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PATH TO OPPORTUNITY: JOBS AND THE ECONOMY IN APPALACHIA II

FIELD HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

OCTOBER 23, 2008

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PATH TO OPPORTUNITY: JOBS AND THE ECONOMY IN APPALACHIA II

Thursday, October 23, 2008

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Chillicothe, Ohio

The committee met, pursuant to notice, at 11 a.m., at PACCAR Medical Education Center, Kenworth Auditorium, 446 Hospital Road, Chillicothe, Ohio, Hon. Sherrod Brown, presiding.

Present or submitting a statement: Senator Brown.

Mr. METZGER. Senator Brown, ladies and gentlemen, good morning and welcome to the main campus of Adena Health System and to the PACCAR Medical Education Center. My name is Ralph Metzger. I am the Executive Director of the Adena Health Foundation, and Senator, we are delighted that you have selected this new and beautiful facility for the venue for our United States field hearing. This is very exciting for us.

Thank you to his staff, Jeanne Wilson and David Hodapp, for helping us with the arrangements, and thank you to Angel Chitwood here at the Center and Jenny Dovyak of our Marketing Department for managing all of the details.

The PACCAR Medical Education Center is now only 7 weeks old. It was the result of the largest capital campaign in Ross County. This Kenworth Auditorium and the PACCAR name on the building honors the first $1 million gift, and that was from PACCAR Foundation. PACCAR, Incorporated, is the parent company of Kenworth Trucks and Peterbilt Trucks, and, of course, Kenworth Trucks is our neighbor right across the street.

In this Center, Wright State and Ohio University are teaching 54 nursing students at the bachelor's degree level. The majority of these students are currently Adena employees, or they will be when they graduate. Current practicing nurses and physicians and technicians are receiving continuing education here at this facility. Our surgeons and physicians are teaching advanced skills and best practices to other physicians and surgeons across the region and across the country.

This Center features simulation training technology using the most highly advanced human patient simulators to mimic over 72,000 signs and symptoms. So students learn from their mistakes on mannequins before they ever touch a human patient. Every event, every hand wash, every step is recorded by video for instant feedback. Most importantly, we are showing children and teens in Southern Ohio that professional education and professional careers

are available in Southern Ohio to enhance the quality of life and health care in Southern Ohio.

Thank you and good day. We are very pleased you are here.

STATEMENT OF HON. SHERROD BROWN, U.S. SENATOR FROM THE STATE OF OHIO

Senator BROWN. Thank you. Thanks very much, Mr. Metzger, and thank you all for joining us, not just the panelists, but all of you that are students, that are employees of Adena, and that are now part of this fabulous-looking facility, and I am sure there is so much more, so thank you for that, Mr. Metzger, very much.

Special thanks to Jenny and Angel for the work that they did. I know that often they do most of the work and Mr. Metzger gets most of the credit, but thank you. But he did credit them very generously, so thank you for that.

Special thanks, too, to Commissioner Corcoran for joining us and Mayor Sulzer. Thank you. I have heard, Mr. Metzger, I have heard only good things already about this place, so congratulations as you embark on your first few months serving people of Southern Ohio.

The hearing comes to order. This is an official hearing of the Senate Agriculture Committee. We have done—this is, to my knowledge, only the second hearing that the Senate Agriculture Committee has ever done in Ohio and the first one was yesterday in Steubenville, and this hearing will be to discuss rural health, as I think all of you know.

Today, we are especially pleased to be holding the event not just in this part of the State, but holding it at the PACCAR Center, a building that came about, as Mr. Metzger said, through the foresight and the hard work and the dedication of many of the Adena staff here today. Through their efforts, we are sitting in one of the gems of Appalachian Ohio. Let me congratulate everyone that has had a major role and a minor role, too, in the creation of all of this.

This building is of special relevance today because one of the topics that we will be covering is the lack of access to health care that too many in Appalachian Ohio face. The educators that now have an opportunity to teach here at the PACCAR Center are going a long way to help solve this problem. The students in the classrooms here today are the desperately needed nurses and other health care specialists that we all so much need in the years ahead.

The PACCAR Center is one of the most high-tech, cutting-edge health care education facilities not just in the State, but in the United States and in the world, and I understand that a very small portion of Federal monies were used in acquiring that technology. This is a perfect example of how the United States Department of Agriculture funding can lead to real change and success with huge local effort.

I would like to thank Senator Tom Harkin, who is the Chairman of the Agriculture Committee, Chairman Harkin from Iowa, for his support in these hearings and for his leadership on the farm bill.

Finally, I would like to thank our witnesses, this first panel, and I will introduce them shortly, and then a second panel which we will hear from. We will hear testimony from the witnesses and then ask questions and then we will do the second panel shortly.

I would like to make a brief statement just about sort of the purpose of this hearing and what we are seeing and what we are hearing around the State and what you are also very familiar with. Small-town Ohio, like the rest of America, is hurting. Ohio's unemployment rate reached 7.4 percent this summer, the highest it has been in a decade and a half. Even prior to this economic downturn, Ohio still had hundreds of thousands fewer jobs than it had prior to the last recession.

With aging infrastructure, with high unemployment, with underfunded schools, with chronic access to affordable health coverage, rural Ohio, and throughout rural Ohio and rural areas throughout our nation already face daunting economic challenges. For rural areas, an economic downturn like the one we find ourselves in now has the impact of a kidney punch after 12 rounds in the ring.

Over one-half of Ohio's counties are rural and there is no doubt these counties face significant obstacles. Of the ten counties in Ohio with the highest unemployment, every single one of them is rural. Of the ten counties in Ohio with the highest poverty level, nine of those ten are rural. Of the ten counties in Ohio with the highest percentage of people eligible for Medicaid, nine of them are rural.

Federal policymakers, frankly, have not devoted enough attention to rural America. We squander opportunities. We dismiss unacceptable gaps in the kind of support that allows families to lift themselves out of poverty and join the middle class. It is time to instead invest in the tremendous potential that rural America holds. Investment in rural communities is an investment in the American economic engine and the American dream.

We fought for these rural communities and small towns across Ohio during the writing of the 2008 farm bill. USDA Rural Development Programs encourage rural business expansion and job creation and grants to expand, for example, to expand broadband across rural Ohio. These programs have invested more than $500 million in over 120 different projects in Ohio over the past 2 years.

These projects include $700,000 to build a child development center in Jackson County, the county directly to the Southeast where Mr. Baker is from; funding for dump trucks and road maintenance equipment for Pike County would have come under the farm bill, the county directly south of here; and in Ross County, USDA Rural Development funded 19 miles of water lines to rural customers worth almost $2.5 million. Rural Development provided $1.2 million to finance 60 units of affordable housing and $4 million for the construction of a new water treatment plant.

These projects wouldn't have occurred without a farm bill and without funding for Rural Development Programs. USDA Rural Development funding can help communities in many different ways. Some comes in the form of grants to communities for water and sewer and public safety projects. Others provide loans and loan guarantees for small businesses and rural housing projects. These loan guarantees in particular have seen a dramatic increase in usage during the recent credit crunch. Some lenders simply won't provide funds to small businesses in rural housing without the additional security provided by farm bill Rural Development Programs. The farm bill funds so many programs that matter to Ohio

and we have made important strides toward providing additional investments in rural areas of our State.

As Ohio's first Senator to serve on the Agriculture Committee in 40 years, I will fight to keep these vital programs alive, to continue them, to enhance them, to ensure Ohioans living in rural areas receive the kind of support that will help them thrive. The farm bill provided a needed boost, but the people in small towns and rural communities clearly and obviously deserve more. That is why we are having this hearing today.

Over the past 20 months, I have conducted about 120 roundtables across the State—Ms. Farber was in one, Mr. Baker was in one recently—where I have listened to 15, 20 activists in the community just talk to me about concerns and ideas that they have about their communities. Most of those roundtables were held in rural Ohio.

The kinds of questions—we hear questions, how can the Federal Government play a role to help rebuild small towns in Appalachia and across Ohio? I have heard questions, what kinds of investments in infrastructure are needed to revitalize our rural communities and make them competitive in this world economy? How can we support small businesses who are struggling in the face of the credit crunch and the uncertainty of the financial crisis?

These are questions our witnesses will help us answer today. I look forward to their remarks and our questions and discussion.

I would close by noting that Randy Hunt, the Director of USDA Rural Development Programs in our State, in Ohio, was invited to testify today. The Bush administration did not allow him to attend. Mr. Hunt is a dedicated and well-respected public servant to this State, and as USDA Rural Development Programs play a significant role in addressing the challenges rural communities face, I know everyone here would have appreciated hearing Mr. Hunt's perspective on the critical issues facing our State.

I regret the decision of Secretary Schafer and the Bush administration because I don't think it is in the best interest of the people I serve, but today's hearing is too important to get mired in politics. The hearing is not about the Bush administration or Republicans or Democrats. It is about people and communities fighting to overcome daunting economic challenges. So it is in the nation's best interest to support their success, and Congress and the administration alike have an obligation to promote the nation's best interests. That is not partisan, that is simply a fact.

So I would like to introduce the first panel and then we will begin statements. Please keep your statement to around 5 minutes. If you go a little over, it is OK. Then I will ask questions after you are finished.

Our first panel is Katy Farber, who is a native of Highland County, Ohio. She is a small businesswoman and professor at Southern State and President of the Highland County Chamber of Commerce.

Margaret Demko of Albany, Ohio, lives in Athens County. She is President of Advocating for the Rights of Citizens with Disabilities of Southeast Ohio, Southeast Ohio Coordinator for Ohio Consumers for Health Coverage, and serves on the Ohio Development Disabilities Council. She is a terrific advocate for her own child and for

people needing health care all over the State and I am particularly thankful for what you do.

And also on our panel is Kevin Baker of Jackson, Ohio, a former employee of Meridian Automotives, whose workers were locked out a couple of years ago. Mr. Baker, along with 300 of his coworkers, lost their jobs. They were locked out for almost 2 years before being laid off and then the plant closed. It is nice to see you again, Mr. Baker. Thank you for joining us.

Ms. Farber, if you will begin.

STATEMENT OF KATY FARBER, PRESIDENT, HIGHLAND COUNTY CHAMBER OF COMMERCE, HILLSBORO, OHIO

Ms. FARBER. My name is Katy Farber and I am the President of the Highland County Chamber of Commerce and I appreciate the invitation and opportunity to present this information at today's hearing. The USDA Rural Development Programs have provided support to Highland County in the past and for that we are grateful. We are, however, in need of an increased assistance in light of the economic realities of today and the looming economic devastation of the pending DHL decision to close its Wilmington, Ohio, hub operation.

The current economic downturn is affecting each sector of our country, but is having what many believe is a disproportionately negative effect on rural Southwest Ohio, and in particular Highland County. The issues are many and cut through each sector that make up our local economy.

Local tax revenues and the fees that are collected for the general fund are down, limiting the ability to meet the increasing demands on a county and local government level to provide services. This severely affects the day-to-day operations of law enforcement, the courts, and all departments dependent upon both county and municipality revenues.

From the first quarter of 2007 to the first quarter of 2008, Highland County had the highest percentage of jobs lost, 6.2 percent, of any county in the State, according to Job and Family Services statistics. The decline in employment opportunities and the thousands of pending job losses is forcing families to choose what bills can be paid and what available cash must be used to take care of the family's basic needs. Foreclosure rates continue to increase, climbing some 300 percent over the last eight to 10 years.

Many people are becoming desperate. Local agencies, a last resort rescue resource for many citizens in our area, are seeing increased demands for goods and services while being faced with lower contributions from both Federal funding streams and the private sector. The result is straining the resources and limiting the ability to help our neediest in the county. For example, Highland County Community Action Organization served 27 percent of the Highland County population in 2007 and has seen a significant increase in new families served in 2008.

The impact on small, local businesses, those employing five to 15 people, is marked in Highland County. Within the last 2 months, we have lost at least seven storefront retail operations because of the slow economy. Bankruptcy has closed the door of a small manufacturer and threatens others. A long-established restaurant shut-

tered its windows, unwilling to risk reinvestment in upgrades when patronage continues to decline due to the economy. An upstart manufacturing operation eager to open a new facility and add jobs continues to be caught in a battle with EPA regulations and requirements that keep it from opening operation. The ongoing struggle for many small businesses to borrow funds for operation due to the tight credit market is significantly affecting commercial competence and growth.

Highland County also has a large agriculture industry. Grain producers faced a 100 percent increase in crop output costs for 2008 and now face a 50 percent drop in grain prices. This will devastate a significant number of family farms. The impact will compound the current financial problems for local businesses.

Beyond the economic recession that is affecting all of this country, and beyond the struggles we face as a rural American county, Highland County is bracing for the significant impact of an additional job loss from 20 percent of our total county workforce should DHL realign its Wilmington operation. Over 1,800 Highland County residents work at the Wilmington Air Park, directly employed by DHL, ABX Air, or ASTAR. Add to that the additional job losses directly or indirectly related to the $54 million loss to our local economy and that situation becomes grim. Our hospitals, already taxed with a 9.5 percent increase in uncompensated care, may be pushed beyond their means to stay in operation when additional residents no longer have health insurance. There will not be a social service agency or municipality and county operation that will not be affected by this financial catastrophe.

When we examine the greatest areas of needs within Highland County, they all certainly lead to the all-encompassing category of economic development—the ability to attract and retain business and industry to provide good-paying jobs for our citizens, stabilize the local housing market, support the education systems throughout the county, and contribute to the overall tax base of our local communities and Highland County. To compete for business and industry opportunities, we need to be able to level the playing field.

Rural Highland County, like its neighbors, needs assistance with six specific areas: Community infrastructure, broadband availability, health care access, education, transportation, and marketing. My written testimony details specifics about these challenges and I invite everyone to review those points.

Without the continued support of the USDA Rural Development Programs, Highland County will not be able to weather the storm that we currently face. In Highland County, as in many parts of rural America, economic development is the difference between the hope of prosperity or continued decline. I urge this committee to work to increase the investment in rural initiatives that support the infrastructure upgrades, health care access, educational support, broadband capabilities, and specific economic development programs, including the marketing, that connect rural entities to the opportunities for commercial and industrial development.

Thank you.

[The prepared statement of Ms. Farber can be found on page 39 in the appendix.]

Senator BROWN. Thank you, Ms. Farber.

Ms. Demko.

STATEMENT OF MARGARET DEMKO, PRESIDENT, ADVOCATING FOR THE RIGHTS OF CITIZENS WITH DISABILITIES OF SOUTHEAST OHIO, ALBANY, OHIO

Ms. DEMKO. Good morning, Senator Brown. I am honored to be able to speak with you here this morning in Chillicothe.

As you mentioned, my family lives in Albany, a small village in the west corner of Athens County. We as a family are one of the 8,900 families in Athens County that do not have access to health care coverage. My daughter with Down Syndrome does not qualify for Healthy Start, and as a family, we are unable to purchase private coverage due to several preexisting conditions.

When I speak about my family's access to care, obviously, I speak first about Emily. She needs intensive speech, physical, and occupational therapies to help her reach her best potential. When I looked for these facilities in the Athens area, I found only Ohio University for physical therapy and speech, and there the therapists are grad students who change every 3 months as their school schedules change. This was not the answer for Emily and she still needed occupational therapy for her fine motor skills. Those skills would be being able to hold a pencil, turn the page of a book, put a sticker on her shirt.

As a family, my husband and I looked into Nationwide Children's Hospital Therapy Services in Columbus. While a long way from home, we knew this was the best place for her to get the start she needed toward reaching her best potential. We signed her up for therapy, taking on the out-of-pocket expenses of each therapy, but also the total cost of getting there and being there for the day. There was 77 miles of travel one way, with gas at astronomical rates. We sold our van, bought a compact car to try to fight the costs. I tried packing a lunch for us since the costs of eating out were also hurting our budget. But my daughter has particular eating issues, so packing food became too difficult as she grew.

All in all, the trips each week would cost us over $500 when all therapies, food, and gas were added together. I consider my family to be one of the lucky ones, since we had the gas money to get where we needed to be for Emily and we were able to essentially run a tab of therapy bills at Children's Hospital. We kept this up for over 2 years until school-age therapy services were able to kick in.

We also were able to take her to Nationwide Children's Hospital for developmental disability clinic appointments, where an issue with her eyes was caught, a blood test to rule out thyroid disease was completed, as well as the need for orthotic shoe inserts was found. This essentially is a one-stop shop for services for children like Emily. There are clinics in rural health departments, but there are no areas that have all the tests be able to run that day on the spot.

My daughter is not the only one who has had issues accessing the care she needs in her own backyard. My husband has a history of severe kidney stones. When he had an attack this July, I chose to drive him 35 miles right here to Adena Medical Center when he was working right around the corner from an emergency clinic.

Someone asked me why I would choose to do so. I couldn't imagine the bill that would come to an uninsured person from a for-profit clinic who has no program to assist financially. I ran a huge risk of my husband passing out or having something more serious happen to his kidneys, but I knew that as a family, we could not take on a bill of several thousands of dollars and be expected to pay it within 30 days, as had happened to us in the past.

Senator Brown, I am not the only family that lives in Southeast Ohio that has trouble accessing health care and health care specialists. I live in an area where two adjacent counties, Meigs and Vinton, do not have an emergency room or an emergency clinic within 25 miles. Meigs County does not have 911 services. The vast amount of these counties are remote areas where most folks do not have the most basic of services, let alone the gas money or proper transportation to get to that life-saving clinic.

Yet another health care issue that hits Southeast Ohio hard is dental care. There are very few dentists. Athens has some dentists, but some won't take Medicaid, some won't take uninsured without full payment, and there are no pediatric dentists at all. Again, we have to head north toward Columbus for that service.

This is a health care issue that can reach well beyond oral health. When there are oral health issues, sometimes there is missed work or school, systemic infections, and many other serious complications. All that aside, it is always harder to move forward with a job interview or with a school presentation if you are missing teeth or experiencing extreme halitosis.

When we talk about access to services, there are so many more things to consider than the immediate health of the children and the adults in my hometown areas. If Emily doesn't get speech therapy this week, it won't hurt her immediately. What it will do, however, is potentially slow down her growth in her ability to speak. Not having adequate occupational therapy will not harm her immediately, either, but eventually her inability to stick a sticker on her shirt, stack blocks, or color with a skinny marker may turn out to be something that stops her from reaching her potential.

Simple skills like this are building blocks for life skills she would use every day for the rest of her life. She needs these skills so she can speak intelligibly enough to be able to ask for what she wants, write her name, turn the page of a book, punch the buttons on a calculator to balance a checkbook, or even hold down a good job. All these services are connected to her future. Many other families are also experiencing the same, yet are unable to reach the services they and their children need.

I work every day in my line of work to find and talk to families just like mine who are having issues accessing health care. I assure you, Senator Brown, that my family is not unique. I get calls almost every day from folks much worse off than my family that are trying to figure out what they can do to get their family the care they need without the ability to travel outside the area. I have made this work my life passion, to listen to, advocate for, and try to direct to the right people these families that are in crisis with their health. I am sure that it is reassuring to talk to someone like me who also lives these issues every day, but we need to do more

than talk. We need to find a solution to the access and cost issues in this great and beautiful part of Ohio.

As a family, we make hard choices every day about our health care and we provide everything we can for our daughter and for each other since we know that healthy parents raise a healthy child. What we need is a government and a President on our side to help us. We are willing to put into the system what we can. What we need is the door to be open and make sure health care is affordable, achievable, and accessible, not only for my family, but so many thousands just like us.

Thank you.

[The prepared statement of Ms. Demko can be found on page 36 in the appendix.]

Senator BROWN. Thank you, Ms. Demko.

Mr. Baker.

STATEMENT OF KEVIN BAKER, FORMER MERIDIAN EMPLOYEE, JACKSON, OHIO

Mr. BAKER. I would like to thank you, sir. It is an honor and a privilege. April 21, 2006, 300–plus workers at Meridian Automotives here in Southeast Ohio were locked out of their job. Some people had worked there over 30 years, most right out of high school. There were many married couples who both lost their job at Meridian. Most of us had family working in this factory. I myself had seven relatives who worked at Meridian Automotives.

We worked 6 days a week mandatory and the maintenance crew 7 days a week. We were all dedicated workers, responsible workers who took pride in their job. April 21 changed that immediately. Our lives changed when the company brought in immigrants to do our job, some found to be illegal.

We stood on the picket line for the better part of 2 years. Along the way, many tragic events would unfold. Pretty much all of us began to lose our self-worth. The pride we had in working 6 days a week and providing a living for our loved ones was now starting to die off. After a year on the picket line, a beloved union brother took all he could take and ended his life with a gun. None of us had seen this coming, especially from this man.

Families started to lose their homes within the first year. Depression set in with many of our union brothers and sisters. Pretty much everyone lost their health care unless provided by a spouse not working at Meridian. To this date, many of the workers have not found work and the ones in their 50's and 60's may never find a job in this area or affordable health care. Some of the people who lost their job at Meridian now work as far away as Cincinnati, and for some, the coal mines of West Virginia.

What we need, Senator, is broadband in our area so people can search the job sites and educate themselves on what we could be doing in our area and the surrounding area to provide. Many of us have family right here in Southeast Ohio and don't want to move to the city just to have high-speed Internet or more job opportunities. We need jobs here in our part of the State and we need them now.

Some of our union brothers and sisters have gained employment at the local Wal-Mart starting at minimum wage or just above

that. Many of us were educated right here in the Appalachians, and for many of us, we are behind the times when it comes to joining today's workforce. We live in the richest country in the world, but right in the heart of it all are the Appalachians, where I have witnessed the destruction of over 300 lives.

We need help here and we need it now. We are the heartland and we want to work. We need jobs in our area and we do need them now. We need affordable health care and someone to help us with our bills so we can go to school and get the education we need to survive in today's world, and we need job training. Broadband would help with that, with the online degrees and the online schooling.

I don't want to see anyone else lose their home or, even worse, lose their life because of this. We are asking for your help here in the Appalachians of Ohio. We need work. We need our self-worth back. And we want to work. We know what it takes to survive and we need your help to regain our belief system in not only ourselves, but in our leaders and our elected officials. Please bring our area up to date with broadband and bring businesses to our area. We believe we can do anything, but we do need your help getting started once again. There are simply no jobs here in Southeast Ohio and these are desperate times.

Senator BROWN. Thank you, Mr. Baker.

Mr. BAKER. Thank you, sir.

[The prepared statement of Mr. Baker can be found on page 34 in the appendix.]

Senator BROWN. Thank you for being with us.

All the statements will be in the official record. If any of you wants to add anything—you had said, Ms. Farber, you have a written statement that may be longer. If you can just let us know all that. Joe Shultz in the second row there staffs the Agriculture Committee for us. He is joined here by Beth Thames, Dave Hodapp over here, and Jeanne Wilson, who may still be outside in case anybody else arrives late.

Thank you all for your testimony.

Ms. Farber, let me start with you. You had said that 27 percent, if I heard you right, 27 percent of people in Highland County have gotten some services from Community Action. Would you outline those? I know LIHEAP and some nutrition. Tell me what exactly that is.

Ms. FARBER. It goes the gamut of whether it is heat programs, there are Gator [ph.] programs, a dental assistance program, just things that supplement our social services system in the State, but it is also financial counseling, different things that homeowners can come in to access. Ohio now has a benefits bank and Community Action is completely—I think they have 27, or 20–some trained staff members that can reach out, and some of the services involve connecting so that people who have never had to come for help who we are seeing come in the lines more than ever know where they can go.

But the President, or the Director of Community Action—we are caught between a rock and a hard place because some of the people we—she has to almost say, "You are not poor enough. You are not poor enough to access the programs that we can offer you," and al-

most have to say, try another 90 days. So we are forcing people just to go down to the lowest levels without giving them some assistance along the way.

Senator BROWN. So is your recommendation that Community Action be given sort of a wider scope of ability to serve, I mean, not just more appropriations perhaps, but given a wider range of what they are allowed to do?

Ms. FARBER. Well, that would be wonderful, yes.

Senator BROWN. Well, what specifically would you——

Ms. FARBER. Specifically—you know, you kind of caught me off guard here, Senator, because I can't really speak for all of the Community Action Programs, but yes, I think that the scope needs to be—the income levels at this point, because do we have to let everyone, especially those who are—there are people losing their jobs in the Wilmington Air Park because they can't afford—they have not been laid off or warn noticed. They can't afford to keep going to work because the hours have been cut back so dramatically. So now they are coming to look for assistance. Well, their previous 12–month employment, their tax records show that they are earning a good living. So you can't give them that money right now and they are——

Senator BROWN. And come next year, they wouldn't be earning a good living. I mean, they are not now, but it would show then. Are there significant, already, ASTAR, ABX, and DHL employees that have lost their health insurance?

Ms. FARBER. There are significant and growing numbers every day of those employees who are being forced to walk away from the job because they can't afford to stay there for their families.

Senator BROWN. So where are they going?

Ms. FARBER. Some are leaving. Some are just picking up part-time jobs. But yes, if they walk away, they have no unemployment. I mean, there is no compensation.

Senator BROWN. So DHL—my understanding, and I know a lot of people in Clinton, Highland, Adams, Brown, the whole region, Montgomery, Clark, Green, that work there. Some number of them, I know, are farmers that work whatever number of hours to get health care. What is that requirement? How many hours must they work to get insurance? Is it 20 or 30? It is——

Ms. FARBER. The formula—it was about 28. The formula is changing, of course, as the scene changes up there, but it was mostly night sort operations, so it would be four or five nights a week, five or 6 hours a night, depending on the load required, and then they would have full health care benefits.

Senator BROWN. So the impact obviously of closure of those 8,000 jobs would be as heavy in rural areas as it is in cities and communities, right?

Ms. FARBER. The exposure—the estimated exposure for this closure, if we will call it that, to the health care systems in the immediate Highland, Fayette, Clinton region is $63 million. That is what it will take out of the health care system for those uninsured.

Senator BROWN. What is the Chamber of Commerce doing and what is the community doing as the Governor and I and others fight this job loss? We are not giving up yet and it is definitely not over yet. But what—and as I think you know, we have gotten

someone from the Department of Labor and we have gotten some people in the administration—the Bush administration has been cooperative on this—to prepare if that happens. What are you doing? What is the Chamber doing? What is the community doing overall in Highland County specifically on preparing if this job loss happens?

Ms. FARBER. Since the beginning of June, we formed our own local, and I shy away from the term "task force" because it just—but we have our own local group that works closely with the official DHL process of local communities, but on our own, we are making plans. We have the faith-based community involved. We have talked to our lenders as a group, our health care providers, trying to get them to lay on top of our current situation in the economy what this will mean. We have got to exist. Our county has to make payroll. We have to keep our courts going, our law enforcement. So we are reaching out to try to build the reality that could come to us very soon.

The Economic Recovery Coordinator that we are waiting to come, that EDA has funded, we are trying to align—the Chamber is trying very much to work with the county commissioners and other entities to align an economic development strategy that will be able to take advantage of this person who is helping us recover in the area to attract and retain.

Senator BROWN. It strikes me that—I mean, I have seen good cooperation among the commissioners in each county with each other, so this is sort of two-pronged, if you will. One, what do we do to help people that are losing jobs in terms of providing services, and second, what do we do to grow the economy to displace as many of these jobs as we can with other kinds of jobs. So you feel comfortable that proper attention is paid to both?

Ms. FARBER. We are getting there. We can use all the support we can get.

Senator BROWN. No, I understand.

Ms. FARBER. And expertise. You know, we are not really high-end at this. We are a county that has no four-lane access and we have a very limited budget. So any resources and expertise that can come to the table to help us plan for the future—we will have to take care of the people who are—our county residents that are caught in this, and I believe that we our county can rise up to do it because that is the way we do it in Appalachia. But for the future, we need to be able to compete with everybody else who wants businesses to come to town. So that is, I think, in the pipeline and we are aligning to that and we just hope that it continues.

Senator BROWN. I have noticed from DHL, ABX, and ASTAR that it is not unlike Meridian, I mean, much bigger, but not unlike Meridian in that a lot of husbands and wives both work there. I saw what happened in Meridian when husband and wife both lost their $13 or $14–an-hour job and kids couldn't go to college then and kids stopped right at the end of the semester and all of that.

One last question. What do you make of the delay in not signing the agreement between DHL and UPS?

Ms. FARBER. I think a good business proposition is not looking so good anymore perhaps, frankly.

Senator BROWN. Is that cause for optimism for us?

Ms. FARBER. Not necessarily.

Senator BROWN. OK.

Ms. FARBER. To be candid, I don't think so. I just want to segue back just 1 second to something you said, husbands and wives and families. I made a call to our domestic violence agency that covers both Clinton and Highland County in our case. They have already seen a 20 percent increase in cases since the May 28 announcement and nothing has really happened, because the people who had been warn noticed have been given severance packages. They are entitled to unemployment compensation. They have some assistance. It is the strain and stress of wondering when the shoe is going to drop.

Senator BROWN. A 20 percent increase in domestic violence reported cases since May. That is Highland County only, or that is——

Ms. FARBER. That is Clinton and Highland, and it is predominately Clinton. But they have three times as many—their workforce is three times as affected there.

Senator BROWN. Are you prepared, and I am going to ask Mr. Baker this in a moment, too, but are you prepared for the mental health counseling and all that? Are the agencies in Highland and Clinton, the two counties I guess you know best about this, are they prepared for the onslaught?

Ms. FARBER. They are trying.

Senator BROWN. OK.

Ms. FARBER. They are at the table. We talk very openly about what we are going to need. And again, they are stretched because of cuts in funding as they are, and the people that we are going to need to help don't have any money in their accounts to pay for those services.

Senator BROWN. OK. Thank you. Thanks for your service.

Ms. FARBER. Thank you.

Senator BROWN. Ms. Demko, thank you for telling your story, and every time I have heard you tell it, it is so moving. Thank you for that.21If you have a child with disabilities and you aren't as worldly as you are, say, and you aren't as knowledgeable about this and you don't have as many connections as you have built over the last year-and-a-half since I first met you, year-plus, where do you start? If a parent, a couple of parents have a child that is disabled and they are looking for help and they don't know Margaret Demko and they don't know people in the county seat, where do they start? What is the first thing they do?

Ms. DEMKO. I think the first thing they are going to do is, sadly, sometimes Children's Services ends up at their doorstep because someone sees that they are not helping their child. And then possibly Help Me Grow will get involved, and through Help Me Grow, they tend to find services for them, and that is really Help Me Grow's job, at least in our county, is to help these folks walk through the system and figure out who it is they need to contact next, which district are they in, and which school district can help them, what services are available for them right now.

Before I started looking on my own, when Help Me Grow came to my home, they didn't know where to send me for speech therapy. They didn't know where to send me for physical therapy. And they

found OU and it just wasn't the right fit for us. And so I am afraid that what happens is these kids don't get the services that they need until they are school-aged because then the school finds the problems. The school calls home and says, we need to have an Individualized Education Plan, or an IEP, and by the way, we are going to put your child into services. We are going to put them into speech therapy.

But in our district—in Athens County, there are five school districts, not including Athens City Schools, and there is one physical therapist, one speech therapist, and one occupational therapist to serve all of the children with disabilities or needs in that entire county. My daughter gets less than 20 minutes of therapy a week, and most of that is group therapy because there are three other children in her class that need the same therapy services.

So I am not sure exactly where these parents go. My hope is that they start to look and they start to ask questions, because broadband is not available in a lot of the areas, so it is not easy to just jump online and take a look and try to find where they need to go.

It is scary. I have met families who have just let—they didn't realize there was a problem until they got to school, and then sometimes some of those problems are harder to overcome and harder to break through when you start at age five, when they could have been in school at age two-and-a-half or three, because there are services available.

Senator BROWN. When did you start with Emily?

Ms. DEMKO. I fought to get her into school. This is her first year that she is in school. She is three. She will be four on Election Day. And I fought to get her in school. I fought eight different child care providers to allow her to attend half an hour a day so that she could get socialization programs, because there are no play groups or places that accept children with disabilities in our area. I finally found a church that was willing to let me come in, but it was very strict rules and lots of questioning and issues with her having a disability. And so I found someone who welcomed me in Albany. So I started this past summer with her going 3 days a week. But now she is in public schools.

Senator BROWN. So the biggest, it sounds from piecing together what you said, the biggest hole in coverage and care and help for children with disabilities is prior to their first year in school. That is when we just—our society doesn't reach them very well.

Ms. DEMKO. That is my experience.

Senator BROWN. That is your experience.

Ms. DEMKO. That is my experience, being that she is only four. However, with folks that I work with, I also see a huge gap happen after they are out of school, because what happens to these folks once they are 18? Where do they go? What do they do if they don't qualify for sheltered workshop or they don't qualify for any of the other programs that the county might have? What happens to those folks then? Are there social support networks? Do those things happen? I don't have the answers to that because I am dealing with the early childhood situation.

Senator BROWN. And I know the fear—I have talked to a lot of parents—the fear they have that they are going to go before their disabled child——

Ms. DEMKO. It is a huge fear.

Senator BROWN. and just the fear that you live with your whole life, I assume.

Ms. DEMKO. It is a fear that my husband and I have. What happens down the lane, because we don't have any other children. So what happens to her? What support network is out there to help take care of her if she is able to be independent, which that is my hope and she is on that road, but she is still going to need some support. And who is it, and is that program going to be funded in 16 years when she needs it, or however long that takes? It is a huge fear.

Senator BROWN. Can you imagine and try to share with us what Emily would be like today if she hadn't had the early intervention you did? Can you contrast that? Can you see that at all clearly——

Ms. DEMKO. I can——

Senator BROWN [continuing]. By looking at other children and looking at her progress and all? Share that with us.

Ms. DEMKO. I can. It took me 13 months to come to grips with the reality that I had a child with a severe disability, and during that 13 months, I did not have her in any program by choice. I was in great denial. She was not sitting up. She was not doing those developmental milestones that she should have been doing by the age of 13 months.

When I started looking into services and getting the services, that I finally pulled myself up by the bootstraps and said, this is what she needs, she walked before she was two, which is not a feat—it is a huge accomplishment for a child with Down Syndrome. She is only 36 inches tall at almost 4 years old and she walks without tripping. She walks without braces. She does things that I was told she would absolutely 100 percent never do.

Senator BROWN. And that would not have happened if you had not done——

Ms. DEMKO. I don't believe it would have. I don't believe, if I had not went out there and looked for the services that I needed and found what I needed and found the right answers. You know, it was because of asking questions that I put myself on the board of Developmental Disabilities. I found out about the Developmental Disabilities Council in Columbus. I needed the answers and I wanted access to services for her because she deserves that and she deserves as much access to everything that she needs to make her gain to her best potential.

She right now uses about 75 vocabulary words and over 100 signs, sign language, American Sign Language, and I just don't believe that that would have happened if we had not had some of the intervention and the access that happened with Nationwide Children's and with some of the local folks that just talked me through things.

So I think I would have a 4–year-old who would be very disabled, still wearing the braces that she started wearing, possibly not chewing and eating the way that—you know, she eats just like every other little 4–year-old, hot dogs and chicken nuggets and

what not, and I don't believe that all of that would be happening for her today.

Senator BROWN. She is a lucky little girl to have you as a mother.

Let me ask one other question a bit different from that.

Ms. DEMKO. Sure.

Senator BROWN. It strikes me that one of the biggest gaps or holes or problems in our health care system is the lack of availability, particularly in rural Ohio, but also inner-city and also any kids that are relatively low-income, is the hole in dental care and the effect that that has on—there is a clinic in Cincinnati, a federally qualified health center, that has done a lot of work. They have expanded their coverage, if you will, to dental care, and mostly in low-income areas. One of the things they have done is working not just with children, but working particularly preventive care with children.

They showed me pictures 1 day of a young, very handsome young man that had just found his first job. He was 22 or something. And they showed a beautiful smile, and they showed the same picture of this young man before he had dental work, and he had terribly discolored teeth, missing teeth. They just talked to me about his difficulty in finding a job when he looked that way versus after his surgery. I mean, it just gives you such impetus. We have got to do better with children's dental care.

Talk to me about disabled children's access to dental care. Is it even more severe than low-income children generally getting dental care?

Ms. DEMKO. Generally, yes, because there is more challenges that you face with a child with a disability. They may not understand what is happening when someone comes at them with the instruments. It may be difficult to hold them down or to restrain them. There is not a dentist near us and I am ashamed to say that Emily has not seen a dentist for several reasons. First, because I just don't think she can handle—I don't think I can find a dentist that can talk to her——

Senator BROWN. You would need a pediatric dentist, for sure——

Ms. DEMKO. I would need a pediatric dentist, for sure, and I would need someone who would have had experiences with a child that small with a disability, a cognitive disability. You know, I just don't—everything becomes more complicated when you throw in a disability, whether that be cerebral palsy or Down Syndrome or autism. Everything becomes—there is another stumbling block to get through. And sometimes—you know, there are some doctors and dentists who will not accept a child with a disability because they don't have the experience and they don't want to deal with that.

So not only would we have to go—from Athens, Pickerington is the closest dentist. I am not sure how many miles that is, probably about 60 miles. That is the closest pediatric dentist. From there, then you would have to go to Children's.

When I was at the developmental disability clinic, they actually told me that they would possibly have to put her under some type of sedation in order to get the dental work done, or even looking and cleaning her teeth, and I am not sure that I, first, want to take on that. That is a huge expense, to put a child under sedation, but

it is also a huge risk to put a child under sedation, and so it is very—there are definitely some more things that have to happen when you have a child with a disability. You have to explain it and sit down with it and figure it out, and I think that there may not be many dentists that have that kind of wherewithal.

We also have FQHCs in our area and they have expanded into dental care in Meigs and Vinton County and they have seen a huge up-rise in how many folks come to see them.

Senator BROWN. Thank you.

Mr. Baker, I first apologize that some of the questions I asked you at the roundtable, I may ask similar questions of you because I want your comments on the record, if you would.

When the 300 of you were locked out in 2006——

Mr. BAKER. Yes.

Senator BROWN [continuing]. What were you told? Did the community reach out in terms of mental health services, in terms of food banks or Food Stamps, in terms of what options you had for health care? Did you personally, and you said you had several family members there and other coworkers, did you get anybody reaching out to you much?

Mr. BAKER. Well, mostly, it came on the picket line, people coming by giving money, giving food. As far as the reaching out for mental health, no, that was not there. I don't know why. Like I told you in my statement, we had a man who took his life. He went out trying to find other work. He was in his 50's and just he couldn't take it and he ended his life.

Senator BROWN. Well, you told us at the roundtable how he loved his job.

Mr. BAKER. He did. He loved his job and he was a good person, too. He was a deacon in his church and just a good man, you know, the kind of guy that whistled while he was at work, whistle while you work. He was just a good man. And it was very tragic, because I knew him personally. I knew his kids. He was a wonderful father, a wonderful person. To think that it got so bad for him mentally that he would end his life, it still troubles me today because I see it in other people that worked there. I see them defeated. I went through a bout of it myself. I went through disbelieving in the system. I didn't understand how a company could just up and leave with really no recourse. It is like they just kind of got away with it.

Senator BROWN. So they first—in the middle of the contract—you are a steelworker, right?

Mr. BAKER. Yes, a steelworker.

Senator BROWN. They locked you out in the middle of the contract, brought in replacement workers, and then over time then shut the plant down a year and a half later, or 2 years later.

Mr. BAKER. Well, first, they replaced us with immigrants, if you don't mind, and then after about 2 months of that, because we were told that they had to have translators for the people they had brought in, and that wasn't working out, so after about—I think it was about 60 days, they started hiring locally, and even some of the local business owners sent their workers in, construction, to actually help this company finish up and move out.

It was very discouraging to see the staples of our community actually help this business finish and leave, you know. It is like we didn't matter anymore, the 300 people that were probably using these construction companies to do things for them, hiring them out, and the local businesses that we were all a part of by being in that area. Some of them turned on us. Now that company is gone and those staples of the community are still there, the ones that helped this company. Some of them sent their maintenance workers in to help them tear down the presses, to get the presses out of the factory.

It was hard, because I have known these people myself. I am 40 years old and I have known a lot of these people there most of my life. To see the ones coming in and out of the picket line and telling us the things—I have kids, I have this, I have that. It was discouraging.

Senator BROWN. I remember at the picket line 2 years ago, the busses were either painted—the windows were either painted black——

Mr. BAKER. Yes, painted.

Senator BROWN [continuing]. Or there was something black over them, a curtain or something, or paper or whatever. So later on, you knew who was crossing the line and you knew who——

Mr. BAKER. Yes. After a while, we began to know. Yes, I knew——

Senator BROWN. And they were people you grew up with?

Mr. BAKER. I would say as many as 70 percent of them, local people——

Senator BROWN. What are they doing now, those replacement workers?

Mr. BAKER. Some of them were actually—you mean the people that replaced us?

Senator BROWN. Yes.

Mr. BAKER. Some of them were actually even granted unemployment benefits, which, I mean, I don't see how that worked. But they didn't go through the rigorous beforehand, the drug tests, the—it was just a lot of training involved to do what we did. We ran big presses and they were just bringing these people criminals, like I told you, immigrants, anybody that they could get in that building, and some what I would have thought were good people beforehand. They just were replacing like we were nothing. Like I said, some of us had been there—well, I was there 10 years, but I have got a brother-in-law who was there 25 years, other relatives that were there as long as 30 years.

Senator BROWN. They were making $12, $13, $14 an hour?

Mr. BAKER. We were up to just over $14 an hour.

Senator BROWN. With a 401(k)?

Mr. BAKER. Yes, a 401(k).

Senator BROWN. And some decent health benefits?

Mr. BAKER. Yes. The health benefits were good. They did diminish over time because the company was originally Goodyear, and Goodyear is a bigger name, bigger business. And then another company called Cambridge bought it. It was only around a couple of years. Things started to diminish starting with them. And then when Meridian took over, they basically wanted rid of our union.

They wanted to get rid of the 401(k)—matching the 401(k), it was. The treatment changed. We went from being able to help each other, having steak dinners to raise money for someone that might be having trouble in the plant, to when Meridian took over a lot of that did go away. They didn't support us as much as Goodyear did, if that makes any sense.

Senator BROWN. It does. Let me ask one more question. You said at the beginning, when you talked about Mr. Parker and—that was his name?

Mr. BAKER. Yes, Steve Parker.

Senator BROWN [continuing]. And how much he liked going to work. Talk to us about that. One of the things I think the public misses and that I hear more and moire in these roundtables and just talking one-on-one to you is people's sense of self-worth. When a plant closes, it is not just loss of income, loss of health care, family problems, communities having to lay off firefighters and police, as Ms. Farber said, what happens to the whole income of the——

Mr. BAKER. It is like dominoes. It just——

Senator BROWN. But even more than that, what I don't think we think about enough is sort of people's self-worth, that work is such an important part of our lives, no matter our job. Even if we don't always like our job, it is still such an important part of our lives. Talk about your sort of feelings and what you saw from others as they lost their jobs and as they were locked out——

Mr. BAKER. Well, immediately, I started seeing people lose their homes. I know a family of four that lives in a camper on his mother's property because he couldn't keep up with his bills. He is still living in that camper, two-and-a-half years later, on his mother's property. Coincidentally, his mother retired from that company.

But with Steve, like I said, I mean, he brought me and my wife firewood while working. He was just a community man and a really good man. He whistled gospel songs while he was loading the wood out of his truck and stacking it for us, just a friendly man. To think that he went from that to putting a gun to himself and shooting himself is hard to me really to fathom. I can't even imagine where he must have been at that time.

I do wish he would have reached out to us. I was told that he did reach out to get help in like a mental treatment facility and they put him on medication, and I guess the medication just made him feel weird. That is what his family told me, that it just kind of made him feel weird. Within 2 days of coming out of that facility is when he took his life. I do wish he would have reached out, but he had so much pride, I don't think he wanted anyone to know how much he was suffering. His son has taken on a business and his daughter is a nurse. I mean, he was a good father. You get that stuff from having a good support group, and that is what he was, was a support for his kids. Not having that, I told them, I want you to know how lucky you are to have had such an, if you don't mind, an awesome father, because I didn't have that. I never had that and I have always envied that. To see where they are because of that support system was a beautiful thing and I didn't want them to focus so much on his loss as the fact of how lucky they were to have had such a great father. I envied him for that. I don't

know if envy is the right word, but I sure would have liked to have had that myself. But Steve was a good guy.

I see families losing their health care, like you mentioned there. Some of the people had to pull their kids out of college because they couldn't afford the next semester. I am still seeing that. I talked to a man the other day who is in his 50's. He can't find work. No one wants to hire him. I am seeing that a lot still in our area. A lot of people cannot find work, especially the older ones.

I myself am 40 and I am having trouble finding a good solid job. Telemarketing, I am doing some carpentry work. I lost my self-worth, too. I felt good, even, like you said, I didn't so much like it, but there was a pride in getting up and working 6 days a week that they just took away from us in the blink of an eye. It has been very devastating for the community, even the pizza shops and the things right around Meridian there. They have told us they are hurting now because we don't work there anymore and the building sits there empty while they lease it and do nothing with it. There is a lot to it.

Senator BROWN. Thank you. My wife said after the roundtable when she talked to you, she told me what a good father you are because——

Mr. BAKER. I have a son with spina bifida and my heart goes out to you. You seem like an awesome mother.

Senator BROWN. But as Mr. Parker was a very good father for his kids——

Mr. BAKER. A great father.

Senator BROWN [continuing]. My wife was convinced you are for your son, so thank you.

Mr. BAKER. Thank you.

Senator BROWN. Thanks to all three of you, and if you would like to stick around, certainly feel free to for the next panel. Thanks again for your openness and candor and service you all three give to your community. If you have anything else you want to add, you can, as I said, in writing give it to Joe Shultz and we will get it in the committee record. Thanks very much, Mr. Baker, Ms. Demko, and Ms. Farber. Thank you.

We will bring the second panel up and take a two or three minute break if people want to do that, if people want to stretch or whatever.

[Recess.]

Senator BROWN. Thank you all, and thanks for your patience. We went a little over on the first panel and I apologize.

The second panel will include, from right to left, your left to my right, Mark Shuter, President and CEO of Adena Health System of Chillicothe, and I am sure he is so proud of all of this complex, as Mr. Metzger is. Mr. Shuter has worked in the health care field for more than 20 years. He is a native of Portsmouth. It is nice to see you. Thanks. Downtown Portsmouth is coming back. I was just there. They are doing a lot of interesting things in downtown Portsmouth. I was in a meeting in one of their old abandoned some building that they made into an apartment complex. It is really pretty neat.

Sherrie Lanier is Development Director of the Ohio Valley Regional Development Commission in Waverly. She is a Southern

Ohio native. She is filling in for the Executive Director of the Commission, John Hemmings II. We are glad to have her with us today.

And Marsha Lewis is a Senior Research Associate at the Voinovich School of Leadership and Public Affairs at OU. She is a native of Jackson County and is getting her Ph.D. in education and research, is that right?

Mr. Shuter, please keep to about 5 minutes, if you can, and I will do questions. Thank you.

STATEMENT OF MARK SHUTER, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ADENA HEALTH SYSTEM, CHILLICOTHE, OHIO

Mr. SHUTER. [Off microphone.] Adena's vision is to be the best health care system in the nation, and what we feel is geography is not a determiner of quality and we are determined to provide the best health care for more than 500,000 people in our service area.

Adena provides care through our two inpatient hospitals, our main campus, Adena Regional Medical Center of 237 beds, and then a 25–bed critical access hospital in Greenfield. We have additional campuses, a satellite here in Chillicothe, Jackson, and Waverly.

Well, in our region, Chillicothe is considered the big city, and here at our main campuses, our services include open heart surgery, interventional cardiology, cancer care, minimally invasive hip surgery, spine surgery, and an after-hours pediatric urgent care. Our medical staff of 250 gives our patients convenience and comfort in knowing they can receive in or near their home the primary care and specialty care that are common in metropolitan areas.

Being the best means that Adena must continually expand our services and provide patients with up-to-date technologies and best practice medical care, and telemedicine is one of those areas I want to speak about because it has infinite possibilities. In fact, we have already witnessed this impact in our critical care newborn area, where through our partnership with Nationwide Children's Hospital in Columbus, and Adena's relationship with Children's is one of the first of a kind in Ohio, in Adena's maternity unit, we began utilizing in 2006 this unique capability of telemedicine with Nationwide Children's, where our neonatologists assist Adena pediatricians with clinical assessments via high-definition video conferencing. In just its first year, telemedicine reduced by half the number of newborns transferred to Columbus, and these families avoided the travel costs, overnight accommodations, and the stress of transfer and separation.

In November 2007, we received from our Congressman Zack Space news of being selected to implement a $14 million Federal Communications Commission project for building a fiber optic network throughout our region. Then just last month, we received from your office, Senator Brown, news of the United States Department of Agriculture grant that will enable Adena to expand its telemedicine capability beyond the nursery to other hospitals in Southern Ohio. These grants will enable us to provide more of the best care to our patients in what is, as we have heard this morning, a medically underserved area.

We are working with other health care systems through the Regional Health Care Information Organization and through the Appalachian Health Information Exchange. This is a voluntary association of health care providers that is developing an integrated health information system.

We know that in order to provide this best care, we must continually expand and stay ahead of this curve, and there are several other information technology projects at Adena that we would like to inform you about that are critical to our patients.

They are, first, an online portal that will feature the opportunity for patients to schedule their appointments and refill prescriptions. Patients will have the ability to access the information virtually anywhere through the Internet, and this is rolling out in the next 6 months.

Our electronic health record, a collection of patient health information, includes progress notes, problems, medications, vital signs, medical history, immunizations and test results.

Third is E-scribing, which enables health care providers to send prescriptions to pharmacies electronically and order refills. This will include bedside medication verification with scanners and hand-held devices to reduce medication errors.

Fourth, telemetry equipment for home health patients that we can transmit test results directly to our physicians.

Five, continuing advances in telemedicine through our partnerships with other hospitals in Columbus. Now we are focusing on a stroke patient care network with Riverside Methodist and maternal-fetal medicine with Ohio State University Medical Center.

And then finally, an innovation to train and equip all volunteer emergency squads in Ross and Vinton Counties with satellite telemetry for electrocardiogram transmission from the squad of the emergency departments. Why satellite? Cell phones and radios in the hills are unreliable.

Now looking to the immediate future for information technology and rural health care, here is what we need. I bet you thought that was coming. First is the FCC Rural Health Pilot Project mentioned earlier. This is an amazing example—and again, that is the $14 million grant—of providing public-private cooperation in broadband capacity in our region. The FCC is paying 85 percent of the costs while eligible health care providers provide the other 15 percent. Adena Health System, for example, will be stretched to pay our match when costs are incurred, but other less financially resourceful providers cannot afford the match. Thus, they will not connect to the network and this will be a major concern for implementation and adoption of technology where it is needed.

Second, as we mentioned earlier, federally qualified health centers and independent rural practitioners must establish electronic health records. At the same time, their Federal reimbursements are diminishing. Many cannot afford the costs. We will help where we can, although as you know, we are restricted in some part by the Stark Act, but Federal and State assistance is needed to help them fund those records.

Third, Federal funds would be well spent to help this so-called door-to-balloon time for chest pain patients in rural areas nationwide. This is the time required to receive a heart attack patient

from the door until they get their stents. If the hospital knows in advance the patient is having a heart attack, we can help intervene. We have proven that basic and intermediate EMTs can reliably attach these 12–lead EKGs to the patient, but the paramedic-level EMTs have long been permitted to do this under State-controlled scope-of-practice rules. But the trouble is, paramedics usually don't work on our volunteer squads and volunteer squads are the norm in rural areas. So grants are needed to help the training in this area and for the equipment in rural areas to provide this service.

Finally, I would just like to say thank you for the opportunity to speak today about what we think information technology can do for rural health care, and this is an exciting and challenging time in health care. At Adena, we are committed to bringing this technology to our patients.

[The prepared statement of Mr. Shuter can be found on page 57 in the appendix.]

Senator BROWN. Thank you, and you have made huge process, it sounds like.

Ms. Lanier, thank you. It is good to see you again.

STATEMENT OF SHERRIE LANIER, DEVELOPMENT DIRECTOR, OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION, WAVERLY, OHIO

Ms. LANIER. My name is Sherrie Lanier. I am the Development Director for the Ohio Valley Regional Development Commission. I want to thank you for giving us the chance to be here today and testify to the importance of the USDA and other programs to rural Southern Ohio.

We have a longer, more detailed written testimony that I have submitted to Joe and I am just going to, I think, talk about some of the challenges facing our counties and our communities as far as infrastructure and economic development.

Ohio Valley Regional Development Commission is a regional planning and economic development agency that works with 12 counties in Southern Ohio to direct Federal, State, and local funding resources to those communities, give technical assistance to the communities, to make some of these programs available, and help the communities implement them.

We have a longstanding relationship with the USDA Rural Development Program. They have been integral in many, many projects throughout Southern Ohio because we seem to be kind of behind the eight-ball in many of our counties for a combination of reasons. In Appalachia, the poverty rate is higher. The unemployment rate is higher. Combine that with a lower per capita income, a lower median income. That means our communities have a much lower and limited tax base to work from when they are trying to provide utilities to their residents.

The USDA programs, along with the Appalachian Regional Commission programs and Economic Development Administration programs have really been lifesavers for many of our communities in these rural counties. They really have nowhere else to go unless—you know, they could go the traditional route, in a sense, to get loans, but they would be the higher-interest loans. If it is based on

their ability to pay it back, sometimes they would not get it, these small villages. They don't have enough residents. But yet you have the residents in dire need of improved water—or there is access to water, access to sewer. Many of them have their own onsite sewer systems and they are failing if they have them in the first place.

So it becomes—it is an economic development issue, but it is a health issue when you get into all of those things. It just—one thing builds on the other as far as needing to get some of these basic infrastructure programs in place.

We have had success stories in the Village of Vinton in Gallia County, the Village of Highland in Highland County, new gravity-feed sewer systems that provided access to residents in those areas that they did not have it before. It may only be 200 people, but those 200 people needed that for both health, safety, and development reasons.

On the business and industry side, the city of Jackson, we worked with them, with the former Luigino's Plant, now Bellisio Foods, to expand their wastewater treatment plant. Luigino's wanted to do a plant expansion, but because of the increased food production, the wastewater treatment plant couldn't handle it. Four hundred new jobs were on the line, 1,000 existing jobs. They had the choice of going to Minnesota or somewhere else, taking everything, and the USDA with some other programs stepped in and we were able to help get them funding for that wastewater treatment expansion. Luigino's added 400 jobs and saved 1,000 jobs. That is just one big example of how these programs—how important they are.

It is so important because one builds on another and depends on another. If we lose almost any of these sources, these small communities would have to either go the traditional route, which in today's market, many communities, they can't sell bonds. Nobody will take it on. And they can't get a loan, even if they were willing to pay the higher interest rates. If they could do that, then they are passing those rates on to consumers that can't afford them in this area.

So in conclusion, I just want to again express the importance of the USDA Rural Development Programs to us in the area, both at the very basic community development level, and then taking it into an economic development level. Thank you.

[The prepared statement of Ms. Lanier can be found on page 43 in the appendix.]

Senator BROWN. Thank you, Ms. Lanier.

Ms. Lewis, welcome.

STATEMENT OF MARSHA LEWIS, SENIOR RESEARCH ASSOCIATE, VOINOVICH SCHOOL OF LEADERSHIP AND PUBLIC AFFAIRS, OHIO UNIVERSITY, ATHENS, OHIO

Ms. LEWIS. Thank you, Senator Brown, for the opportunity to address this committee on important issues in support of rural communities. My name is Marsha Lewis and I have worked at Ohio University's Voinovich School of Leadership and Public Affairs for 15 years. We have worked on many projects with USDA Rural Development and other Federal agencies and have a longstanding

partnership with State Director Randy Hunt and many others throughout the agency.

The work we do at Ohio University is in line with the mission of USDA Rural Development, to build partnerships and provide a broad set of services to improve the quality of life in rural areas. USDA Rural Development accomplishes this through a continuum of programs that help develop all of the crucial components of the infrastructure it takes to keep rural communities viable, foster economic growth, and compete globally.

That continuum of services is what we focus on through programs like the Appalachian New Economy Partnership, which is the University System of Ohio program strengthening the region's competitiveness by focusing on the three critical pieces to economic growth: Education, local government capacity, and business development. Any solution must involve all three.

We, for example, are currently working closely here with Ohio University-Chillicothe Dean Rich Bebee and a group of public and private sector entities, including Adena, on innovative economic growth strategies for this part of the region. Our role is to provide the best available economic and demographic data so that the communities can make strategic decisions and target their efforts. We do almost all of our work through partners, through projects like the EDA-funded Community Economic Adjustment Program targeted at places like Jackson County that have suffered because of auto industry downsizing.

Through a project called the Mayor's Partnership for Progress which Chillicothe Mayor Joe Sulzer started a number of years ago, the Voinovich School brings together mayors and city managers from cities and villages throughout Appalachian Ohio to share information and resources, meet collectively with Federal and State partners on a regular basis, and tackle economic and community development challenges faced by municipalities.

So much of our work is in conjunction with our Federal and State and local partners and much of it involves direct operational assistance to help businesses grow at the local level. With OVRDC, OSU Extension, and others, we identify startup businesses and existing businesses that have high growth potential and develop long-term consulting engagements to assist in making improvements and making them sustainable. Since 2005, this partnership has provided assistance to over 1,700 businesses and entrepreneurs and assisted businesses in securing $62 million in new loans, $80 million in government contracts, $3.5 million in funds from individual investors, and $8 million in venture capital funding, venture capital funding that was not available in most of the region before this partnership began.

USDA Rural Development has historically been a critical partner in efforts to provide a comprehensive continuum of assistance to support economic growth. Through the support of the Voinovich School's collaborative efforts, like the Appalachian Ohio Regional Investment Coalition, USDA has invested critical resources, time, and expertise to help develop strategies for Appalachian Ohio. This past June, the Voinovich School, USDA Rural Development, and the U.S. Small Business Administration and the Treasury cospon-

sored a lender seminar focused on USDA guaranteed lender programs and how these loans can support local business growth.

As an important component of the direct assistance to businesses in Appalachian Ohio, the Voinovich School and many partners are in the second year of TechGROWTH Ohio, a unique partnership focused on early stage businesses and entrepreneurs in technology sectors. In mid-October, just this past month, TechGROWTH gave the first pre-seed funding check to a Southeast Ohio-based interactive digital media company with a vision for social networking capacities via the Internet. With each milestone, this firm will receive further joint funding from TechGROWTH in technology-based economic development.

In many Appalachian Ohio communities working hard to move forward, the technology infrastructure is still lacking. Yet technology infrastructure has become a basic utility without which communities cannot remain viable. This is why USDA Rural Development's work to expand broadband access is so important to the region.

In addition, the agency's support of renewable and alternative energies, such as Hocking College's Advanced Energy Campus in Logan, is an important project that will help rural Appalachia be competitive in this emerging market.

This facility here, the PACCAR Medical Education Center, is a prime example of that collaborative work. The Voinovich School is currently conducting some research on college access for Appalachian Ohio students. In a survey of over 1,200 of last year's high school seniors in the region, close to 30 percent of the respondents wanted to enter a nursing or allied health field. With health care targeted by both Ohio Department of Development and the Ohio Board of Regents as one of the State's high-growth industries, facilities such as this provide critical training opportunities to build the type of workforce vital to Ohio's current and future economic viability.

Efforts to develop the health care sector is a prime example of why the work of USDA Rural Development and its partners is crucial and why development projects are not discrete, but interconnected. Keeping our rural communities viable to continue to attract professionals, such as those in the health care field, is hard work and costly.

The building blocks for any kind of development involve solid physical infrastructure. Many communities in our region are in need of the first line of water or wastewater pipe. Others, such as many of our small cities, have aging infrastructure that no longer meets State and Federal requirements. Economic hardships that hit families throughout the region make it painful, if not impossible, to raise utility rates to the level necessary to upgrade or in some cases even maintain the critical infrastructure needed for economic development and make communities that people want to live, relocate to, and stay in.

Our region needs the partnership and assistance provided by these programs and we respectfully ask that USDA and other Federal agencies continue and expand assistance to rural communities so that we rural citizens earn decent wages, raise healthy families,

and live in communities that provide great quality of life for everyone. Thank you.

[The prepared statement of Ms. Lewis can be found on page 49 in the appendix.]

Senator BROWN. Thank you. Thanks very much, Ms. Lewis.

Mr. Shuter, talk to me about—thanks to all of you, the testimony from all three of you. Almost everybody here has talked about the importance of broadband. Give me the intersection of—explain to me the intersection of what we do with broadband, with telemedicine, and with FQHCs in Southeast Ohio, and really anywhere, but how we—I don't think when people talk about broadband they think enough about telemedicine. I also think that as this whole hospital and particularly what Mr. Metzger and all of you are doing now here, PACCAR is such a jewel for Appalachia, and with the proliferation of FQHC, it just seems that we don't—would you just explain the synergism of it to me, if you would, where we come together on all of this?

Mr. SHUTER. Well, I think it is important to note that, I mean, the grant to build this network throughout the region, it is pretty much a ten-county area, and again, it is not going to be exclusive for health care. This will be available for industry, business, government all to be able to tap into it.

But relative to health care, the big shift here is we are in roughly in another year and a half rolling out all of our electronic record, including these portals that will have the ability to now connect at home. If you think through that connection at home, the average person over age 65 has roughly 15 medications and so they are going to have an electronic link to their primary care doctor, their pharmacy, whoever their health plan vendor is, as well as gain access directly for appointments, but more importantly, will be able to get information back to the practitioners to maintain health status.

Roughly, if you look, we do a million encounters a year, roughly—the studies are 20 percent of the population is generating 80 percent of that through chronic health care conditions. So the vision here, the bigger issue is long-term, is really regionally along with our partnership with Ohio University and the RIO is to really understand this in the chronic disease population and find ways through the Internet to keep people at home.

We partner with federally qualified clinics in almost all of our communities we serve. The key thing is we still have that little bridge gap of getting them connected, but the key thing is to get them access to broadband. Second, help them adopt electronic health records, and again for the same purpose. As homes get more online with connected to the ring, again, to be able to provide that health status, shift that service away from having to go to a clinic to be able to get it in their home.

Relative to the synergy of this building, we will be having national speakers coming in several weeks, again, providing the opportunity for health care providers to bring updates, and this topic would be cardiology, but we also have the capability through this building to connect into that ring, and again, we are going to be connected to provide more education. Wright State does our nursing school. We are connected such that we can do remote classes.

And so I think the opportunities relative to the education system, I think are kind of infinite, as well.

The particular niche around telemedicine, there is, again, more and more. We have the nursery coming online. Stroke will be coming online. There is now increasing use of robots that will be able to be steered remotely because of all of this connection by a specialist really around the world to be able to provide specialty consultations, either in remote hospitals or in clinics and eventually at home.

Senator BROWN. Thank you.

Ms. Lanier, you had given the example of the infrastructure of what you were able to do with USDA and others on preserving those jobs and expanding the jobs. You mentioned Gallia County and Highland County, I think. Give me an example of how—we all talk about infrastructure, whether it is broadband or whether it is highways, roads, bridges, sewer systems, whatever. Give me specifically what USDA's involvement, what infrastructure did in one or both of those communities, if you could.

Ms. LANIER. Sure. In the——

Senator BROWN. And what it meant to the residents or to economic development down the line.

Ms. LANIER. In both cases, in the Villages of Vinton, which is in Gallia County, and Highland, which is in Highland County, they did not have any sewage treatment. All the residents had their own septic tanks, many of which were failing and were discharging either barely treated or raw sewage into either the storm sewers or into area creeks. The funding allowed them to run sewer lines and build, in one case, in Vinton, to build a treatment plant. In Highland, they basically just built the sewer lines and pumped it to the Village of Leesburg, to their treatment plant. In that case, they had an agreement with them.

Senator BROWN. Can you give an example of where it meant some kind of economic development? I mean, you gave the big example. Is there something else that you have done that——

Ms. LANIER. In the Village of Highland, there were four businesses that were able to connect to the system——

Senator BROWN. What kind of businesses were those?

Ms. LANIER. Pardon me?

Senator BROWN. What kind of businesses were they, retail?

Ms. LANIER. Retail, yes. Retail and service.

Senator BROWN. OK.

Ms. LANIER. They were able to connect to the system and retain the jobs that they had there in the village and keep those——

Senator BROWN. What kind of sewer rates are they paying in Vinton?

Ms. LANIER. I don't really know the exact rate. I know, because of the low-interest loans and the grants, it is the absolute cheapest that they can make available.

Senator BROWN. Do you know how it compares to people in the city of Chillicothe or in the city of Hillsboro or——

Ms. LANIER. Much cheaper than the city of Chillicothe.

Senator BROWN. OK. Thank you.

Ms. Lewis, one of the roundtables I did, it was at the Voinovich Center and I was really struck by the entrepreneurial activity of

Southeast Ohio and especially right there. They talked about Hocking and the alternative energy. Talk to me about what we do to make this. I have noticed around Ohio we have in this State now, we are in the top, I believe, five in the country in investment in solar energy in terms of businesses and we are in the top five in the investment of wind turbines and it is sort of an untold story and an unknown story and it is going to get bigger. We have the largest solar manufacturer in the country near Toledo. What struck me about what was going on in Athens and Hocking was how much was going on with installation of solar panels and all that.

How do we make this region, from your work in development and particularly in economic development, how do we make this region—pull that together to really get these—to help these businesses to see more businesses grow and to sort of fan out outside of just Athens and Hocking, where I think most of the energy has been, in alternative energy specifically?

Ms. LANIER. Right, and I think alternative energy, we all know that virtually every community in the country is looking to alternative energy as sort of the next wave of economic growth, but in our region in particular, which has a long history of an energy-based economy, it makes particular sense. I think the work of the universities, the work of Hocking College and the work of Ohio University in looking at these things is certainly what is making that cultivate in that particular part of the region.

But I think, again, that continuum of services and that access to capital, getting the venture capital in the region and getting people who have ideas and communities that have the natural resources—for instance, in Jackson County, looking at how to overcome the downsizing and the Meridian closure and the other things that have hit the county hard, what are the natural resource-based products that we have there that would lend themselves to, for instance, solar panel production, and how can we change over that manufacturing to something like that with the silica and the sand and the clay and the things that you need for some of those things?

So I think it is that continuum of services, everything from access to all kinds of capital at every stage of those businesses' lives, whether that be angel investment, venture capital, and then also some sophisticated business support services that we don't have in this region. Sometimes access to special patent attorneys or access to specialized labs to bring some of these things to fruition and to production, I think are important.

But also, kind of a regional approach to thinking about what do we want to pursue? What do the data show that we could support? And how do we target that best and how do we do that regionally? We talk a lot about regionalism, but that is hard to do. It is hard to bring local leaders together with these State and Federal agencies and really focus and be strategic and use the data to say this is something that we should pursue and let us pool our resources to figure out how to do that.

So I think not only business development assistance, but also the work with governments and local leadership on how to do that and how to take a regional focus, to grow that out of just the little, sort of the core area where it is now and use some of the manufacturing

and the natural resource base that we have here to be able to grow that.

Senator BROWN. How old is the Hocking program?

Ms. LANIER. It is fairly new, within the last couple of years. OU's Coal Research Center has been around for a while, but just now getting infused with capital so that they can do some of that research. We have got other things going on, an engineering professor at Ohio University looking at ammonia-based fuel cell development and even starting a little bit of some prototype manufacturing of that. So those things have—people have been thinking about them for a number of years, the last 5 years or so, but just in the last couple of years, they have really started to take off.

Senator BROWN. Thank you.

Let me ask one question of each of you. Take a couple of minutes to answer it, if you would. The same question of all three of you, and then we will adjourn. If there is one thing that you could ask my office or the Federal Government to do, other than send you millions of dollars, but if there is one thing that you could ask us to do, what would it be? I call on you first so that they have the advantage of thinking about this answer longer than you do, but Mr. Shuter, give me one major thing——

Mr. SHUTER. You have taken the No. 1 off the table.

Senator BROWN. Yes, right.

Mr. SHUTER. You know, I think when you go through our list of issues, I think this issue of the connectivity—well, first of all, the grant that we received to build the broadband network is huge, but still the issues around the edges of helping this region, helping the organizations that are struggling to pay that match of 15 percent to connect to that broadband network, which will take some loosening of the regulations.

And second, I think there will be needed some assistance for especially the smaller providers, the federally qualified clinics, to help them adopt the full electronic health record, which is going to need to happen for us really to—still the issue of reducing utilization while improving quality is going to be the key challenge in front of health care for the next decade.

Senator BROWN. OK, good answer.

Ms. Lanier.

Ms. LANIER. OK. Well, aside from more money, just the—if we could lessen some of the bureaucratic strings or restrictions from the various agencies or programs as to what things can be used for, how it can be used——

Senator BROWN. Give me one example.

Ms. LANIER. Well, with—say the Economic Development Administration funding, and theirs and the USDA in some of their cases are very similar. The funding can only go to essentially a public entity, is how it would—a city, a county, a port authority, something like that. Many of the cases in our area, I was Economic Development Director in Jackson County for several years, so I am used to dealing with this firsthand. The land in our industrial parks are mostly private. So when we go to try to get funding to build access roads, to build sewers, to put water lines out, we can't access these funds.

Senator BROWN. Ms. Lewis.

Ms. LEWIS. Well, I think one of the key priorities has to be relieving the stress on local communities and continuing to infuse money into the region for infrastructure development. And technology infrastructure certainly is a very key component, but also the physical infrastructure components that make communities viable, that make communities places where people want to live and can live and that are healthy and vibrant.

Our local communities, our counties, our small cities that have aging infrastructure are really up against a wall in terms of trying to upgrade that, trying to replace that, trying to meet new mandates, new State and Federal mandates, and really need help from the State and Federal Government in order to be able to provide the basic infrastructure that is the building block for any other economic development.

I think relief in that, public works, basic infrastructure projects, and more support from the Federal Government to be able to fund those and make it so that the rates are livable for the people in Appalachian Ohio, I think is really crucial.

Senator BROWN. Thank you.

Thank you all. Thanks for your comments, your provocative thoughts, and feel free, as I said, to submit in the next few days anything additional. And anyone else here that feels that they want to submit any information to us can do the same. I appreciate that.

Again, Mr. Metzger, thank you for hosting this at your beautiful facility. I look forward to coming here many times in the future.

The hearing is adjourned.

[Whereupon, at 12:40 p.m., the committee was adjourned]

APPENDIX

October 23, 2008

Kevin G. Baker
Testimony to the Senate Committee on Agriculture, Nutrition & Forestry
October 23, 2008
Chillicothe, Ohio

April 21rst 2006, 300 plus workers at Meridian Automotives here in South East Ohio were locked out of their job. Some people had worked there over 30 years. Most right out of high school. There were many married couples who both lost their job at Meridian. Many of us had family working in this factory. I myself had 7 relatives who worked at Meridian Automotives. We worked 6 days a week mandatory and the maintenance crew 7 days a week. We were all dedicated workers and responsible workers who took pride in their job. April 21rst 2006 changed all that. Immediately our lives changed when the company bussed in immigrants to do our job, some were found to be illegal. We stood on the picket line for the better part of two years and along the way many tragic events would unfold. Pretty much all of us began to lose our self worth. The pride we had in working 6 days a week and providing a living for our loved ones was now starting to die off. After about a year on the picket line a beloved Union brother took all he could take and ended his life with a gun. None of us seen this coming especially from this man. Families started to lose their homes within the first year. Depression set it with many of our Union brothers and sisters. Pretty much everyone lost their health care unless provided by a spouse not working at Meridian. To this date many of the workers have not found work and the ones in their 50's and 60's may never find a job in this area or affordable health care. Some of the people who lost their job at Meridian now work as far away as Cincinnati and for some the coal mines of West Virginia. How a company can pack up and leave while ruining the lives of so many people is beyond me. I believe our society have seen it so many times that it really never sinks in until it happens to them. Most people in our area don't even feel we matter at all in this part of the state. The local cable companies force us to watch WV news and we are treated by our state as if we are a part of WV. We need the help from our leaders to change that.
We need broad band in our area so people can search the job sites and educate themselves on what they could be doing in our area and the surrounding area. Many of us have family right here in South East OHIO and don't want to move to the city just to have high speed internet and more job opportunities. We need jobs here in our part of the state and we need it now. Many of our Union brothers and sisters have gained employment at the local wal mart cutting their pay in most cases less than half of what they were earning at Meridian Automotives by the hour. Many of us were educated right here in the Appalachians and for many of us we are behind the times when it comes to joining today's work force. We live in the richest country in the world but right in the heart of it all are the Appalachians where I have witnessed the destruction of over 300 lives. We need help here and we need it now. One thing that should've happened from the start was for our leaders to have set up a grief counseling program to help people deal with such major changes in their lives. Companies to be held accountable for their actions

and for the fall out from their actions. We are the heartland and we want to work. We need jobs in our area and we need them now. We need affordable health care and someone to help us with our bills so we can go to school and get the education we need to survive in today's world. I don't want to see anyone else lose their home or even worse lose their life because of this. We are asking for your help here in the Appalachians of OHIO. We need work and we need our self worth back. We want to work, we know what it takes to survive and we need your help to regain our belief system in not only ourselves but in you our leaders and our elected officials. Bring our area up to date with broadband and bring businesses to our area . We believe we can do anything but we do need your help getting started again.

Margaret Demko
Testimony to the Senate Committee on Agriculture, Nutrition & Forestry
October 23, 2008
Chillicothe, Ohio

Good morning Senator Brown. I am honored to be able to speak with you this morning here in Chillicothe.

My family lives in Albany, a small village in the west corner of Athens County. We are one of the 8900 families in Athens County that do not have access to healthcare coverage. My daughter, with Down Syndrome, does not qualify for Healthy Start, and as a family we are unable to purchase private coverage due to several preexisting conditions.

If I speak this morning about my family's access to care, I have to speak first about my daughter Emily. She needs intensive speech, physical and occupational therapies to help her reach her best potential. When I looked for these facilities in the Athens area, I found only Ohio University for physical therapy and speech, and there the therapists are grad students who change every three months with their school schedules.

This was not the answer for Emily, and she still needed occupational therapy for her fine motor skills, like being able to hold a pencil, and turn the page of a book. As a family, my husband and I looked into Nationwide Children's Hospital therapy services in Columbus.

While a long way from home, we knew that this was the best place to have her get the start she needed towards reaching her best potential. We signed her up for therapy, taking on the out of pocket expenses of each therapy, but also the total costs of getting there and being there for the day. There was 77 miles of travel one way, with gas at astronomical rates.

We sold our van and got a compact car to try and fight these costs. I tried to pack a lunch for us, since the costs of eating out while we were there were also hurting our budget. My daughter has particular eating issues; so packing food became too difficult as she grew. All in all, the trips each week would cost us over $500 when all therapies, food and gas were added together.

I consider my family one of the lucky ones, since we had the gas money to get where we needed to be for Emily, and were able to essentially run a tab of therapy bills at Children's Hospital. We kept this up for over 2 years, until school age therapy services were able to kick in.

We also were able to take her to Nationwide Children's Hospital for developmental disability clinic, where an issue with her eyes was caught, a blood test to rule out thyroid disease was completed, as well as a need for orthotic shoe inserts was

found. This essentially is a "one stop shop" for services for children like Emily. While there are clinics in local health departments, there are no areas to have all of the tests ran that day on the spot.

My daughter is not the only one who has had issues accessing the care she needs in her own back yard. My husband has a history of severe kidney stones. When he had an attack this July, I chose to drive him 35 miles to Adena medical center, when he was working right around the corner from an emergency clinic.

Why would I choose to do so? I couldn't imagine the bill that would come to an uninsured person from a for profit clinic who has no program to assist financially when you have no insurance. I ran a huge risk of my husband passing out or of having something more serious happen to his kidneys, but I knew that as a family we could not take on a bill of several thousands of dollars and be expected to pay it within 30 days, as had happened to us in the past.

Senator Brown, I am not the only family that lives in Southeast Ohio that has trouble accessing healthcare and healthcare specialists. I live in an area where two adjacent counties, Meigs and Vinton, do not have an emergency room within 25 miles. Meigs County does not have 911 services. The vast amount of these counties are remote areas, where most folks do not have the most basic of services, let alone the gas money or the proper transportation to get to that life saving clinic.

Yet another health care issue that hits Southeast Ohio hard is access to dental care. There are very few dentists in the local area. Athens has dentists, but some won't take Medicaid, some won't take uninsured without full payment, and there are no pediatric dentists at all. Again, you have to head north towards Columbus for that service.

This is a healthcare issue that can reach well beyond oral health. When there are oral health issues, sometimes there is missed work or school; there can be systemic infections, and many other more serious complications. All that aside, it is always harder to move forward with a job interview or with a school presentation if you are missing teeth or are experiencing extreme halitosis.

On a personal note, I am worried that Emily needs to see a dentist now that she is almost 4 years old, but don't think I can take her to another specialist outside of Athens. I am worried that she may have dental health issues that I am not taking care of.

When we talk about access to services, there are so many more things to consider than the immediate health of the children and the adults in my hometown areas. If Emily does not get speech therapy this week, it won't hurt her immediately, what it will do, however, is potentially slow down her growth in her ability to speak. Not having adequate occupational therapy will not harm her immediately either, but

eventually inability to stick a sticker on her shirt, stack blocks or color with a skinny marker may turn out to be something that stops her from reaching her potential.

Simple skills like this are building blocks for life skills she would use everyday for the rest of her life. She needs these skills so that can speak intelligibly enough to be able to ask for what she wants, write her name, turn the page of a book, punch the buttons on a calculator to balance a checkbook, or to even hold down a good job. All these services are connected to her future. Many other families are also experiencing the same, yet are unable to reach the services they and their children need.

I work everyday to find and talk to families like mine who are having issues accessing healthcare. I assure you, Senator Brown, that my family is not unique. I get calls almost everyday from folks much worse off than my family that are trying to figure out what they can do to get their family the care they need without the ability to travel outside the area. I have made this work my life passion-- to listen to, advocate for, and try to direct to the right people these families that are in crisis with their health. I am sure that it is reassuring to talk to someone like me who also lives these issues everyday, but we need to do more than talk. We need to find a solution to the access and cost issues in this great part of Ohio.

As a family, we make hard choices every day about our healthcare, and we provide everything we can for our daughter and for each other, since we know that healthy parents raise a healthy child.

What we need is a government and a president on our side to help us. We are willing to put into the system what we can, what we need is the door to be open to make sure healthcare is affordable, achievable and accessible for not only my family but so many thousands just like us.

Testimony for the Committee on Agriculture, Nutrition & Forestry of the United States Senate, October 23, 2008 field hearing, Chillicothe, Ohio

Katy Farber, President, Highland County Chamber of Commerce

My name is Katy Farber and I am the president of the Highland County Chamber of Commerce-an investor driven organization representing some 350 members of the Highland county business community.

I appreciate the invitation and opportunity to present this information at today's field hearing. The USDA Rural Development programs have provided support to Highland county in the past, and for that we are grateful. We are, however, in need of increased assistance in light of the economic realities of today, and the looming economic devastation of the pending DHL decision to close its Wilmington, Ohio hub operation.

Current Economic Situation

The current economic downturn is affecting each sector of this country, but it is having what many believe is a disproportionately negative effect on rural southwest Ohio, and in particular, Highland county. The issues are many, and cut through each sector that makes up our local economy:

1. Local tax revenues and fees collected for the general fund are down, limiting the ability to meet the increasing demands on county and local government to provide services. This severely affects the day-to-day operations of law enforcement, the courts and all departments dependent upon both county and municipality revenues.

2. From the first quarter of 2007 to the first quarter of 2008, Highland county had the Highest percentage of jobs lost (772 or 6.2%) of any county in the state, according to ODJFS statistics. The decline in employment opportunities (and the thousands of pending job losses) is forcing families to choose what bills can be paid, and what available cash must be used to take care of the family's basic needs. Foreclosure rates continue to increase, climbing some 300% over the last eight to ten years. Many people are becoming desperate.

3. Local agencies, a last resort rescue resource for many citizens in our area are seeing increased demands for goods and services, while being faced with lower contributions from both federal funding streams and the private sector. The result is straining the resources and limiting the ability to help our neediest in the county. For example, Highland County Community Action Organization served 27% of the Highland county population in 2007, and has seen a significant increase in new families served in 2008.

4. The impact on small, local businesses-those employing 5-15 people is marked in Highland county. Within the last two months, we have lost at least seven storefront, retail operations because of the slow economy. Bankruptcy has closed

the door of a small manufacturer and threatens others. A long established restaurant shuttered its windows, unwilling to risk reinvestment in upgrades when patronage continues to decline due to the economy. An upstart manufacturing operation, eager to open its new facility and add jobs continues to be caught in a battle with EPA regulations and requirements that keep it from opening for operation. The ongoing struggle for many small businesses to borrow funds for operation due to the tight credit market is significantly affecting commercial confidence and growth. Highland county has a large agriculture industry. Grain producers faced a 100% increase in crop input cost for 2008, and now face a 50% drop in grain prices. This will devastate a significant number of family farms. The impact will compound the current financial problems for local business.

DHL Impact

Beyond the economic recession that is affecting all of this country, and beyond the struggles we face as a rural America county, Highland county is bracing for the significant impact of an additional job loss for 20% of our total county workforce should DHL realign its Wilmington operation as announced in May of 2008. Over 1800 Highland county residents work at the Wilmington Air Park, directly employed by DHL/ABX Air/ASTAR. Add to that the additional job losses directly (or indirectly) related to the $54 million loss to our local economy and situation becomes grim. Our hospitals, already taxed with a 9.5% increase in uncompensated care may be pushed beyond their means to stay in operation when additional residents no longer have health insurance. There will not be a social service agency or municipality/county operation that will not be affected by this financial catastrophe.

Economic Development Needs

When we examine the greatest areas of need within Highland county, they all certainly lead to the all encompassing category of economic development-the ability to attract and retain business and industry to provide good paying jobs to our citizens, stabilize the local housing market, support the education systems throughout the county, and contribute to the overall tax base of our local communities and Highland county. To compete for business and industry opportunities, we need to be able to "level the playing field." Rural Highland county, like its neighbors, needs assistance with:

1. Community Infrastructure- Our communities, like many in America, are faced with an aging infrastructure, often inadequate to serve the needs of existing business/industry and residents, and subject to strict, mandated-yet unfunded-EPA regulations. The outcome is often a significant gap in available funding, resulting in exorbitant increases in rates charged to consumers-both residential and business. This severely limits growth opportunities in the industrial base, further oppressing our tax and employment base.

2. Broadband Availability- Only a very small percentage of Highland county residents have reliable and affordable access to broadband, severely limiting the ability for internet based business opportunities and effective on-line education, both vital for our region. The hilly terrain and highly rural nature of our area make

traditional business models unprofitable for service providers. We need a creative technological approach, coupled with significant investment on the part of both service providers and our federal and state partners. This will help open the doors of opportunity and expand our ability to access the global marketplace.

3. Health Care Access- We feel fortunate to have two hospitals serving our county, meeting the emergent and rehabilitative needs of our residents. We still lack enough primary care physicians- especially those who are will still accept new patients- to meet the needs of residents. This shortage effectively turns our emergency rooms into primary care units, often serving both the uninsured and the underinsured. Local businesses are also put at a competitive disadvantage with those in metropolitan areas because the lack of healthcare "competition" in rural areas results in higher health insurance premiums and out-of-pocket costs for both businesses and individuals.

4. Education-While we have access to higher education through Southern State Community College and its articulation partners and Great Oaks Career Development Centers, we need assistance in two major areas: getting our local population to understand the importance of education as a means to self-sufficiency and taking advantage of the opportunities to improve their marketability as workers; we also need assistance in developing and implementing workforce development programs that are correctly aligned with the workplace needs of employers both now and in the future. The financial resources required to build new education and training programs which would assist in local economic development efforts are often beyond the means of our higher education partners.

5. Transportation- Highland County has no direct access to the major modes of industrial transportation-four lane highways, rail and air-severely limiting the opportunities to recruit industry to the area. For over 20 years there has been talk of the need to have a north-south corridor from Columbus to Lexington, KY, easing the congestion through Cincinnati and opening opportunities to the rural southern Ohio area, yet no progress has been made to date.

6. Marketing – Highland county has a bounty of resources including human, cultural, natural, historic along with economic opportunities that need to be marketed to the world, promoting growth in both our industrial and tourism base. We need assistance in packaging and sharing this story to build on our assets and promote overall economic development.

Without the continued support of the USDA Rural Development programs, Highland county will not be able to weather the storm that we currently face. In Highland county, as in many parts of rural America, economic development is the difference between the hope of prosperity or continued decline. I urge this committee to work to increase the investment in rural initiatives that support infrastructure upgrades, health care access, educational support, broadband capabilities and specific economic development

programs, including market, that connect rural entities to opportunities for commercial and industrial development.

Written testimony of

Sherrie Lanier
Development Director
Ohio Valley Regional Development Commission
Waverly, Ohio

On Behalf of
John W. Hemmings III
Executive Director
Ohio Valley Regional Development Commission

For

Senator Sherrod Brown's
USDA Rural Development Field Hearing
Chillicothe, Ohio
October 23, 2008

OVRDC Written Testimony Regarding USDA Rural Development Impact on Southern Ohio

Introduction

Senator Brown, I want to thank you for this opportunity to provide you with written testimony concerning the United States Department of Agriculture (USDA) Rural Development programs and their impact on rural economic development in southern Ohio. Mr. John W. Hemmings III, Executive Director of Ohio Valley Regional Development Commission (OVRDC) sends his regrets that he is not able to personally provide testimony today at your Field Hearing in Chillicothe, Ohio, but a previous obligation out-of-state has prevented him from participating. My name is Sherrie Lanier, and I am the Development Director at Ohio Valley Regional Development Commission (OVRDC) and will be presenting today on behalf of Mr. Hemmings and OVRDC.

The Ohio Valley Regional Development Commission (OVRDC) is a regional planning and economic development agency which coordinates federal, state, and local resources to encourage development in 12 southern Ohio counties: Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton. OVRDC is a 175 member organization that includes elected officials from various levels of government, private sector representatives, chambers of commerce representatives, human service organization representatives, local planning commission representatives, post-secondary education/labor organization/workforce development board representatives, and minority representatives from each of the twelve member counties.

Established in 1967, the OVRDC serves as a Local Development District for the Appalachian Regional Commission (ARC) and as an Economic Development District for the U.S. Department of Commerce, Economic Development Administration (EDA).

The OVRDC has had a strong and long-standing relationship with the USDA Rural Development Ohio State Office as well as with the Hillsboro and Marietta Field Offices. Coordination with the staff at the State Office and these two Field Offices has been critical to project development in our region. I want to commend State Director Randall Hunt for his leadership at the USDA Rural Development Ohio State Office. His oversight of the USDA Rural Development in Ohio has been instrumental in Ohio being a leader nationwide in Rural Development project activity over the past several years.

I have worked in economic and community development for over 15 years and recently became the Development Director at OVRDC. During my years in public service, I have witnessed the challenges that this rural area of the State of Ohio has endured to promote economic growth and development. Traditionally higher unemployment and poverty rates combined with lower per capita and median household income levels have contributed to a lower tax base in the region. Political subdivisions in the region have difficultly with financing environmental infrastructure (i.e. water and sanitary sewer) for their citizens due to the limited tax base and must depend on state and federal grant and low-interest loan assistance programs to provide adequate environmental infrastructure. In addition, these socio-economic conditions of the region also contribute to a lack of capital and technical assistance available in the region for small business start-up and expansion.

Environmental Infrastructure

USDA Rural Development, in conjunction with the Appalachian Regional Commission (ARC), the Economic Development Administration (EDA), and other state and federal sources, has provided many communities in our region with financial assistance for water and sanitary sewer system

installations, expansions, and upgrades in the past. This financing has assisted with the development of environmental infrastructure that has rendered economic benefit to both residential and business interests.

Citizens in several communities in our region have benefitted from financing through USDA Rural Development and these other sources. Grants assist the recipient communities by reducing the amount of loan needed, and low-interest loans assist them by reducing the amount of interest to be paid. Therefore, communities are able to reduce the amount of the project cost they must pass on to their citizens in the form of monthly billing, allowing for more discretionary income for the citizens. This discretionary income can then be spent in the local communities thus supporting their economic well-being. Two recent examples of projects that rendered economic benefit to citizens are the Village of Vinton Wastewater Treatment Plant and Sanitary Sewer Collection System, and the Village of Highland Sanitary Sewer Collection System.

In 2004-2005, the Village of Vinton constructed a conventional gravity sewer collection system and a Biolac wastewater treatment plant to serve the Village of Vinton and a portion of Huntington Township in Gallia County, Ohio. The project served 167 customers including 166 residential users and the Vinton Elementary School. Vinton has a median household income of $25,417 and 67.8% of households are considered low-to-moderate income. The Ohio EPA had ordered the village to construct sanitary sewer facilities to replace the existing inadequate onsite systems. The project eliminated raw wastewater discharges to Raccoon Creek, thus increasing water quality, and alleviated health risks associated with inadequate wastewater treatment systems. The total project cost was $2,873,900, of which USDA Rural Development provided $963,000 in grant and $693,000 in low-interest loan. The $2,873,900 total project cost was financed with 76% grant funding and only 24% loan, which allowed the Village of Vinton to keep monthly rates to its customers at an affordable amount.

In 2007-2008, the Village of Highland constructed a conventional gravity sewer collection system in the Village of Highland and a portion of Fairfield Township in Highland County, Ohio. The project served approximately 113 residential customers and 5 businesses. According to an income survey completed in June 2004, 78.8% of households are considered low-to-moderate income and the Village of Highland has a per capita income of $14,005 compared to the State of Ohio average per capita income of $21,003. The collected wastewater is pumped to the Village of Leesburg for treatment. The Village of Highland severely needed a sanitary sewer system because of problems with existing onsite treatment systems. In 2001, the Ohio EPA issued a Notice of Violation to the Village of Highland ordering the village to remedy the situation. Highland residents previously relied upon individual on-site systems to treat their sewage. The majority of those on-site systems were inadequate with many failing and in poor overall condition. A significant number of systems discharged raw or partially treated wastewater to the village's storm sewers. The total project cost was $2,042,379, of which USDA Rural Development provided $356,952 in grant and $535,428 in low-interest loan. The $2,042,379 total project cost was financed with 73% grant and 27% loan, which allowed the Village of Highland to keep monthly rates to its customers at an affordable amount.

Business and industry development in our region has also benefitted from the availability of these environmental infrastructure financing sources. In order to support business expansion and job

creation, communities are often required to upgrade their environmental infrastructure to meet the needs of new and expanding businesses. Sometimes, upgrades to environmental infrastructure are needed just to support existing industry in retaining jobs in the local community. The USDA Rural Development Water and Waste Disposal Loans and Grants program, along with ARC, EDA, and other programs, have been instrumental in supporting private sector job creation and retention in the region. A few examples of recent environmental infrastructure projects that had job creation and/or retention impact are the City of Jackson Wastewater Treatment Plant and the Fayette County Madison Mills Waterline Extension.

In 2005, the City of Jackson (Jackson County) started work on the expansion of its wastewater treatment plant to increase the ability of the process to treat food and solids received from their food processing industry. The treatment plant, at that time, was not adequate to treat the increased flows received. Luigino's Inc., a food processing facility in Jackson, was expanding, thus resulting in the increase of wastewater flows received at the treatment plant beyond the volume that the plant could handle. The project involved upgrades at the wastewater treatment plant including the addition of a membrane bioreactor plant, new final clarifier, and new chlorine contact tank. The project also included improvements to the wastewater collection system in the city to reduce the amount of storm water infiltrating the system. Due to this project, Luigino's created 400 new jobs, was able to retain over 1,000 existing jobs, and invested $46 million in new facilities in Jackson. The total project cost was $10,508,000.

In 2007, Fayette County extended waterline to serve the Cargill, Inc. dry mill ethanol manufacturing plant that was under construction near the Village of Bloomingburg. The operation of the 100 million gallon per year facility has a daily water requirement of between approximately 0.8 and 1.50 million gallons per day (MGD). There was no public water supply system capable of producing enough water to meet this demand and on-site exploration by the developer for an adequate water supply had not yielded sufficient quantities to satisfy all of their needs. In order to facilitate the development, Fayette County proposed to supplement Cargill's on-site supply with water from a public supply system. The project consisted of the construction of a new water supply, treatment and distribution system, including the construction of a well field capable of producing 2-3 MGD, construction of a water treatment plant capable of treating approximately 1.50 MGD, construction of a distribution system to service the proposed ethanol plant, and an above ground storage tank to provide water needs and fire suppression capabilities. The project insured the construction of the Cargill dry mill ethanol manufacturing plant in Fayette County with an approximate private investment of $135 million and the creation of approximately sixty (60) jobs, most of which require high technical skills and pay a good wage. The total project cost for this water line was $8,000,000.

The future rural economic development needs in southern Ohio associated with environmental infrastructure include: 1) the repair and replacement of the aging infrastructure in our major cities and villages; and 2) the expansion of infrastructure to areas currently not served and facing environmental health issues due to the lack of appropriate infrastructure. As I stated earlier, due to a limited tax base, local communities in southern Ohio are dependent on assistance such as that available through Rural Development in order to implement needed environmental infrastructure improvements. Without financing made available through the USDA Rural Development through its Water and Waste Disposal Loans and Grants program, future environmental infrastructure needs will not be met, thus impacting economic growth and development in the region. An excellent

example of the future need to repair and replace aging infrastructure in our region is the City of Hillsboro.

The City of Hillsboro is currently pursuing financing to upgrade and expand its wastewater treatment plant and to eliminate a sanitary sewer by-pass at the treatment plant as mandated by the Ohio EPA. The wastewater treatment plant must be in compliance with the Ohio EPA to continue to provide service to the businesses and residents of Hillsboro. The treatment plant currently serves 11 industries that employ over 1,800 people, and serves over 2,800 households. The treatment plant currently has a sanitary sewer by-pass system that provides minimum treatment to sewage that is diverted from the main treatment facility during peak flows. The project will eliminate this by-pass by increasing the shortage capacity and the treatment ability of the plant to 6 million gallons per day (MGD). In order to continue to provide services for residents and industries in Hillsboro, the treatment plant must be upgraded and expanded. Hillsboro residents and 1,800 jobs are dependent on it. The total project cost is estimated at $17,330,000. Funding opportunities such as USDA Rural Development's Water and Waste Disposal Loans and Grants program will be critical to keeping cost down for the citizens and businesses in Hillsboro. This is especially critical due to the expected closure of the nearby DHL facility, a major area employer.

Available Capital and Technical Assistance for Businesses and Entrepreneurs

USDA Rural Development's Intermediary Relending Program (IRP) and Rural Business Enterprise Grant (RBEG), along with other "gap" financing resources such as OVRDC's Revolving Loan Funds, have provided financing for small business start-ups and expansion in our region for many years. These programs have been vital to efforts in the region to assist private business with the creation and retention of jobs. Some examples of successful IRP and RBEG programs in our region are the Southern Ohio Growth Partnership and the Ohio Rural Partners.

The Southern Ohio Growth Partnership (SOGP) in Portsmouth, Ohio administers one of the most successful Intermediary Relending Programs in the State of Ohio. SOGP has been funded by USDA Rural Development for a total amount of $5.0 million. More importantly, SOGP has been able to loan $7.2 million from these funds because of the repayment stream.

The Ohio Rural Partners (ORP) is a non-profit 501 (c) (3) organization located in Reynoldsburg, Ohio. ORP is working cooperatively with other entities to strengthen Ohio's Appalachia region. ORP, working in conjunction with the Ohio Valley Regional Development Commission (OVRDC), has recently established a $100,000 loan fund with funds from the USDA Rural Development, Rural Business Enterprise Grant ($80,000) and from the Ohio Department of Agriculture ($20,000). Eligible private for-profit businesses located in a 21 county area – Adams, Athens, Belmont, Columbiana, Coshocton, Gallia, Guernsey, Harrison, Hocking, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Noble, Perry, Pike, Scioto, Vinton, and Washington – can apply for a loan up to $40,000 or one-half of their project cost through this new loan fund.

In addition, USDA Rural Development's Rural Business Opportunity Grant (RBOG) and Rural Community Development Initiative (RCDI) have provided OVRDC with financing to provide technical assistance to small businesses and entrepreneurs.

OVRDC Written Testimony Regarding USDA Rural Development Impact on Southern Ohio

In 2007, OVRDC received a $37,500 grant from USDA Rural Development through its Rural Business Opportunity (RBOG) program to undertake a marketing and feasibility study for the hardwood lumber industry in a 5-county (Adams, Gallia, Jackson, Pike, and Scioto) target area in southern Ohio. The primary purpose of the study is to determine the feasibility and the market demand for undertaking the construction of a hardwood lumber drying kiln for potential use by several lumber companies in the area. This study will also include recommendations for a site for such a facility, as well as preliminary designs and cost estimates for the facility. At the end of this study, OVRDC staff will utilize the study and design information to begin the process of identifying funding sources and resources for the construction of the kiln.

Just recently, OVRDC received a $108,000 grant from USDA Rural Development through its Rural Community Development Initiative (RCDI) grant program to provide training and technical assistance in several small communities in four economically distressed counties (Gallia, Jackson, Pike, and Vinton) in southern Ohio. This assistance will focus on the overall goal of building and developing the capacity of key local staff, officials, and communities to provide entrepreneurial development assistance to new and existing small businesses in these communities.

According to the Ohio Department of Development, entrepreneurship and small business development are likely to be the economic drivers for southern Ohio in immediate and long-term future. The continuation of access to affordable capital resources and technical assistance in the region will be critical to this development in our area.

Concluding Comments

Again, I appreciate the opportunity to provide this written testimony regarding USDA Rural Development programs and their impact on their past, present, and future economic development in the rural OVRDC region.

If OVRDC can be of any further assistance to Senator Brown on other economic and community development issues in southern Ohio, please contact us.

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Marsha Lewis, Sr. Research Associate
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Testimony to the Committee on Agriculture, Nutrition & Forestry of the United States Senate
October 23, 2008, Chillicothe, Ohio

Thank you, Senator Brown, for the opportunity to address the U.S. Senate Committee on Agriculture, Nutrition & Forestry on important issues in support of rural communities. My name is Marsha Lewis and I have worked at Ohio University's Voinovich School of Leadership and Public Affairs for fifteen years. The work of Ohio University is in line with the mission of USDA Rural Development—to build partnerships and provide a broad set of services to improve the quality of life for rural Americans. USDA Rural Development accomplishes this through a set of programs that meets the needs of communities from the development of water and wastewater infrastructure, to the building of community facilities, and the expansion of broadband access—all crucial components of the infrastructure it takes to keep rural communities viable, foster economic growth, and compete globally. The Voinovich School also focuses on a continuum of services—meeting the technical assistance and development priorities of rural communities in Appalachian Ohio and understanding the complexities of the diverse needs of this region.

For over 26 years, the programs of the Voinovich School have worked with rural communities in our region to build on the scholarship of Ohio University, engaging students, faculty, and professional staff to help make a difference in Appalachian Ohio and the State of Ohio. This engagement largely focuses on a continuum of technical assistance to communities in Appalachian Ohio in order to support economic growth and improve the quality of life for rural citizens. The School's work is in conjunction with and in support of the work of the broader university, with its network of regional campuses and programs providing access to people across Appalachian Ohio. For example, we are currently working closely with Ohio University-Chillicothe Dean Richard Bebee and a group of public and private sector entities focusing on innovative economic growth strategies for the region.

The School's comprehensive continuum of services is designed to address the immediate challenges communities face, while building their capacity to access resources, develop new and leverage existing partnerships and execute strategies needed to maximize opportunities. Initiatives such as the Appalachian New Economy Partnership (ANEP), a University System of Ohio program, play an important role in strengthening the region's competitiveness in the knowledge-based economy and supporting economic growth. ANEP funds have been used to support entrepreneurship and innovation in Appalachian Ohio by building and sustaining a business development network in a region that lacks access to sophisticated business assistance expertise, especially in the area of technology and financing.

The Voinovich School's continuum of services bolsters regional economic growth by:

- **Helping Communities Identify Economic Development Priorities and Mobilize Leadership.** The Voinovich School has a proven model for helping cross-sector community planning groups determine priorities and develop data-driven solutions to meet community needs. The School uses a range of data and Geographic Information Systems (GIS) tools to help communities understand current and emerging trends and issues related to economic development. Through our work in over 18 Ohio Appalachian communities over the last five years, we have found that Appalachian communities often face common economic development challenges related to infrastructure, workforce development and quality of life needs. In communities like Jefferson County, the Voinovich School's assistance has helped Citizen Advisory Groups comprised of public and private agencies and local businesses to engage local and state-level stakeholders in efforts to develop the workforce and stimulate economic viability within the community.

- **Applying Economic Development Data to Help Communities Develop Targeted Economic Growth Strategies.** Once broad community priorities are identified, the Voinovich School works with local economic development professionals and other community leaders to develop industrially-targeted strategies for economic growth. Using a number of economic development, workforce and demographic analyses, the Voinovich School helps communities determine potential opportunities for business creation, retention and

expansion. In communities like Jackson and Jefferson Counties that have recently experienced the loss of a major employer, this assistance is critical in helping communities to develop effective economic recovery strategies that capitalize on the communities' assets and optimize opportunities for future growth. This work is supported in part through the Voinovich School's designation as a U.S. Department of Commerce, Economic Development Administration (EDA) University Center and member of the Ohio Rural University's Program through the Ohio Board or Regents.

- **Linking Communities to Resources and Critical Partnerships.** After helping communities develop economic growth strategies, the Voinovich School helps link communities to critical resources and partnerships needed to execute those strategies. The Voinovich School does this through projects like the EDA-funded Community Economic Adjustment Program. In partnership with the Ohio Valley Regional Development Commission, the Governor's Office of Appalachia, and the University of Michigan, the Voinovich School assisted in linking over 58 leaders from 24 communities in Southern Ohio to more than 36 Federal and State agencies, including USDA Rural Development and the Appalachian Regional Commission. By connecting community leaders with State and Federal agencies, the program enabled local communities to learn about federal, state, and regional programs and funding opportunities that could support the social and economic priorities of communities within the region. This project, like many of the Voinovich School's efforts, ultimately helped forge valuable connections between Ohio Appalachian, state and national leaders.

Given the Voinovich School's strong network of partners within the region and the state, the School is often at a unique vantage point to link communities facing similar economic development challenges, and identify opportunities for inter-organizational and multi-community strategies and programs. For example, through a project called the Mayor's Partnership for Progress, the Voinovich School brings together mayors and city managers from cities and villages throughout Appalachian Ohio to share information and resources, meet collectively with federal and state partners on a regular basis, and tackle economic

development and community challenges faced by municipalities throughout the region. The Mayor's Partnership provides a critical platform for local officials to: (1) share information, concerns, advice and resources; (2) access information and technical assistance related to issues of potential local impact; and (3) share a collective, regional voice.

For example, the Voinovich School worked with the Mayor's Partnership for Progress to identify a key common challenge faced by small communities—the lack of early technical assistance for developing water and wastewater infrastructure projects. With the Voinovich School's assistance, the Mayor's Partnership joined with the Ohio Water Development Authority, the Appalachian Environmental Infrastructure Group, the Small Communities Environmental Infrastructure Group, the Rural Community Assistance Program, and the Ohio Environmental Protection Agency to address the lack of early stage technical assistance and corresponding bureaucratic policies that pose barriers to small communities attempting to access assistance. Through this process, the mayors' group and the Voinovich School developed a series of educational products and tools to support local leaders as they face infrastructure development and maintenance issues. These products included a publication titled *Water and Wastewater Projects in 5 Stages: A Resource Directory for Small Communities*. As a result of this collaborative effort, the Ohio EPA now distributes the resource guide statewide to communities facing findings and orders for noncompliance. Local Development Districts and Congressional field representatives also disseminate the product to local leaders in the region.

- **Providing Direct Operational Assistance to Help Businesses Grow at the Local Level.** As described above, several components of the Voinovich School's technical assistance services focus on providing community-level assistance to help leaders develop data-driven economic development strategies. Additionally, the Voinovich School's continuum of services includes translating community-level economic development strategies into jobs and economic growth through the provision of direct business and operational assistance to businesses and entrepreneurs in the Appalachian Ohio region. The School's professional business consultants in the Appalachian Regional Entrepreneurship Group (AREG) work

side-by-side with students in the Ohio University Integrated Master of Business Administration (MBA) program to provide in-depth, customized consulting services to help start and grow businesses. Services include assistance with business planning, finance and accounting, marketing, business strategy, organizational development, and technology development and improvement. The Voinovich School identifies start-ups and existing businesses that have high-growth potential and develops long-term consulting engagements to assist in making process improvements, exploiting new domestic and international markets, and accessing new debt and equity financing ultimately leading to long-term sustainable growth.

Since 2005, the Voinovich School has provided assistance to over 1,700 businesses and entrepreneurs and assisted businesses in securing $62 million in new loans, $80 million in government contracts, $3.5 million in funds from individual investors, and $8 million in venture capital funding. The Voinovich School has assisted businesses in leveraging their competitive marketplace advantage, resulting in hundreds of new high quality, high paying jobs in the region.

USDA Rural Development has historically been a critical partner in the Voinovich School's efforts to provide a comprehensive continuum of regional, community-level and direct business assistance to support economic growth. Through support of the Voinovich School's collaborative efforts like the Appalachian Ohio Regional Investment Coalition (AORIC), USDA has invested critical resources, time and expertise to help develop and strengthen transformational strategies for Ohio Appalachia. In partnership with the National Rural Funders Collaborative and AORIC, USDA has worked with national and regional funders, grass roots leaders and practitioners and state, regional and federal policy advocates and agencies to strengthen support systems for entrepreneurs in Ohio Appalachia.

This past June, the Voinovich School, USDA Rural Development, the U.S. Small Business Administration (SBA) and the U.S. Treasury co-sponsored a lender seminar focused on USDA/SBA guaranteed lender programs and how these loans can support local business growth. Over thirty lending institutions in Appalachian Ohio attended this seminar and remain

a part of the network of public and private entities focused on targeted business development in the region.

As an important component of the direct assistance to businesses in the Appalachian Ohio Region, the Voinovich School is in its second year of TechGROWTH Ohio, a unique partnership focused on early growth stage businesses and entrepreneurs in the technology sectors. Project partners include the Voinovich School, the Ohio Department of Development, OSU South Centers, the OSU Endeavor Center, East Central Ohio Tech Angel Fund, the Muskingum County Business Incubator, Woodland Venture Management, the Ohio University Innovation Center, and Ohio University's Edison Biotechnology Institute. The TechGROWTH Ohio grant, sponsored by the Ohio Department of Development's Entrepreneurial Signature Program, covers 19-counties in the southern and eastern regions of the state. TechGROWTH Ohio focuses on four 'signature' technology areas that have the potential to be economic drivers for the region, including interactive digital technology, biotechnology, agriculture technologies, and advanced energy alternatives. For entrepreneurial innovators, TechGROWTH Ohio bridges the gap between the initial idea/invention and institutional venture capital. TechGROWTH Ohio business consulting services include sales and marketing planning, outlining and drafting business plans, intellectual property protection, proposal development for state and federal small business assistance grants and other similar business assistance services. Mid October 2008, the Voinovich School gave the first pre-seed funding check to a Southeastern Ohio-based interactive digital media company with a vision for reworking social networking capabilities via the Internet. With each milestone, this firm will receive further joint funding from the Voinovich School and its many regional collaborators in technology-based economic development.

This concept of regional collaboration is crucial to the future viability of rural areas such as Appalachian Ohio, and USDA Rural Development is a key component of that collaborative. USDA Rural Development's focus on locally-driven solutions and partnerships among private, public and nonprofit entities is crucial to the long-term viability of our rural communities. As part of a current project, I have had the opportunity to interview a broad cross-section of local

officials and private sector leaders in Ross and Jackson counties. Without exception, these local leaders are looking to the future and working to think beyond their county boundaries with regard to economic growth. For instance, Dean Bebee and the Ohio University Chillicothe campus are convening diverse stakeholders, conducting applied research, and supporting innovation to move the region forward. The goal is to benefit the region both now and into the future, so that young people will have the option to stay or return to their hometowns to work, raise families, and contribute to their communities. In order for this to be a viable option, the jobs must be there and communities must be able to maintain and build infrastructure, including the technology infrastructure and the workforce that allows communities to compete globally. In many Appalachian Ohio communities, the technology infrastructure is still lacking. Yet technology infrastructure has become a basic utility without which communities cannot remain viable. This is why USDA Rural Development's work to expand broadband access is so important to the region. In addition, the agency's support of Hocking College's Advanced Energy campus in Logan is an important project that will help rural Appalachian Ohio be competitive in this emerging market.

This facility, the PACCAR Medical Education Center, which was developed with the support of USDA Rural Development and a host of other local, state, and federal partners based on the vision of local leadership, is a prime example of that collaborative work. The Voinovich School is currently conducting research on college access for Appalachian Ohio students. One key finding is that many students want to remain in the region to go to college, live and work. In a survey of over 1,200 of last year's high school seniors in the region, close to 30 percent of the respondents planned to enter a nursing or allied health-related field. Through the Ohio Board of Regents Skills Bank Program, the Voinovich School is working with regional partners to help develop career pathways for these students who want to enter high-demand professions such as healthcare. With healthcare targeted by both the Ohio Department of Development and the Ohio Board of Regents as one of the State's high-growth industries, facilities such as this provide critical training opportunities to build the type of workforce vital to Ohio's current and future economic viability.

Efforts to develop the healthcare sector is a prime example of why the work of USDA Rural Development and its partners is crucial, and why development projects are not discrete, but interconnected. Keeping our rural communities viable to continue to attract professionals such as those in the healthcare field, is hard work and costly. The building blocks for any kind of development involve a solid physical infrastructure. Many communities in our region are in need of the first line of water or wastewater pipe. Others, such as our small cities, have aging infrastructure that no longer meets state and federal requirements. Economic hardships that hit families throughout the region make it painful if not impossible to raise utility rates to the level necessary to upgrade or, in some cases, even maintain the critical infrastructure needed for economic development and to maintain healthy, vibrant communities. This vital infrastructure includes not only water and sewer pipelines, but also recreational facilities such as parks and biking trails. Technology infrastructure such as broadband access is no longer a luxury, but a necessity if communities are going to grow and sustain businesses. USDA Rural Development has programs that support the development and maintenance of all these critical infrastructure components.

Successful economic development, including the critical infrastructure components that are the building blocks for economic growth, cannot be the responsibility of one organization or even be confined by county boundaries if we are ever to be able to capitalize on the human talent and community assets that are abundant but often overlooked in rural America. USDA Rural Development is a necessary partner in the many regional efforts to support the economic viability of communities in Appalachian Ohio. Our region remains grateful for the assistance provided by these programs and we respectfully ask that the USDA continue and even expand assistance to rural communities so that every American has a chance to earn a decent wage, raise their families with a minimum of struggle, and live in communities that provide a decent quality of life for everyone.

Remarks to the Senate Committee on Agriculture, Nutrition and Forestry
October 23, 2007
Full Committee Field Hearing– Chillicothe, Ohio
By: Mark Shuter, President and CEO, Adena Health System, Chillicothe, OH

Mr. Chairman, Senator Brown and members of the Committee, my name is Mark Shuter, President and CEO of Adena Health System. I welcome you to the main campus of our health system and to Chillicothe. It is an honor to be invited to share with you our progress and what we feel is needed for information technology in rural healthcare.

Adena's vision is to be the best healthcare system in the nation. Geography is not a determinant of quality, and we are determined to provide the best healthcare for the more than 500,000 people in our service area.

Adena provides care through two inpatient hospitals. One is the 237-bed facility on this campus, and the other is a 25-bed critical access hospital in Greenfield. We offer additional services through regional health centers in Chillicothe, Jackson and Waverly.

In our region, Chillicothe is considered the "big city". Here at our main campus our services include open heart surgery, interventional cardiology, cancer care, minimally invasive hip replacement and spine surgery, and after-hours pediatric urgent care. Our medical staff of 250 gives our patients convenience and comfort in knowing they can receive in or near their home towns the primary care and specialty services that are common in metropolitan cities.

Being the best means that Adena must continually expand our services and provide patients with up-to-date technologies and best-practice medical care.

Telemedicine has infinite possibilities. In fact, we have already witnessed its impact on our critical care newborns through our partnership with Nationwide Children's Hospital in Columbus. Adena's relationship with Children's was the first of its kind in Ohio.

Adena's Maternity Unit began utilizing in 2006 the unique capabilities of telemedicine with Nationwide Children's Hospital, where neonatologists assist Adena pediatricians with clinical assessments via high-definition videoconferencing. In just its first year, telemedicine reduced by half the number of newborns transferred to Columbus. These families avoided travel costs, overnight accommodations, and the stress of transfer and separation.

In November 2007, we received from our Congressman Zack Space news of being selected to implement a $14 Million Federal Communications Commission project for building a fiber optic network throughout this region. Then, just last

month, we received from your office, Senator Brown, news of a United States Department of Agriculture grant that will enable Adena to expand telemedicine beyond the nursery to other hospitals in Southern Ohio. These grants will enable us to provide more of the best care to more patients in our medically underserved region.

We are working with other healthcare systems through the Regional Healthcare Information Organization and through the Appalachian Health Information Exchange. This is a voluntary association of health care providers that is developing an integrated health information system.

We know that in order to provide the best care, we must constantly expand and stay ahead of the curve. There are several information technology projects at Adena that will create easier access for our patients. They are:

1. An online portal that will feature the opportunity for patients to schedule their appointments and refill prescriptions. Patients will have the ability to access this information virtually anywhere through the Internet;
2. The Electronic Health Record, a collection of patient health information that includes progress notes, problems, medications, vital signs, medical history, immunizations, and test results;
3. "E-scribing," which enables healthcare providers to send prescriptions to pharmacies electronically and order refills. This will include bedside medication verification with scanners and hand-held devices to reduce medication errors;
4. Telemetry equipment for home health patients that can transmit test results directly to our physicians;
5. Continuing advances in telemedicine through our partnerships with other hospitals in Columbus, now focusing on stroke patient care with Riverside Methodist Hospital and maternal-fetal medicine with The Ohio State University Medical Center; and,
6. An initiative to train and equip all volunteer emergency squads in Ross and Vinton Counties with satellite telemetry for electrocardiogram transmission from the squad to the Emergency Department. Why satellite? Cell phones and radios in the hills are unreliable.

Now, looking into the immediate future for information technology in rural healthcare, here is what is needed.

1. The FCC Rural Health Pilot Project, mentioned earlier, is an amazing example of public-private cooperation to establish broadband capacity for healthcare in rural areas. The FCC is paying 85% of the costs, while eligible healthcare providers who wish to be connected will be responsible for 15%. Adena Health System, for example, will be stretched to pay our match when costs are incurred. Other less financially resourceful providers cannot afford the match. Thus, they

will not connect to the network, and this is a major concern for implementation and adoption of the technology where it is needed.

2. Federally Qualified Health Centers and independent rural practitioners must establish Electronic Medical Record systems or their federal reimbursements will diminish, and they may go out of business. Many cannot afford the costs. Adena will assist as much as it can, as restricted by the Stark Act, but federal and state assistance is needed. And,

3. Federal funds would be well-spent to reduce the so-called "door-to-balloon" time for chest pain patients in rural areas nationwide. This is the time required to receive a heart attack patient at the door and insert a stent. If the hospital knows in advance the patient is having a heart attack, it can be ready at arrival. We have proven that Basic and Intermediate EMTs can reliably attach a 12-lead EKG to patients in the field and transmit the data to our emergency department. Paramedic-level EMTs have long been permitted to do this under state-controlled scope-of-practice rules, but paramedics usually do not work on volunteer squads, and volunteer squads are the norm in rural areas. Grants are needed for training and equipment in rural areas.

Thank you for the opportunity to speak with you today about information technology and rural healthcare. It is an exciting and challenging time in healthcare, and Adena is committed to bringing this technology to our patients.

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DOCUMENTS SUBMITTED FOR THE RECORD

OCTOBER 23, 2008

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

October 20, 2008

The Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I write to inform you that USDA cannot agree to your request that Randall Hunt, Rural Development's State Director in Ohio, testify during Committee field hearings in Steubenville and Chillicothe, Ohio on October 22nd and 23rd regarding "the impact of the economic crisis on rural America and the role of the federal government, in particular USDA rural development programs, in addressing these problems.

Mr. Hunt is an appointee of the President and would be expected to discuss the Administration's response to the current economic situation. I am concerned that sending a political appointee into the heart of two closely contested Congressional districts in the most hotly contested Presidential battleground state for such a purpose just days before the election could be perceived by some citizens as using taxpayer dollars to affect the results of an election. In the days leading up to the election, it is especially imperative that our officials remain free from even the appearance of attempting to influence the results. Under the circumstances surrounding these hearings, I have directed Mr. Hunt to not appear on the requested dates.

Although USDA cannot accommodate your request during the next two weeks, I wholeheartedly agree with you that the impact of the economic crisis on rural America is a vital topic which needs to be discussed and is worthy of public hearings. As rural America's primary source of economic development funding, USDA has much to lend to this discussion. I am extremely appreciative that the Committee thought to include a USDA official in this discussion. In this spirit, the Department would be most pleased to have Mr. Hunt or another official testify at similar hearings at any time and place of your choosing following the election. If the Committee does proceed with the hearings as planned, I request that you include in the record the attached fact sheet.

As always, please do not hesitate to call me if you would like to discuss this or any other matter.

Sincerely,

Edward T. Schafer
Secretary

United States Department of Agriculture
Rural Development
Columbus, Ohio

RURAL DEVELOPMENT

USDA Rural Development is the economic and community development arm of U.S. Department of Agriculture. Its mission is to increase economic opportunity and improve the quality of life in rural communities. Rural Development achieves its mission by providing both technical and financial assistance through more than 40 programs to assist rural businesses, small communities, and individuals seeking housing.

For USDA Rural Development's Ohio State Office, 2007 and 2008 have been record breaking years, with over $500 million invested each year in the form of grants, loans, and loan guarantees in Ohio's rural communities. The cumulative total since 2001 exceeds $3.7 billion. These programs touch rural America in many ways.

Program Overview: Ohio Rural Development

- **Business & Cooperative Development Programs** – This includes business and industry guaranteed loans and grants to help stimulate local economies and create/preserve local jobs in rural areas and generally in towns with populations of 50,000 or less.
  - **Business & Industry Loan Guarantee Program** – Rural Development will guarantee up to 80% of a lenders loan for business expansion or business start up. Project must have a positive economic impact and create or retain jobs.
  - **Intermediary Relending Program** – The IRP program makes low interest loans to intermediaries to finance business facilities and community development projects in rural areas (program limited to 25,000 or less population).
  - **Renewable Energy Systems/Energy Loans and Grant** – These target small business or agricultural producers to help them purchase renewable energy systems or make energy efficiency improvements in rural areas.
  - **Rural Business Enterprise Grants** – RBEG grants are designed to help develop small and emerging business enterprises in rural areas.
  - **Rural Business Opportunity Grants** – RBOG grants are designed to promote sustainable economic development in rural areas.
  - **Rural Economic Development Loans/Grants** – The REDLG program provides zero interest loans to local utilities to establish revolving funds, which in turn make loans to local businesses for projects that will create or retain employment in rural areas. **Rural Cooperative Development Grants** – This funding helps establish and operate centers for rural cooperative development
  - **Value-Added Agricultural Producer Grants** – These target independent producers, farmer cooperatives, agricultural producer groups, producer-based business ventures to help promote added income. Funding helps develop feasibility studies or business plans or provide working capital to add value to agricultural products.

- **Rural Housing Program** – Single Family and Multi-Family housing loans and grants assist rural residents in acquiring safe, decent housing.
  - **502/504 – Home ownership and repair programs**. Eligibility is income based and includes loans made to low and very low income applicants in rural areas with populations of 10-20,000 or less.
  - **Rural Rental Housing Loans** – Loans are directed to rural areas to provide housing options for persons 62 and older with low and moderate incomes, disabled or handicapped.
  - **Rural Rental Housing Guaranteed Loan Program** – Loans are guaranteed to area lending institutions to help increase the supply of affordable rural rental housing.
  - **Self-Help Technical Assistance Grants** – Self-help grants support self-help housing projects organized and managed by public or private nonprofit groups.
  - **Housing Preservation Grants** – These funds are available to rehabilitate housing owned or occupied by low income rural residents in areas with populations of 10-20,000 or less

- **Community Facilities and Utilities Programs** – These programs include the Water and Waste Disposal Loan and Grants, Community Facilities Loan/Grants, Distance Learning and Telemedicine, Broadband Loans/Grants, Solid Waste Management Grants and Electric and Telecommunications
  - **Water and Waste Programs** – Loans and grants are provided to ensure that communities with populations less than 10,000 have the capability to develop essential infrastructure to support present and future residents (ex: community water systems, sewage systems, solid waste disposal systems, etc.)
  - **Community Facilities** – This funding provides essential community facilities, equipment, operating costs for health care, public safety, libraries, day care, fire and rescue, hospitals, etc.
  - **Distance Learning and Telemedicine** – The DLT program awards loans and grants to rural communities to help provide access to education, training and health care resources. Technologies supported by this program include the use of telecommunications and computer networks, as well as academic and medical applications.
  - **Broadband Loans/Grants** – The broadband program provides loans for funding the costs of construction, improvement, and acquisition of facilities to provide broadband service to eligible rural communities.
  - **Community Connect -** The Community Connect Program is an annually competitive grant program. Program provides financial assistance to eligible applicants who will provide currently unserved areas with broadband service that fosters economic growth and public safety services. Program includes provisions to create a community center which offers free public access to residents. Free broadband service is also provided to critical facilities (fire, police, emergency response, etc.)
  - **Solid Waste Management Grants** provide technical assistance and training to help rural communities reduce solid waste, pollution of water sources, improvement of management of solid waste facilities.

- **Electric and Telecommunications** funding helps with generation, bulk transmission facilities and distribution of electric power.

Current Issues: Ohio Rural Development:
How the Current Credit Market Has Affected Rural Development Programming

Housing
The current credit crunch has had a dramatic affect on Rural Development programming in Ohio, as well as nation-wide. The tightening of available credit has caused private lenders to seek and utilize credit enhancements such as the guaranteed loan programs offered by Rural Development.

The most dramatic impact has been in the Guaranteed Single Family Housing (GSFH) Program. When credit was easy to access, the GSFH program was underutilized. As the credit crisis started, GSFH loan volume increased as banks looked for Government guaranteed loans. This has occurred statewide including in the Appalachian Region.

The GSFH program increased by over 20% from 2006 to 2007 and more than doubled from 2007 to 2008. This increase is also very apparent in the Appalachia region. As the chart below indicates, all Rural Development Housing Programs in Ohio have had an increase in fund usage since 2007. The GSFH program has in Ohio has seen a 107% increase in funding usage from 2007 to 2008.

Ohio Housing Program Fund Usage

	2006	2007	2008	% Growth 2007 - 2008
All Housing Fund Usage	$155	$158	$273	73%
GSFH state-wide	$80	$99	$205	107%
GSFH Appalachia	$23	$33	$55	67%
All Appalachia Housing	$52	$48	$79	64%

Note - all $ in Millions

Business and Cooperative Develoment Programs
The Ohio Rural Development Business Programs area has also experienced increased demand. Rural Development's largest Business Program is the Business and Industry (B&I) Loan Guarantee Program. The B&I loan guarantee is similar to some of the new bank incentives recently announced as part of the economic stimulus plan. The guarantee is an incentive to any bank to make a commercial loan in rural Ohio and creates both a safety net for the lender as well as the opportunity for increased profits for the lender and better rates and/or terms for the borrowing business.

Program volume levels in 2006 and 2007 were low when compared to an all time high of $79 Million in B&I programming in 2004 (see chart below). The period of time between 2004 and 2007 saw a steady decrease in lenders usage of the B&I guarantee product. This in part was due to a regional economic decline in overall business expansions and economic activity. The decline in B&I guarantee usage can also be attributed to lenders having an increase in liquidity during this period which negated a need for credit enhancement tools. In fact, many banks were competing for business expansion projects without using any guarantee products at all.

However, the recent dramatic increase in Ohio's B&I program usage from a low of $19 million in 2007 to nearly $50 million in 2008 is a reflection of lenders having lower liquidity levels, tighter access to credit and an overall desire for additional security in their lending practices. Finally, it is important to note that Rural Development has experienced a cooling of B&I activity in September and October of this year. This is due to the overall credit crunch brought on by uncertainty in the credit markets. It appears that lenders are currently in a wait-and-see mode in anticipation of the "Rescue Plan" recently enacted by Congress and signed by the President.

Ohio Business Program Fund Usage

	2004	2005	2006	2007	2008	% Growth 2007 - 2008
All Business Fund Usage	$86	$41	$28	$20	$54	170%
B&I Guarantee	$79	$38	$26	$19	$49	163%

Note - all $ in Millions

In terms of Business Program activity in Appalachia Ohio, Rural Development in 2008 approved four B&I projects totaling $9,040,000. These four projects helped create 421 jobs in the Appalachian Region. In total, 1,196 jobs were created or retained in Ohio with the assistance of Rural Development's Business Programs.

The Renewable Energy and Energy Efficiency programs have continued to grow in Ohio as well. In 2008 Ohio received 21 energy related applications for financing. Projects compete on a national level and Ohio received approval of 12 energy projects totaling $2.2 million. These projects included one solar, one wind, an Anaerobic Digester and nine Energy Efficiency Projects. The Energy Title of the 2008 Farm Bill expands funding for Renewable Energy and Energy Efficiency projects (and renames the program the Renewable Energy for America Program (REAP))

Community Programs
In the Community Program area, which includes financing for Water and Sewer Systems, Community Facilities, rural electric and telephone service, and high speed internet (broadband) projects, the impact of the current credit crisis is much different that in the Housing and Business program areas. A majority of financing in the Community Programs area is in the form of direct lending (subsidized loans) and some grants and some loan guarantees. These program dollars (with the exception of Broadband projects) are utilized by local governments and special districts or authorities such as Rural Water and Sewer systems. Direct borrowing from Rural Development to these entities has not been dramatically impacted by the overall credit market.

It is important to note that State programs such as the Ohio Water Development Authority and the Ohio Public Works Commission -- whose funding is often a leveraged partner with Rural Development in financing water and sewer systems -- access their capital through the issuance of State Bonds. The current credit market has had an impact on the State's ability to market and sell these bonds. Some bond sales have been delayed, and if this situation persists, there could be a negative impact on local government's ability in Ohio to access State funds to leverage federal resources such as Rural Development for infrastructure improvements.

The Rural Broadband Access programs continue to grow in Ohio. In 2008, there were two Broadband loans approved for service in Ohio. The first was Open Range Communications headquartered in Denver, Colorado. Open Range received a $267 million loan to serve 518 communities in 17 states. They will provide Wi-Max technology that transmits wireless data in areas not serviced by cable or DSL. The Ohio portion of this loan is $24 million and the project will serve 51 Ohio Communities. The second loan was to Wabash Mutual Telephone. This was a $12 million project to provide fiber to the home in Mercer County, Ohio.

In addition to these loans, Ohio received two Community Connect Grants in 2007. These grants are extremely competitive at the National level. Horizon Telecom-Chillicothe Telephone was awarded $603,200 in grant funds to serve Darbyville in Pickaway County with fiber to the home. GMN Tri-county Community Action was awarded $316,840 to provide wireless service to the Graysville community.

Ohio Rural Development: Fiscal Years 2001-2008 Obligations* (Selected Programs/2008 Figures are Preliminary)

[See attached spreadsheet]

State		2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual
Ohio	1 502 direct	$37,114,210	$39,252,100	$34,170,350	$36,723,854	$32,544,425	$39,284,982
Ohio	2 502 guarnt.	$93,024,640	$96,938,020	$115,574,670	$115,354,010	$95,681,041	$80,067,359
Ohio	3 515 direct	$4,163,180	$3,823,640	$3,640,990	$3,413,250	$2,110,000	$4,703,000
Ohio	4 R A	$12,969,311	$14,720,541	$21,526,958	$13,622,231	$13,412,832	$11,964,312
Ohio	5 CF direct	$10,636,000	$11,441,000	$9,806,000	$19,217,000	$10,828,000	$9,197,000
Ohio	6 CF guarnt.	$8,542,000	$6,767,000	$3,680,000	$4,450,000	$5,000,000	$3,000,000
Ohio	7 CF grants	$355,000	$597,800	$1,394,000	$525,000	$1,924,000	$1,778,825
Ohio	8 W&W dir.	$39,994,000	$42,836,000	$32,080,000	$31,254,000	$37,352,000	$32,351,000
Ohio	9 W&W grant	$18,612,000	$26,467,700	$18,564,060	$13,303,000	$16,584,790	$10,997,000
Ohio	11 B&I guarnt.	$41,768,050	$46,306,900	$72,980,300	$78,740,500	$38,050,000	$26,431,418
Ohio	12 RBEG	$1,531,000	$1,031,000	$1,261,000	$1,742,000	$1,259,999	$948,000
Ohio	12 IRP	$750,000	$500,000	$1,250,000	$2,000,000	$0	$0
Ohio	13 MFH guarnt	$0	$11,658,000	$30,224,110	$8,295,825	$20,364,175	$17,634,743
Ohio	14 504 Ins&grts	$1,819,770	$1,897,430	$1,782,540	$1,666,453	$1,849,779	$1,716,256
Ohio	15 514&516	$175,000	$0	$0	$0	$0	$0
Ohio	16 Electric	$266,936,000	$45,705,000	$83,269,000	$33,231,000	$303,190,000	$191,796,000
Ohio	17 Telecom	$468,000	$3,991,048	$3,603,026	$1,348,336	$0	$7,173,686
Ohio	18 Value Added	$0	$0	$850,000	$235,450	$0	$630,471
Ohio	19 RnwEngyGts&Lns			$2,043,612	$1,000,000	$512,415	$64,006
Ohio	20 523 SelfHelp	$0	$0	$30,000	$788,150	$265,640	$883,360
Ohio	21 REDLG	$0	$0	$0	$0	$300,000	$0
TOTALS		$538,858,161	$353,933,179	$437,730,616	$366,910,059	$581,229,096	$440,621,418

2007 Actual	2008 Actual	FY 2001-2008 Total
$35,802,213	$33,819,243	$288,711,377
$99,042,848	$197,689,133	$893,371,721
$950,000	$1,770,000	$24,574,060
$10,134,009	$11,295,401	$109,645,595
$8,910,000	$8,386,000	$88,421,000
$2,558,565	$3,430,475	$37,428,040
$679,000	$1,105,475	$8,359,100
$33,224,000	$27,853,000	$276,944,000
$11,658,000	$11,942,146	$128,128,696
$18,461,000	$48,662,000	$371,400,168
$950,000	$1,091,000	$9,813,999
$500,000	$1,058,790	$6,058,790
$9,268,000	$17,435,563	$114,880,416
$1,798,634	$1,752,286	$14,283,148
$549,491	$0	$724,491
$304,200,000	$120,396,000	$1,348,723,000
$1,104,823	$13,616,299	$31,305,218
$300,000	$471,000	$2,486,921
$212,984	$2,986,361	$6,819,378
$280,000	$601,230	$2,848,380
$0	$0	$300,000
$540,583,567	$505,361,402	$3,765,227,498