\$241,257,600

- December 2009 – Complete cumulative obligation of \$2 Billion of ARRA funding for Water and Waste Disposal Program.
  - The cumulative obligation was \$1.5 billion.
- September 30, 2010 – Complete cumulative obligation of \$3.3 Billion of ARRA funding for Water and Waste Disposal Program.

Achievement of Program Goals:

Performance Measures:	Performance Data		
	2009 Actual	2010 Target	2011 Target
Broadband Loan and Grant			
Performance Measure	TBD	TBD	N/A
Water and Waste Disposal			
Number of program borrower's subscribers receiving new or improved service	769,559	1,830,000	N/A
Reduced percentage of rural resident's exposure to water borne illness	2.70%	2%	N/A
Number of jobs created or saved	30,736	33,864	N/A

## RURAL UTILITIES SERVICE

### STATUS OF PROGRAMS

#### Rural Electrification and Telecommunications Loans Programs

**Current Activities:** The Rural Utilities Service provides electric and telecommunications financing through direct loans and loan guarantee programs. The rural electric direct and loan guarantee programs provide financing for the operation of electric generation, transmission, and distribution facilities. The telecommunications loan program provides direct loans for construction, expansion, and operation of telecommunications facilities.

Specific areas being addressed currently include:

1. Financing projects to improve electric service in rural areas. Providing reliable, affordable electricity is essential to the economic well-being and quality of life for all of the Nation's rural residents. The Electric Programs provides leadership and capital to upgrade, expand, maintain, and replace America's vast rural electric infrastructure.
2. Financing projects to improve telecommunication service in rural areas. The program priorities are to ensure that rural communities have access to advanced telecommunications services such as high-speed Internet services and advanced communications services such as distance learning and telemedicine. Program outreach efforts are focused on identifying rural areas that do not have access to these services, which are essential for economic development and improved health and education services.

**Selected Examples of Recent Progress:** Recent accomplishments under this appropriation item are cited below by program:

#### Electric Programs:

The electric programs make direct loans and loan guarantees to finance the construction of electric generation, transmission and distribution facilities, including system improvements and replacements required for electric service in rural areas, and for demand side management, energy efficiency and conservation programs, and on-grid/off-grid renewable energy systems. Loans are made to corporations, States, territories, subdivisions and agencies such as municipalities, utility districts, cooperatives, tribal utilities, nonprofits, limited-dividends, or mutual associations that provide retail electric service needs to rural areas or power supply needs of distribution borrowers in rural areas. The electric programs services nearly 700 active electric borrowers in 46 States, plus the active territories of the Marshall Islands, Puerto Rico, and American Samoa.

In FY 2009, the electric programs approved 209 direct loans and loan guarantees totaling almost \$6.6 billion--173 distribution loans amounting to over \$3.7 billion and 24 generation and transmission loans totaling almost \$2.8 billion. Some of the loans and loan guarantees that were approved follow:

- \$99.477 million for 12 loans in the direct hardship electric loan program.
- \$132.2 million for advanced metering equipment installations
- \$3,287 million for other distribution system improvements.
- \$186.8 million for renewable energy projects
- \$726 million for environmental improvements to existing generation plants.
- \$951 million in transmission system improvements.

The almost \$6.6 billion in financing supported projects in 2,517 counties or 80 percent of all counties in the United States, including 477 counties classified as persistent poverty counties and 1,006 counties classified as outmigration counties. Financing contributed to the creation of over 151,000 jobs in rural areas. Over 9.8 million retail customers benefitted from new or improved electric services financed through RUS in FY 2009.

Funding more renewable energy projects is a goal for USDA. USDA gives priority to completed loan applications that are requesting funds for renewable energy projects.

**Telecommunications Program:**

The telecommunications program makes direct loans for construction, expansion, and operation of telecommunications lines and facilities or systems. Rural Development continues to fund the deployment of advanced telecommunications facilities in rural America. The program makes new or improved services available to borrowers' subscribers, including rural residents and businesses. Performance measures directly measure the impact of the programs on rural communities.

In FY 2009, the telecommunications program approved \$690 million in infrastructure program loans. This funding will allow rural telecommunications providers to deploy new or improved service to more than 175,416 rural subscribers. For the last two years, 90% of the loans financed have been for fiber-to-the-home projects to provide fiber-optic service to rural homes and businesses.

**Distance Learning, Telemedicine and Broadband Program:**

Current Activities: The distance learning, telemedicine and broadband program provides loans and grants for the deployment of equipment utilized in providing distance learning and telemedicine services to rural schools, educational institutions and health care providers, in addition to financing advanced telecommunications networks capable of delivering broadband service to rural residents and businesses.

Specific areas being addressed currently include:

1. Financing projects to provide rural access to adequate medical and educational services. The program focuses on Medically Underserved Areas identified by the Department of Health and Human Services, and on encouraging growth in the number of rural schools which offer distance learning classes to rural residents.
2. Financing projects to provide rural access to high-speed internet services. Priority is given to providing financing for rural communities that do not have access to broadband services. These services are essential for the economic and social development of rural communities.

Selected Examples of Recent Progress: Recent accomplishments under this appropriation item are cited below by program:

**Distance Learning and Telemedicine Program:**

In FY 2009, the distance learning and telemedicine program approved \$52.6 million in distance learning and telemedicine loans and grants which will benefit 754 rural counties. For example, in Alaska, the Copper River School District received a grant to fund a videoconferencing system connecting 6 schools and a child advocacy center, encompassing 23,000 square miles of extremely rural and isolated territory. In addition to shared classes, content creation and professional development, counseling and outreach services will be extended to these communities to assist children who are in abusive situations.

**Broadband Program:**

The 2008 Farm Bill required changes to the Rural Access Broadband Loan and Loan Guarantee Program which was authorized under the 2002 Farm Bill. New regulations are currently under development. The efficient implementation of the Recovery Act program has taken priority. All applications received in FY 2009 were held pending publication of the new regulations. Three loan applications received in FY 2008 and covered under the previous broadband regulations were approved in FY 2009, totaling \$6,042,000. Broadband access is crucial to rural communities. The ongoing Broadband Access Loan Program provides funding for infrastructure in communities of 20,000 population or less. For example, Air Advantage serves the thumb area of Michigan, a predominantly agricultural area surrounded by the manufacturing hubs for the auto industry. Air Advantage has received three Broadband loans since 2003 to provide wireless broadband services in several rural communities.

**American Recovery and Reinvestment Act of 2009 Broadband Initiatives Program**

The American Recovery and Reinvestment Act of 2009 (ARRA) authorized \$2.5 billion in budget authority for RUS to provide loan, grant and loan/grant combination funding for broadband infrastructure in rural communities. The program was created and a Notice of Funds Availability (NOFA) was published on July 9, 2009 announcing the first round of funding under the program. The NOFA was a joint NOFA with the National Telecommunications Information Administration (NTIA) of the Department of Commerce, which also received funding for broadband infrastructure. More than 2,200 applications were received in the first round of funding. On December 17, 2009, RUS awarded the first ARRA broadband grants and loans to eight recipients. These awards totaled \$53.8 million in RUS funding. No funds were obligated in FY 2009. RUS anticipates making additional funding awards in the second quarter of FY 2010. The second and final round of funding will be announced in January or February 2010. All ARRA funds must be obligated by September 30, 2010.

**Water and Environmental Programs**

The water and environmental programs has a leading role in providing rural communities with modern, affordable water and waste disposal services. The water program directs technical and financial program resources to rural communities with the greatest need. These communities may be poverty-stricken as a result of out-migration, natural disasters or economic stress. However, rural communities can sustain economic development and improve the quality of life for their residents with dependable water and waste services and infrastructure.

Specific areas being addressed currently include:

- Building leveraging partnerships to expand resources going to rural areas,
- Directing resources to the neediest projects and communities,
- Working with local communities and other borrowers to ensure funds are invested wisely,
- Focusing on maintaining sustainable water systems in rural communities,
- Improving the loan to grant mix so that more loan dollars are used by systems that can afford maximum debt capacity, and
- Limiting grant funds to the most financially needy systems.

**Selected Examples of Recent Progress:** Recent accomplishments under this appropriation item are cited below by program:

In FY 2009, Rural Development invested \$921 million in direct and guaranteed loans and grants to help rural communities develop 798 water and waste disposal facilities. These facilities provided new or

improved water and waste disposal services to 3,388,089 borrowers' customers. Funding activities included:

- \$790 million in WWD direct loans and grants made to develop 516 facilities
- \$53.3 million assisted 153 projects in disadvantaged communities
- \$38 million funded 46 projects in communities qualifying for emergency assistance
- \$40.7 million funded 46 grants to technical assistance providers
- 106,559 technical assistance calls were completed by Drinking Water and Wastewater Circuit Riders
- \$1.9 million in guaranteed loans
- 34 projects administered for partner organizations
- \$993,000 for Individually-Owned Water Well Systems Grants
- \$496,000 for Water and Wastewater Revolving Fund Grants
- \$4.5 million for 97 Predevelopment Planning Grants to assist in preparing applications for WEP funds
- \$28 million in 2008 Disaster loan and grant funding to provide 27 water and waste projects

The water program continues to use and refine assessment tools implemented as part of the FY 2003 performance assessment conducted by OMB. The Rural Development National and State offices regularly monitor the national and individual state performance goals to evaluate program delivery and services to customers. In FY 2009, the water program met or exceeded goals for three of its four annual measures (excluding ARRA funding):

1. Loan to grant mix—70 percent loans and 30, percent grants
2. Referrals to commercial credit—42.26 percent of the dollar amount of loans closed, and
3. Number of borrowers' customers receiving new or improved water or waste disposal service—3,388,089.

The results demonstrate that Rural Development is able to target funds to more communities and projects where the financial investments result in a greater number of borrowers' customers being served. Leveraged funds for project development fell just short of meeting the national goal of 30 percent. The Rural Development National and State offices continue to coordinate their strategies to strengthen relationships with partner agencies and organizations.

#### **American Recovery and Reinvestment Act of 2009 Water and Environmental Programs**

In addition to the responsibilities for FY 2009 appropriated funds, the water program was given significant responsibilities related to the American Recovery and Reinvestment Act of 2009 (ARRA). The water program was tasked with delivering more than \$3.2 billion in loans and grants over 18 months to improve water and waste infrastructure in rural America. By the end of FY 2009, the water program had invested \$1.57 billion (60 percent) of ARRA funding in rural water and waste projects. The funding translated into a program level representing 63 percent loans and 37 percent grants. The extraordinary effort will ensure that communities across rural America will have access to clean drinking water, as well as sewer and solid waste systems.

## RURAL UTILITIES SERVICE

### Summary of Budget and Performance Statement of Department Goals and Objectives

#### Rural Utilities Programs

**Mission:** USDA Rural Utilities Service (RUS) enhances the quality of life and improves economic opportunity in rural communities by providing the basic infrastructure of modern life. Electricity, telecommunications, water and waste systems are essential services for individuals and businesses alike that assist communities with creating wealth, supporting self-sustaining and repopulating communities, and thriving economically.

**Telecommunications Program:** The telecommunications infrastructure program continues to provide the primary telecommunications infrastructure necessary for rural communities. Current funding levels are adequate to meet anticipated demand for system upgrades and expansion, and each funding opportunity mandates that the system be capable of providing broadband communication capacity. Broadband access through our Broadband programs is also critically important to rural America. Broadband gives rural communities access to global markets, enhances educational and health care services, and encourages economic diversification.

**Electric Programs:** Since the creation of the rural electrification program in 1935, it has been one of the most successful Federal economic development initiatives. Rural electricity demand is projected to grow in the years ahead, driven by the rising electricity usage and the continuing economic diversification of rural America. The burgeoning renewable energy industry in rural America has created a demand for financing within the Electric Programs to support expansion and modernization of electric transmission and distribution infrastructure.

**Water Programs:** Adequate water and wastewater treatment capacity are significant for supporting quality of life issues, environmental sustainability, and economic development. Safe drinking water and sanitary waste disposal systems are vital not only to public health but also to the economic vitality of rural America. Tighter environmental standards and the importance of accommodating business growth in a rapidly diversifying rural economy contribute to program demand.

RUS has one strategic goal and two strategic objectives that contribute to one of the Secretary's Strategic Goals and one High Priority Performance Goals (HPPGs).

USDA Strategic Goal	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<b>USDA Priority Goal 1:</b> USDA will assist rural communities to create prosperity so they are self sustaining, repopulating and	<b>Agency Goal:</b> Improve the quality of life in Rural America	<b>Objective 1:</b> Enhance the ability of rural businesses to succeed by providing access to modern telecommunications	<u>Telecommunications Programs</u> Direct Telecommunications Loans Treasury Telecommunications Loans FFB Telecommunications Loans Distance Learning and Telemedicine Grants Broadband Loans and Grants ARRA Broadband Loans and Grants	<u>Key Outcome 1:</u> Provide access to modern telecommunications

economically thriving.		<u>Objective 2:</u> Develop community infrastructure	<u>Electric Programs</u> Direct (Hardship) Electric Loans Municipal Rate Electric Loans Treasury Rate Electric Loans FFB Electric Guaranteed Loans Loans for Bonds and Notes Guaranteed Electric Loans  <u>Water and Environmental Programs</u> Direct Water and Waste Disposal Loans Guaranteed Water and Waste Disposal Loans Water and Waste Disposal Grants Solid Waste Management Grants Emergency & Imminent Community Water Assistance Grants	<u>Key Outcome 2:</u> Modernize and improve community infrastructure
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Key Outcome 1: Provide access to modern telecommunications

HPPG Measure: Increase the prosperity of rural communities by concentrating and strategically investing in eight to ten regions, resulting in the creation of strong local and regional economies, with a particular emphasis on food systems, renewable energy, broadband-based economies and rural recreation.

In order to meet the goal of increasing economic opportunity in rural America, RUS annually finances new construction and upgrades to telecommunications infrastructure. Access to high-speed Internet services and other quality telecommunications services increases educational opportunities, improved availability of healthcare, job creation, retention and growth of businesses and other economic growth and is crucial to the development of any regional economy. The Telecommunications Program has developed specific annual short-term performance measures which demonstrate progress towards the creation of strong rural broadband-based economies. The program tracks the number of borrowers' subscribers that have received new or improved service and determines the number of jobs created or saved by broadband-related enterprises. The program improves processes and meets challenges by maintaining detailed records of annual lending activity and applying the information collected towards expansion of services.

Long-term Performance Measures:

- *Target:* 2012 -- 90% of rural households will have access to broadband
- *Target:* 2012 -- 5.70% of borrowers' subscribers will receive new or improved telecommunications service

Selected Past Accomplishments toward Achievement of the Key Outcome:

Since 2001, RUS has provided more than \$5.6 billion in financing for improving telecommunications in rural America. All telecommunications facilities financed by RUS must be high-speed broadband capable. The development of the Internet-based economy provides unique opportunities for rural America. Broadband infrastructure greatly helps to mitigate the limitations on business development in rural areas caused by geographical distance and a limited customer base. RUS has provided capital to finance access to broadband service for rural communities. This access is critical to enable rural businesses to participate in the developing global economy.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- 350,000 borrowers' subscribers will receive new or improved telecommunication services.
- More than \$1 billion will be provided in financing of high-speed broadband capacity subscriber lines.

Efficiency Measures:

- Total salaries and expenses (\$) / (Average loan portfolio balance outstanding (\$) + Total average grants (\$))
- Total number of FTE used / (Average loan portfolio balance outstanding (\$) + Total average grants (\$))
- Total subsidy budget authority / (Average loan portfolio balance outstanding (\$))

Key Outcome 2: Develop community infrastructure

HPPG Measure: Increase the prosperity of rural communities by concentrating and strategically investing in eight to ten regions, resulting in the creation of strong local and regional economies, with a particular emphasis on food systems, renewable energy, broadband-based economies, and rural recreation.

The Electric Programs make loans and loan guarantees to provide and improve electric service in rural areas by financing electric distribution and transmission from renewable energy sources and energy efficiency and conservation measures. The program's goal of improving the quality of life of rural residents is accomplished by promoting and providing access to capital and credit for the development and delivery of modern, affordable and reliable electric utility services. The program tracks the number of borrowers' consumers that receive new or improved electric services and estimates the number of jobs created or saved by electric and renewable energy related investments.

Long-term Performance Measures:

- *Target:* 2012 -- Continued increase in the number of electric programs' borrowers' consumers receiving new or upgraded electric service.

Selected Past Accomplishments toward Achievement of the Key Outcome:

Since 2005, the electric loan programs have offered over \$34 billion in financing for rural electric systems. In 2009 the program approved 209 loans totaling \$6.598 billion. The annual program level funding for electric loans has averaged \$5.26 billion over the last five years. The funds were used by rural utilities to construct electric distribution, transmission and generation facilities to provide electric service in rural areas, supporting economic development and modernizing community infrastructure. The investment of the electric loan funds creates and maintains jobs in rural communities. Interest in financing renewable energy and energy efficiency programs through the electric programs is growing. In 2009 the program approved over \$186.8 million in loan guarantees for new renewable electric generation projects. The electric programs have adopted a progressive management approach by enhancing use of automated systems to support loan and grant management and innovating new products and procedures to support renewable energy initiatives. The program continues its commitment to, maintaining a workplace that values employees, and provides high-quality service to its customers.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- 3,825,000 rural electric customers receiving new or upgraded service.

The Water Programs have been addressing several areas to target resources to rural areas:

- Building leveraging partnerships to expand resources going to rural areas. Working groups have included regional planning commissions, regional councils of developments, and other State agencies to explore funding opportunities for projects in rural communities and areas,
- Directing resources to the neediest projects and communities,
- Working with local communities and other borrowers to ensure funds are invested wisely,
- Focusing on maintaining sustainable water systems in rural communities,

- Improving the loan to grant mix so that more loan dollars are used by systems that can afford maximum debt capacity, and
- Limiting grant funds to the most financially needy systems.

Long-term Performance Measures (Utilities Programs):

- *Target:* 2011—25 percent of the rural population we have not reached in the past will have been served by water facility projects that correct or eliminate water-related health and safety hazards such as waterborne illnesses, carcinogens, and potential security risks. The goal over a 5-year period from 2010 to 2014 is to average 5 percent annually.
- *Target:* 2011 –90 percent of all water programs borrowers will maintain sustainable water and wastewater systems in their rural communities.

Efficiency Measures:

- Total salaries and expenses (\$) / (Average loan portfolio balance outstanding (\$) + Total average grants (\$))
- Total number of FTE used / (Average loan portfolio balance outstanding (\$) + Total average grants (\$))
- Total subsidy budget authority / (Average loan portfolio balance outstanding (\$) + Total average grants (\$))
- Loan/Grant Ratio: An efficiency measure used to improve the loan-to-grant mix so that more loan dollars are used by systems that can afford maximum debt capacity and grant funds will be used by needy systems.

Selected Past Accomplishments toward Achievement of the Key Outcome:

In FY 2009, the programs had a budget at the program level of \$1.6 billion. Special priority emphasis has been placed on funding projects through the American Recovery and Reinvestment Act (ARRA) with an additional \$1.3 billion of investments being provided by the Act for water and waste disposal facilities. The ARRA program alone has served over 4,157,648 borrowers' customers, exceeding the annual target of 2.6 million customers served.

Overall obligations for the water and waste loan and grant program for FY 2008 were 74 percent loan and 26 percent grant. The 2009 obligations are expected to meet the goal of 70 percent loan and 30 percent grant (the annual efficiency measure goal for FY 2009).

As a result of RD's investment in water and waste facilities; communities are able to save or create jobs; leverage funds with the private sector, local agencies, and State agencies; attract Federal funds from other agencies; and enlarge the economic and property tax base. Through September 2009, USDA had leveraged \$968 million from other sources with over \$3.1 billion of water program loan and grant funds.

In early FY 2007, a task force analyzed and developed the criteria to be used in determining the sustainability of the facilities. The task force determined that the debt service ratio (DSR) and current ratio (CR) would be used to indicate the feasibility and the sustainability of facilities. The sustainability criteria are based on industry standards of a DSC ratio of 1.10% or more and a CR of 1.50% or more.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- Provide new or improved water and/or waste disposal service to 1,394,000 borrowers' customers with \$1.6 billion of program funds.
- Produce a loan to grant ratio of 70/30 so that more dollars are used by systems that can afford maximum debt capacity.
- Limit grant funds to the most financially needy systems.
- Increase leveraged funds to 30 percent of total project costs from non-agency sources for USDA funded projects.

**Strategic Goal Funding Matrix**  
(On basis of Appropriation)

Strategic Goal	2009 Actual		2010 Estimated		Increase or Decrease	2011 Estimated	
	Amount (in thousands)	Staff Years	Amount (in thousands)	Staff Years		Amount (in thousands)	Staff Years
Telecommunications	\$767,068	173	(a) 1,168,100	170	-\$30,124	\$1,137,976	181
Electric Programs	\$6,598,477	182	\$7,100,000	185	-\$3,000,000	\$4,100,000	197
Water and Environmental	(a) \$921,076	192	(a) \$2,635,322	550	-\$1,078,524	\$1,556,798	590
<b>Total, Goal 1</b>	<b>\$8,286,621</b>	<b>547</b>	<b>\$10,903,422</b>	<b>905</b>	<b>-\$4,108,648</b>	<b>\$6,794,774</b>	<b>968</b>

(a) Does not include ARRA funds

## RURAL UTILITIES SERVICE

### Summary of Budget and Performance Key Performance Outcomes and Measures

**Goal:**

Key Outcome: Improve the quality of life in Rural America by Developing Community Infrastructure

Key Performance Measures:

- Measure #1: Number of telecommunication programs' borrowers' subscribers receiving new or improved service.
- Measure #2: Number of electric programs' borrowers' consumers receiving new or upgraded electric service.
- Measure #3: Number of water programs' borrowers' subscribers (or customers) receiving new and/or improved water and/or improved waste disposal service.

Key Performance Targets:

Performance Measure #1	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
<b>Telecommunications (including Broadband)</b>						
a. Number of borrowers' subscribers receiving new or improved telecommunication services	297,027	356,440	775,342 <sup>i</sup>	187,399	350,000	350,000
b. Program Dollars (in thousands)	\$1,027,879	\$642,988	\$1,129,125	\$714,514	\$1,130,051	\$1,107,976
<b>ARRA Broadband Loans and Grants</b>						
a. Performance Measure to be determined				0	TBD	NA
b. Program Dollars (in thousands)				\$0	\$8,638,895	NA
i - One broadband loan for \$267 million accounted for 447,113 subscribers which was an anomaly in FY 2008						

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
<b>Distance Learning &amp; Telemedicine</b>						
a. Number of counties served by entities receiving distance learning and telemedicine funding	653	392	586	400	380	380
b. Program Dollars (in thousands)	\$65,419	\$59,400	\$43,242	\$52,554	\$38,049	\$30,000
<b>Performance Measure #2</b>						
<b>Hardship, Municipal Rate and Treasury Rate Loans</b>						
a. Number of borrowers' consumers receiving new or improved electric service	2,420,212	2,016,239	196,896	73,778	125,000	125,000
b. Program Dollars (in thousands)	\$1,189,764	\$1,189,764	\$99,300	\$98,477	\$100,000	\$100,000
<b>FFB Electric Loans</b>						
a. Number of borrowers' consumers receiving new or improved electric facilities	5,763,437	3,810,212	7,905,741	9,685,639	6,000,000	3,700,000
b. Program Dollars (in thousands)	\$2,700,000	\$2,700,000	\$6,500,000	\$6,500,000	\$6,500,000	\$4,000,000

<b>Performance Measure #3</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Target</b>	<b>2011 Target</b>
<b>Water and Environmental Programs</b>						
a. Number of program borrowers' subscribers receiving new improved service from Agency's funded water facilities.	1,637,554	1,332,063	4,361,872	3,388,089	1,457,000	1,394,000
b. Program Dollars (in thousands)	\$1,484,144	\$1,579,948	\$1,822,949	\$886,874	\$2,537,188	\$1,556,798
<b>ARRA Water and Environmental Programs</b>						
a. Number of program borrowers' subscribers receiving new or improved service				769,559	1,830,000	
b. Program Dollars (in thousands)				\$1,581,548	\$1,682,822	

**HPPG Measures:**

<b>Performance Measure/Program</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Target</b>	<b>2011 Target</b>
<b>Performance Measure #1</b>						
a. Number of program borrowers' subscribers receiving new or improved telecommunications service	297,027	356,440	775,342	187,399	350,000	350,000
b. Dollars	\$1,027,879	\$642,988	\$1,129,125	\$714,514	\$1,130,051	\$1,107,976

<b>Performance Measure #2</b>						
a. Number of program borrowers' consumers receiving new or improved electric service	8,183,649	5,826,451	8,102,637	9,759,417	6,125,000	3,825,000
b. Dollars	\$3,889,764	\$3,889,764	\$6,599,300	\$6,598,477	\$6,600,000	\$4,100,000
<b>Performance Measure #3</b>						
a. Number of program borrowers' subscribers receiving new improved service from Agency's funded water facilities.	1,637,554	1,332,063	4,361,872	3,388,089	1,457,000	1,394,000
b. Dollars	\$1,484,144	\$1,579,948	\$1,822,949	\$886,874	\$2,537,188	\$1,556,798

<b>UTILITIES PROGRAMS</b>				
<b>Full Cost by Secretary's Strategic Priorities</b>				
<b>Strategic Priority: Assist rural communities to create wealth so they are self sustaining, repopulating and economically thriving.</b>				
<b>PROGRAM</b>	<b>PROGRAM ITEMS</b>	<b>2009 AMOUNT (\$000)</b>	<b>2010 AMOUNT (\$000)</b>	<b>2011 AMOUNT (\$000)</b>
<b>Direct Telecommunications Loans, Treasury Telecommunications Loans, and FFB Telecommunications Loans</b>				
	Program Level	\$690,000	\$690,000	\$690,000
	Budget Authority	525	0	0
	Administrative Costs (Direct)	6,328	6,506	7,022
	Administrative Costs (Indirect)	2,978	3,062	3,304
	Total Costs	9,831	9,568	10,326
	FTEs	82	81	86
	Performance measure:			
	Number of borrowers' subscribers receiving new/improved service			
	Target:	175,416	170,000	170,000
	Cost per Measure (unit cost)	0.06	0.06	0.06
<b>Treasury Distance Learning Loans, Distance Learning and Telemedicine Grants</b>				
	Program Level	\$52,554	\$38,049	\$30,000
	Budget Authority	36,688	32,537	30,000
	Administrative Costs (Direct)	1,406	1,445	1,560
	Administrative Costs (Indirect)	662	680	734
	Total Costs	38,756	34,662	32,294
	FTEs	18	18	19
	Performance measure:			
	Counties served			
	Target:	400	380	380
	Cost per Measure (unit cost)	96.89	91.22	84.98
<b>Con Farm &amp; RD Act, Sec 379G Health Care Services Grant</b>				
	Program Level	\$0	\$3,000	\$0
	Budget Authority	0	3,000	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	3,000	0
	FTEs	0	0	0
	Performance measure:			
	Target:	0	TBD	0
	Cost per Measure (unit cost)	0	0	0
<b>Broadband Telecommunication Loans and Grants, and Public Broadcasting System Grants</b>				
	Program Level	\$24,514	\$437,051	\$417,976
	Budget Authority	18,708	58,229	40,296
	Administrative Costs (Direct)	5,625	5,703	6,156
	Administrative Costs (Indirect)	2,647	2,684	2,897
	Total Costs	26,980	66,616	49,349
	FTEs	73	71	76
	Performance measure:			
	Number of borrowers' subscribers receiving new/improved service			
	Target:	11,983	180,000	180,000
	Cost per Measure (unit cost)	2.25	0.37	0.27

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
<b>Direct Broadband Telecommunications Loans - Treas Rate - Stimulus, and Broadband Telecommunications Grants - Stimulus</b>				
	Program Level	\$0	\$8,638,895	\$0
	Budget Authority	0	2,425,000	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	2,425,000	0
	FTEs	0	0	0
	Performance measure: New/ Upgraded Subscribers			
	Target:	0	TBD	0
	Cost per Measure (unit cost)	0	0	0
<b>Direct Electric Loans, Treasury Electric Loans, Municipal Electric Loans, FFB Electric Loans, Guaranteed Electric Loans and Electric Underwriting Loans for Bonds and Notes</b>				
	Program Level	\$6,598,477	\$7,100,000	\$4,100,000
	Budget Authority	0	0	0
	Administrative Costs (Direct)	14,063	14,882	16,062
	Administrative Costs (Indirect)	6,618	7,004	7,559
	Total Costs	20,681	21,886	23,621
	FTEs	182	185	197
	Performance measure: Subscribers served			
	Target:	9,759,417	6,125,000	3,825,000
	Cost per Measure (unit cost)	0.00	0.00	0.01
<b>Direct Water &amp; Waste Disposal Loans, Guaranteed Water &amp; Waste Disposal Loans, Water &amp; Disposal Grants, Individually-Owned Water Well System Grants, Grants for Water and Wastewater Revolving Funds, Solid Waste Management Grants, and Emergency &amp; Imminent Community Water Asst. Grants.</b>				
	Program Level	\$886,873	\$2,537,189	\$1,556,794
	Budget Authority	411,792	815,021	534,414
	Administrative Costs (Direct)	14,767	44,420	47,939
	Administrative Costs (Indirect)	6,949	20,902	22,560
	Total Costs	433,508	880,343	604,913
	FTEs	192	550	590
	Performance measure: # of subscribers receiving new and/or improved water and/or waste disposal service			
	Target:	3,388,089	1,457,000	1,394,000
	Cost per Measure (unit cost)	0.13	0.60	0.43
<b>High Energy Cost Grants</b>				
	Program Level	\$19,374	\$35,133	\$0
	Budget Authority	19,374	35,133	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	19,374	35,133	0
	FTEs	0	0	0
	Performance measure: New/ Upgraded Subscribers			
	Target:	0	0	0
	Cost per Measure (unit cost)	0	0	0

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
<b>Direct Water and Waste Disposal Loan 2008 Disasters Emer. Supp., Water and Waste Disp. Grants May 6, 2007 Emer. Supp., Water and Waste Disp. Grants 2008 Disasters Emergency Supplemental, Water and Waste Disp. Grants 2003/2004 Hurricanes Emer. Supp., Water and Waste Disp. Grants 2005 Hurricanes Emer. Suppl., Emer. and Imminent Comm. Water Asst. Grants - Emer. Supp., Emer. and Imminent Comm. Water Asst. Grants - 2005 Hurricanes</b>				
	Program Level	\$34,203	\$83,479	\$0
	Budget Authority	19,068	26,354	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	19,068	26,354	0
	FTEs	0	0	0
	Performance measure: New/ Upgraded Subscribers			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>Direct Water and Waste Disposal Loans - Stimulus, Water and Waste Disposal Grants - Stimulus, Circuit Rider - Tech. Assist. Grants for Rural Water Systems - Stimulus</b>				
	Program Level	\$1,581,548	\$1,682,822	\$0
	Budget Authority	\$734,881	603,719	0
	Administrative Costs (Direct)	28,127	0	0
	Administrative Costs (Indirect)	13,236	0	0
	Total Costs	776,244	603,719	0
	FTEs	364	0	0
	Performance measure: New/ Upgraded Subscribers			
	Target:	769,559	1,830,000	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>FFB Electric Loan 2005 Hurricane Modifications Emergency Supplemental and FFB Electric Loans 2008 Disasters Modifications Emergency Supplemental</b>				
	Program Level	\$0	\$0	\$0
	Budget Authority	0	7,985	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	7,985	0
	FTEs	0	0	0
	Performance measure: New/ Upgraded Subscribers			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
<b>Total for Secretary's Priorities</b>				
	Program Level	\$9,887,543	\$21,245,618	\$6,794,770
	Budget Authority	1,241,036	4,006,978	604,710
	Administrative Costs (Direct)	70,316	72,956	78,739
	Administrative Costs (Indirect)	33,090	34,332	37,054
	Total Costs	1,344,442	4,114,266	720,503
	FTEs	911	905	968
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A

\* S&E and FTE figures for each program are estimates. Actual staff time by program is not available at this time.

\*\* FY 09 targets are based on appropriation.

Totals may not balance due to rounding.