

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on January 24, 2003 in Room 123-S of the Capitol.

All members were present except: Senator Pete Brungardt, absent
Senator Susan Wagle, absent

Committee staff present: April Holman, Legislative Research
Mitch Rice, Revisor of Statutes
Jodie Anspaugh, Secretary

Conferees appearing before the committee: Chuck Banks, State Director of USDA, Rural Development
Ben Reek, Program Director of Rural Housing, USDA
Gary Smith, Program Director of Rural Business & Utilities, USDA

Others attending: See attached list.

Chairperson Brownlee welcomed Chuck Banks, State Director of USDA, Rural Development, to the committee. Mr. Banks introduced two of his program directors: Ben Reek, Program Director of Rural Housing, and Gary Smith, Program Director of Rural Business and Utilities. He distributed a USDA document titled "Community and Business Programs." (Attachment 1)

Ben Reek, Program Director of Rural Housing, briefed the committee on rural housing activities within the USDA. He referenced his chart on USDA Rural Development/Rural Housing Programs. (Attachment 2) Most of the communities he works with have less than 3,000 people. Mr. Reek gave an overview of the several programs his department offers:

- Direct loan program
- Mutual self-help program - participants in this program do 65% of the manual labor themselves; this is one of department's most effective programs
- Technical assistance grants - families participating in this program often pay less than \$100 per month in rent and utilities are free
- Housing preservation grants - this is to bring homes up to current safety standards
- 504 Home Repair - for those age 62 and over, this provides loans at a 1% interest for things such as replacing roofs and furnaces

Mr. Reek answered questions about his presentation regarding delinquency rates, home maintenance, and loan rates.

Gary Smith, Program Director of Rural Business and Utilities, briefed the committee on the various activities of his department. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on January 24, 2003 in Room 123-S of the Capitol.

- Water and waste - works with rural water districts
- Community facilities - for non-profit community institutions such as hospitals and libraries
- Distance learning and telecommunications - connections for education and medicine, broadband service
- Business and Industry - constructed a cotton gin in Kansas City, value added grant program

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for 8:30 a.m. in Room 123-S on January 28, 2003.