



Valeria L. Lee  
Chair

Billy Ray Hall  
President

To: Members of the Natural and Economic Resources Joint Subcommittee

From: Rural Economic Development Center, Inc.

Date: February 8, 2011

Attached are the Rural Center's responses to questions 1-8 posed in your memo dated February 3, 2011.

North Carolina

Rural Economic

Development Center, Inc.

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## North Carolina Rural Economic Development Center OVERVIEW

Rural North Carolina is blessed with tremendous resources. More than 100,000 businesses, nearly half of the state's work force and much of the state's productive land, water and forest resources reside in rural communities – not to mention the tremendous beauty of its landscape and the talent of its people. Yet, in recent decades much of rural North Carolina has been rocked by seismic shifts in the economy that have led to the disappearance of thousands of jobs in traditional industries. Lagging educational levels, aging infrastructure, and the cumulative impacts of economic and natural disasters have added to the stress.

The Rural Center was created more than two decades ago to lead the state's effort to bring opportunity and resources to people living and working in rural communities. Since that time, the Rural Center and its partners have delivered millions of dollars in financial resources to North Carolina's rural communities, thousands of hours in training and technical assistance, and a broad array of research-based strategies and information. The mission of the center is to "develop, promote and implement sound economic strategies to improve the quality of life of rural North Carolinians, with a special focus on individuals with low to moderate incomes and communities with limited resources." Working in all 85 of the state's rural counties, the center operates a multi-faceted program that includes conducting research into rural issues; advocating for policy and program innovations; and building the productive capacity of rural leaders, entrepreneurs and community organizations.

The Rural Center is led by a 50-member board of directors that provides oversight for development of the Rural Center's annual plan of work, for all funding decisions and for program implementation. The board represents state and local leadership in business, agriculture, education, government and other areas of public service. Nine members (three each) are appointed by the Governor, Lieutenant Governor and Speaker of the House. The other members are elected by the board for two-year terms.

Funding for the Rural Center comes from a variety of sources. Currently, these include the N.C. General Assembly; U.S. Small Business Administration; U.S. Department of Agriculture; U.S. Department of Labor through the N.C. Community College System; federal stimulus funds through the N.C. Department of Commerce; Alcoa Foundation; Z. Smith Reynolds Foundation; Citi Foundation; Golden LEAF Foundation; N.C. Tobacco Trust Fund; and the center's 30-member Rural Corporate Partners Group. Most recently, the Rural Center was selected to administer the \$46.1 million Capital Access Program (NC-CAP) made possible by Congressional action in the fall of 2010. In contrast to most center programs, NC-CAP will serve all 100 counties.

Following is an overview of the Rural Center's programs and initiatives, in two parts. The first describes programs authorized and funded by the North Carolina General Assembly. The

second describes programs and activities carried out through collaborations with other partners and with funding from other sources.

## **I. PROGRAMS FUNDED BY THE NORTH CAROLINA GENERAL ASSEMBLY**

The Rural Center administers a range of programs under the direction of the N.C. General Assembly to improve economic vitality in North Carolina's 85 rural counties. Many of the programs are targeted to Tier 1 counties – counties defined as economically distressed by the N.C. Department of Commerce. Most General Assembly funding is channeled directly into rural communities, largely through grant programs.

### **Water and Sewer Development**

Many rural communities suffer from aging water and sewer infrastructure that limits their ability to support business and residential growth, results in the loss of water and revenue and can lead to unsafe conditions. To respond to these needs, the Rural Center administers water and sewer development programs that focus both on business and job creation and on public and environmental safety.

The ECONOMIC INFRASTRUCTURE FUND WATER AND SEWER GRANTS PROGRAM provides funds to local governments for construction of water and sewer facilities that lead directly to new business locations or expansions and related job growth. The jobs must be full-time and convey all benefits due other employees in the same classification. A performance agreement promising to create the pledged jobs is required to be executed between the business creating the jobs and the local government applying for the grant.

**RESULTS:** Since its establishment in 2004, the program has:

- Invested \$62 million in 196 projects
- Created 7,488 jobs
- Created or expanded 235 businesses
- Leveraged \$131 million in additional investments

CLEAN WATER GRANTS PROGRAMS provide support for construction of water and sewer infrastructure projects to alleviate serious threats to public health and the environment. The primary source of funding is a recurring appropriation. Previously, funding has come from the Clean Water Partners Infrastructure Program and the Clean Water Bond Program – both of which are now nearly depleted. The center's grants are designed to supplement funding from state and federal programs to assist economically distressed communities that could not otherwise afford infrastructure improvements.

**RESULTS:** Since 2004, the program has:

- Invested \$195.8 million in 684 projects
- Served 833,769 customers
- Leveraged \$707.6 million in additional investments

**OTHER:** Under the direction of the General Assembly, the Rural Center maintains and upgrades the state's water and sewer database, which is available to all funding agencies and

organizations for decisions on investments. The Rural Center also manages a Supplemental Grants Program for Infrastructure and Business Development that provides grants for emergency projects.

### **Building Reuse and Restoration**

North Carolina's rural communities are plagued with hundreds of empty buildings, ranging from small shops on main street to massive factories closed down when jobs moved elsewhere. The Rural Center's Building Reuse and Restoration Grants Program spurs economic activity and job creation by returning many of these vacant business properties to job-generating use. The grants match other public and private funding to restore, renovate and equip properties for use by new and expanding businesses. Buildings must be vacant for at least three months prior to application. Priority is given to towns with populations of fewer than 5,000. Administered within this program is the Rural Health Care Initiative, which targets one of the few growing employment sectors in rural North Carolina by providing grants that assist in the construction and/or renovation of rural health care facilities that are producing jobs.

**RESULTS: Since its establishment in 2004, the program has:**

- **Invested \$32.3 million in 250 projects**
- **Created 5,210 jobs**
- **Created or expanded 316 businesses**
- **Leveraged \$315 million in additional investments**

### **Small Town Revitalization**

The Small Towns Economic Prosperity Program (NC STEP) grew out of the recognition that North Carolina's smallest towns serve a major role in the economic, social and cultural well-being of their rural communities and of the state as a whole. Yet, the economic forces of the last few decades have robbed many small towns of their major employers and left them with dwindling tax bases and a general sense of hopelessness. To counter these trends, NC STEP works with diverse small town leadership teams for a two-year period, providing them with technical assistance to develop locally driven economic plans and grants to launch projects to meet their long-term goals. Dozens of projects are now underway, including development of commercial districts, programs to stimulate small business development, main street improvements, and development of scenic and recreational sites. The program is operating in 56 small towns, 11 of which joined the program during the last year.

**RESULTS: Since establishment of NC STEP in 2004, participating small towns have:**

- **Completed economic development plans (45)**
- **Launched 220 economic development projects**
- **Created 1,290 jobs**
- **Created/expanded 169 businesses**
- **Secured commitments of \$7.4 million in grants**
- **Involved over 1,000 local leaders in economic development planning in last 3 years**

## **Small Business Finance**

With the loss of major employers in many rural communities, entrepreneurship and small business development have become more important than ever. Yet, some small businesses with the potential to grow are not yet considered “bankable”; other more established businesses are in need of venture capital that is not readily available in rural communities. The Rural Center administers programs that address both needs.

The MICROENTERPRISE LOAN FUND helps rural people become self-sufficient by providing opportunities for self-employment and small business growth. The program provides loans up to \$25,000 for the start up or expansion of small businesses by individuals who have sound ideas but do not qualify for bank loans. The program serves 85 rural counties with a special focus on women, people of color and low-wealth communities. It is capitalized at \$2.5 million. In addition to General Assembly funding, the program has been supported by the U.S. Small Business Administration and the Rural Development Program of the U.S. Department of Agriculture.

The RURAL VENTURE FUND offers a new source of capital for small businesses seeking to expand in North Carolina’s poorest counties. These investments carry the expectation of a return, but on less demanding terms and over a longer period of time than available with traditional business financing. Through their growth, qualifying businesses will help create jobs and build wealth where they are needed most. Launched in 2007, the Rural Venture Fund is capitalized at \$6.8 million, with investments from the N.C. General Assembly, Golden LEAF and the Rural Center.

### **RESULTS: Together, since 2004 these two programs have:**

- **Made \$5 million in loans to 351 businesses**
- **Created 839 jobs**
- **Leveraged \$3.4 million in additional funds**

## **Community Development Corporations**

CDCs are nonprofit, community-based organizations that act as a catalyst for the revitalization of their community and local economy. In many cases, these organizations succeed where both government and the private sector have failed, by creating neighborhood partnerships to address community needs and by undertaking projects that create opportunities for home ownership, small business development, youth and workforce development, and self-reliance. One of the longest-running programs of the Rural Center, the Community Economic Development Grants Program provides grants for operational and staff support for community development corporations working in low-income and minority communities. “New and emerging” CDCs may receive a maximum grant of \$30,000. CDCs that have received previous funding are eligible for funding up to \$65,000 based on availability of funds, their capacity to engage in substantial community and economic development activities and their ability to measure results. In addition to the CDC program, the Rural Center administers funds appropriated to the Opportunities Industrialization Centers on behalf of the General Assembly.

**RESULTS:** Since its 2004, the CDC program has:

- Made \$6.7 million in grants to 164 CDCs
- Created 493 jobs
- Prevented 827 home foreclosures
- Leveraged \$103 million in additional funds
- The center has also made 31 grants to OICs totaling \$2 million

**Institute for Rural Entrepreneurship:** The Institute for Rural Entrepreneurship works with rural communities to stimulate the start-up and growth of locally owned companies. One program currently supported by the institute and funded through a U.S. Department of Labor grant to the N.C. Community College System is Project GATE, or Growing America through Entrepreneurship. GATE provides scholarships to unemployed workers to receive the educational preparation they need to start their own businesses. To date, 744 workers have received scholarships; 91 have started a business; and 29 report sales totaling over \$4 million.

**Agricultural Advancement Consortium:** Established by the General Assembly and housed at the Rural Center, the consortium promotes the benefits of a strong farm sector and addresses ways to increase farm profitability. It conducts original research and provides grants to promising research and demonstration projects. At the direction of the General Assembly, it has administered a statewide equine study, which documented \$1.9 billion in annual economic impact and outlined recommendations for growing the industry; led in the development of the statewide drought response program that is serving more than 7,000 farmers and protecting more than 11,000 acres of farmland; and established the Family Farm Innovation Fund.

**Economic Innovation Grants Program:** The Economic Innovation Grants Program is designed to spur business activity, job creation and public/private investment in North Carolina's rural communities by supporting innovative economic development projects in priority areas. Since the program was established in 2004, the center has awarded \$16.7 million for 125 projects that touch every rural county and are projected to serve 443 businesses and create 3,661 jobs.

**Research and Demonstration Grants Program:** R&D funds, matched by funding partners at the national, state and local levels, have led to a range of rural economic development strategies. Examples:

- A statewide capital markets analysis pointed to the need for new financing strategies and ultimately led to the creation of the Enterprise Corporation, the Microenterprise Loan Program & the Capital Access Program.
- A demonstration of the Tech Prep concept in Richmond County led to statewide support for Tech Prep in North Carolina schools and served as a model for states across the nation.
- A study of water and sewer infrastructure statewide in 1998 revealed \$11 billion in needs and contributed to approval of \$800 million in Clean Water bonds by the voters of North Carolina.

- Research on tobacco dependent communities documented geographies impacted by the demise of federal programs and served as a guide for investments following the Tobacco Settlement.
- A study documenting the pressures on dislocated workers following the recession of 2001, conducted in concert with state leadership, resulted in a major state and national policy agenda.
- A study of the needs and impact of rural small businesses led to the creation of the Institute for Rural Entrepreneurship and sparked a renewed interest in entrepreneurship statewide.

**Center Administration, Technical Assistance and Oversight:** The General Assembly funds approximately 25 percent of the center's general operating costs. The remaining operating costs must be secured by the center from other sources. The legislature also supports administration of Clean Water Bonds Act funds; administration of the Community Economic Development Grants Program; administration of the Agricultural Advancement Consortium; and oversight of the Research and Demonstration Grants Program.

## II. PROGRAMS SUPPORTED BY OTHER SOURCES

While the Rural Center receives substantial support from the North Carolina General Assembly in direct appropriations, it also pursues a number of programs and initiatives supported by fee structures and other funders. Examples:

**Large-Scale, Collaborative Initiatives:** One of the primary roles of the Rural Center is to convene state leaders to address rural problems and opportunities. In 2010, the Rural Center created a partnership with five organizations to launch the \$18 million Family Farm Innovation Fund. The fund is providing grants for 1,500 farm projects to reduce energy costs on the farm, add value to farm products and create new markets. The center also collaborated with foundations and state funders to deliver the \$6 million Rural Hope Fund that is creating 525 health care jobs.

**Rural Economic Development Institute:** For 20 years, the Rural Center has conducted an annual rural leadership training program to prepare a broad, diverse group of rural leaders with the knowledge and skills necessary to manage the challenges of economic transitions in their communities and promote sustained economic and community development. One of the center's most respected programs, the institute now has more than 800 graduates. These graduates are serving in leadership roles at the state and local levels and participate in quarterly, regional leadership caucuses.

**Rural Partners Forum:** The Rural Center conducts an annual Rural Partners Forum, which draws 600 or more rural leaders together for two days of presentations and workshops on critical rural issues. In the last two years, the center has introduced the popular Rural Funders Fair, which allows rural leaders time to meet face-to-face with a wide range of funding agencies and foundations.

**Community Mobilization Project:** The Rural Community Mobilization Project is a multisite effort to help laid-off workers return to gainful employment. It provides grants, training and technical assistance to local organizations that fill gaps in services available to jobless workers. The project, launched in fall 2009, responds to the high unemployment level in many rural counties. To date, it has served 1,610 unemployed workers. Of these, 732 have received education or job training; 805 have received employability training; 611 have received supportive services; and 218 have found a job. The Rural Center initiated the project with federal stimulus funds provided through the N.C. Department of Commerce.

**Economic Opportunity Initiative:** The Rural Economic Opportunity Initiative is investigating solutions to persistent and pervasive barriers to economic development and wealth building in rural communities through funding from the Z. Smith Reynolds Foundation. As the result of this work, the center will issue in the spring of 2011 a data-based report on people living on the economic margins in rural areas; a compendium of community-based strategies to support low-wealth families; and a training guide to support poverty work in rural communities.

**North Carolina Capital Access Program (NC-CAP):** The Rural Center has been designated by Governor Beverly Perdue to administer a new program that will result in up to \$800 million in capital for businesses in all 100 counties over the next two years. The North Carolina Capital Access Program is made possible by the State Small Business Credit Initiative, part of the federal Small Business Jobs Act of 2010. Working with state's lending institutions, the Rural Center will administer \$46.1 million that North Carolina will receive under the initiative.

## North Carolina Rural Economic Development Center ACCOMPLISHMENTS

The Rural Center has had a strong working relationship with the N.C. General Assembly for 24 years. Together, they have sought:

- To ensure that rural communities have adequate access to clean water and wastewater treatment systems, which are essential for business growth, public health and environmental protection
- To create jobs and business opportunities in communities hit hard by recession, structural changes in the economy and natural disasters

The center addresses these goals through programs that tackle specific challenges in rural communities. Several directly address job creation. Others focus on creating the conditions for business and economic development. Following is a brief description of the programs and their impact since 2004. Other accomplishments are noted in the Rural Center OVERVIEW report.

### JOB-GENERATING WATER AND SEWER GRANTS, 2004-2010:

- **\$62.4 million in grants**
- **196 projects**
- **7,488 jobs created**
- **235 businesses created or expanded**
- **\$131 million leveraged**

### CLEAN WATER PROGRAM GRANTS, 2004-2010:

- **684 projects**
- **\$195.8 million in grants**
- **833,769 customers served**
- **\$707.6 million leveraged**

### BUILDING REUSE AND RESTORATION GRANTS, 2004-2010

- **250 projects**
- **\$32.3 million in grants**
- **5,210 jobs created**
- **316 businesses created or expanded**
- **\$315 million leveraged**

## N.C. SMALL TOWNS ECONOMIC PROSPERITY PROGRAM, 2004-2010

- 45 completed economic development plans
- 220 economic development projects
- 1,290 jobs created
- 169 businesses created or expanded
- \$7.4 million in grants committed
- Over 1,000 local leaders participating in last three years

## SMALL BUSINESS LOAN PROGRAMS, 2004-2010

- 351 businesses
- \$5 million in loans
- 839 jobs created
- \$3.4 million leveraged

## COMMUNITY ECONOMIC DEVELOPMENT GRANTS PROGRAM, 2004-2010

- 164 grants worth \$6.7 million to CDCs
- 493 jobs created
- 827 home foreclosures prevented
- \$103 million leveraged
- 31 grants to OICs totaling \$2 million

## TOTAL IMPACT, 2004 - 2010

Projects:	1,381
Grants:	\$323 million
Business Loans:	351
\$s in Loans:	\$5 million
Businesses Created/Expanded:	1,514
Leveraged:	\$1.3 billion
Water-Sewer Customers Served:	834,004
Jobs Created:	18,981

**North Carolina Rural Economic Development Center, Inc.**  
**Fiscal Year 2009-2010**  
**Operating Budget**

	Unrestricted		Total	Temporarily Restricted Policy and Programs	Total 2009-2010 Budget	Adjustments to State Appropriation	Total 2009-2010 Budget
	General Administration	Board Designated					
Revenues and other support:							
Grants and gifts:							
State of NC, recurring:							
Base appropriation	574,000	-	574,000	23,465,636	24,039,636	(1,124,762)	22,914,874
Passthrough funding	-	-	-	343,000	343,000	(17,150)	325,850
State of NC, non-recurring:							
Small Business Funds	-	-	-	-	-	500,000	500,000
Clean Water Bond Funds							
State of North Carolina - other	574,000	-	574,000	23,808,636	24,382,636	(641,912)	23,740,724
Total state funding	-	-	-	15,000,000	15,000,000	-	15,000,000
Federal government	-	-	-	3,165,426	3,165,426	-	3,165,426
Private foundations	-	-	-	41,974,062	42,548,062	(641,912)	41,906,150
Corporate Partners	-	-	-	144,694	144,694	-	144,694
Other	-	-	-	75,000	75,000	-	75,000
Investment income	150,000	-	150,000	-	150,000	-	150,000
Indirect cost reimbursement	45,000	-	45,000	958,138	1,003,138	-	1,003,138
Total revenues	1,500,000	-	1,500,000	2,455,000	3,955,000	-	3,955,000
	133,910	-	133,910	-	133,910	-	133,910
	2,402,910	-	2,402,910	45,606,894	48,009,804	(641,912)	47,367,892
Expenses:							
Personnel Cost	1,213,161	102,199	1,315,360	3,807,421	5,122,781	-	5,122,781
Contracted, professional and other services	284,031	542,208	826,239	5,837,106	6,663,345	-	6,663,345
Occupancy	102,939	200	103,139	34,743	137,882	-	137,882
Office	64,193	30,735	94,928	232,900	327,828	-	327,828
Supplies	20,730	900	21,630	21,700	43,330	-	43,330
Travel and meetings	191,200	36,765	227,965	281,742	509,707	-	509,707
Equipment, Rental and Maintenance	92,454	1,500	93,954	50,600	144,554	-	144,554
Marketing and Outreach	500	-	500	56,025	56,525	-	56,525
Other expense	12,583	500	13,083	564,345	577,428	-	577,428
Grants and contracts, prior year award	-	-	-	235,198,846	235,198,846	-	235,198,846
Grants and contracts, current	-	99,000	99,000	19,791,641	19,890,641	(500,352)	19,390,289
Passthrough grants	-	-	-	343,000	343,000	-	343,000
Indirect costs	-	-	-	134,410	134,410	-	134,410
Total expenses	1,981,791	814,007	2,795,798	265,362,734	269,150,277	(500,352)	268,649,925
Current revenues over (under) expenses before transfers	421,119	(814,007)	(392,888)	(220,747,585)	(221,140,473)	(141,560)	(221,282,033)
Transfers	(990,509)	13,330	(977,179)	977,179	-	-	977,179
Current revenues over (under) expenses after transfers	(569,390)	(800,677)	(1,370,067)	(219,770,406)	(221,140,473)	(141,560)	(220,304,854)
Net assets:							
Beginning	8,338,296	2,360,069	10,698,365	238,236,847	248,935,212	-	248,935,212
Ending	7,768,906	1,559,392	9,328,298	18,466,441	27,794,739	(141,560)	28,630,358

**Rural Economic Development Center, Inc.**  
**Financial Position**

	<u>June 30, 2010</u>	<u>December 31, 2010</u>
Cash and cash equivalents	94,343,649.00	114,395,335.00
Short-term investments	123,411,781.00	87,673,378.00
	<u>217,755,430.00</u>	<u>202,068,713.00</u>
Other assets	7,244,775.00	6,105,746.00
	<u>225,000,205.00</u>	<u>208,174,459.00</u>

	<u>June 30, 2010</u>	<u>December 31, 2010</u>
Liabilities	1,475,778.00	1,351,197.00
Net assets:		
Unrestricted	10,006,735.00	9,557,403.00
Temporarily restricted	213,517,692.00	197,265,859.00
	<u>225,000,205.00</u>	<u>208,174,459.00</u>

**North Carolina Rural Economic Development Center, Inc.**  
**Fiscal Year 2009-2010**  
**Revenues, Expenses and Changes in Net Assets**

	Unrestricted			Temporarily Restricted Policy and Programs	Total
	General Administration	Board Designated	Total		
<b>Revenues and other support:</b>					
Grants and gifts:					
State of NC, recurring:					
Base appropriation	545,300	-	545,300	22,369,574	22,914,874
Passthrough funding	-	-	-	325,850	325,850
State of NC, non-recurring:					
Small Business Funds	-	-	-	500,000	500,000
Clean Water Bond Funds	545,300	-	545,300	23,193,424	23,740,724
State of North Carolina - other	-	-	-	10,695,474	10,695,474
Total state funding	545,300	-	545,300	1,673,426	1,673,426
Federal government	-	-	-	35,564,324	36,109,624
Private foundations	-	-	-	1,240,669	1,240,669
Corporate Partners	115,400	-	115,400	180,000	180,000
Other	63,627	-	63,627	115,400	115,400
Investment income	1,519,362	-	1,519,362	595,129	658,756
Indirect cost reimbursement	244,599	-	244,599	2,664,633	4,183,995
Total revenues	2,488,288	-	2,488,288	204,039	448,638
				40,448,794	42,937,082
<b>Expenses:</b>					
Personnel Cost	1,114,664	101,686	1,216,350	3,546,073	4,762,423
Contracted, professional and other services	306,368	158,038	464,406	3,045,984	3,510,390
Occupancy	102,857	642	103,499	24,502	128,001
Office	50,140	5,738	55,878	66,915	122,793
Supplies	18,944	446	19,390	12,230	31,620
Travel and meetings	141,915	18,926	160,841	135,623	296,464
Equipment, Rental and Maintenance	67,393	390	67,783	15,802	83,585
Marketing and Outreach	1,626	-	1,626	7,062	8,688
Other expense	70,337	500	70,837	2,183,675	2,254,512
Grants and contracts, prior year award	227,671	85,100	312,771	56,369,982	56,455,082
Depreciation	-	-	-	448,638	448,638
Indirect costs	-	-	-	65,856,486	66,329,867
Total expenses	2,101,915	371,466	2,473,381	(25,407,692)	(25,392,785)
Current revenues over (under) expenses before transfers	386,373	(371,466)	14,907	-	-
Transfers	(765,537)	59,000	(706,537)	706,537	-
Current revenues over (under) expenses after transfers	(379,164)	(312,466)	(691,630)	(24,701,155)	(25,392,785)
<b>Net assets:</b>					
Beginning	8,338,296	2,360,069	10,698,365	238,236,847	248,935,212
Ending	7,959,132	2,047,603	10,006,735	213,533,692	223,542,427
Expenses as a percentage of total	3.08%	0.54%	3.62%	96.38%	100.00%

**Rural Economic Development Center, Inc.**  
**Employee Information**

FTEs at  
June 30, 2010

Rural Center

47.50

Wages for calendar year 2010 for 5 highest paid employees:  
*(Medicare Wages from Form W-2)*

President	202,643.14
Senior Vice President	116,347.47
Vice President - Finance and Administration	117,101.46
Vice President - Rural Development Programs	116,273.34
Senior Program Engineer	89,232.92

The center provides a comprehensive benefits package for all employees. All insurance coverages are paid 100% for employees. No dependent coverage is provided.

Health insurance

High deductible health plan

Contributions to HealthSavings Accounts for eligible employees

Dental insurance

Short-term disability

Long-term disability

Life insurance

403(b) Retirement Plan

**Rural Economic Development Center, Inc.**  
**Board of Directors**  
**Meetings and Travel Expense**

The center has a 51 member Board of Directors. Meeting dates for the fiscal year ended June 30, 2010 are listed below. Board members are reimbursed for mileage, lodging and meals upon request from the member.

	Mileage	Lodging	Meals	Total
<b>Executive Committee</b>				
1 Valeria L. Lee	104.00			104.00
2 Bill Gibson	1,288.50	594.57	142.45	2,025.52
3 Larry Wooten				-
4 Mikki Sager				-
5 Curtis Wynn				-
6 Andy Anderson		345.68		345.68
7 Anita R. Brown-Graham		135.36		135.36
8 Charles P. Brown		345.68		345.68
9 Brian Crutchfield		570.57		570.57
10 Alice M. Keeney	367.52	419.83		787.35
11 Joseph Stanley	1,343.59	569.77		1,913.36
12 Bill Veeder		270.72		270.72
13 Billy Ray Hall				-
<b>Board of Directors</b>				
14 E. H. Alexander	212.10			212.10
15 Ted Alexander	479.60	344.87		824.47
16 Rex L. Baker	267.50			267.50
17 Frank V. Beam		74.15		74.15
18 Leslie Boney				-
19 Janice Brumit	275.00	74.15		349.15
20 James S. Bryan				-
21 Kent Chavis	112.75			112.75
22 J. Keith Crisco				-
23 Robin G. Cummings		209.51		209.51
24 Ilana Dubester	49.00	135.36		184.36
25 Lewis Ebert				-
26 Patricia Ferguson		419.83		419.83
27 Bobbie Jacobs Ghaffar				-
28 Loyd Godley		135.36		135.36
29 Grant Godwon				-
30 Scott T. Jamilton				-
31 James A. Jarrell, III				-
32 Andrea Harris				-
33 CeCe Hipps	319.00	224.08		543.08
34 Lenna Hobson		210.32		210.32
35 Lenora Jarvis-Mackey	234.70	414.26		648.96
36 Robert B. Jordan				-
37 Larry P. Meadows				-
38 Wayne McDevitt		135.36		135.36
39 Patricia Mitchell		149.11		149.11
40 Allan Oocumma	991.00	284.47	44.00	1,319.47
41 Scott J. Parker				-
42 Robert B. Partin	513.10	344.87		857.97
43 Scott Ralls				-
44 Alan Rice		135.36		135.36
45 Cleveland Simpson		419.83		419.83
46 Charles Smith		135.36		135.36
47 Katherine Thomas				-
48 Steven W. Troxler				-
49 Jennifer Tolle Whiteside				-
50 Charles L. Wilson				-
51 Frank Alfred Wilson	315.00	284.48		599.48
Other		135.36		135.36
	<u>6,872.36</u>	<u>7,518.27</u>	<u>186.45</u>	<u>14,441.72</u>

Meeting Dates:

Executive Committee:

August 26, 2009  
 November 4, 2009  
 December 9, 2009  
 February 4, 2010  
 April 28, 2010  
 June 30, 2010

Full Board:

August 26, 2009  
 November 5, 2009  
 February 24, 2010

Cost for meals served at board and executive committee meetings during FY 2010:

7,994.60

Total cost for board of directors:

22,436.32

**Rural Economic Development Center, Inc.**  
**Use of State Funds**  
**Fiscal Year Ended June 30, 2010**

	Total	Grants	Administration
<b>General Administration</b>			
Appropriation - Admin General Adminis	1,650,991.91		1,650,991.91
	1,650,991.91	-	1,650,991.91
		0.00%	100.00%

For the fiscal year ended June 30, 2010, \$545,300 of funding was received through the center's State Appropriation to apply towards total general administrative expense.

	Total	Grants	Program Administration and Direct Program Assistance
<b>State Appropriation Funded Grant and Direct Assistance Programs</b>			
Appropriation - Programs Communications	287,677.03		287,677.03
Appropriation - Programs R&D Grants Program	521,426.38	271,717.75	249,708.63
Appropriation - Programs Supp and Bus. Dev.	93,492.00	93,492.00	-
Appropriation - Programs Supplemental	1,383,391.23	892,541.03	490,850.20
Appropriation - Programs Water 2030	67,247.54		67,247.54
Appropriation - Programs Microenterprise	190,973.97	53,984.89	136,989.08
Appropriation - Programs Institute for Entrepreneurship	143,168.02		143,168.02
Appropriation - Programs Ag Advancement Consortium	160,051.45	65,019.27	95,032.18
Appropriation - Programs Small Business Funds	500,000.00	500,000.00	-
Appropriation - Programs CDC Program	960,048.16	838,200.00	121,848.16
Appropriation - Programs Workforce Development	107,565.07		107,565.07
Appropriation - Programs Community Mobilization	51,207.92		51,207.92
Economic Inf. Fund Economic Innovation	755,924.28	754,929.82	994.46
Economic Inf. Fund Economic Infrastructure	7,838,474.18	7,734,074.00	104,400.18
Economic Inf. Fund Small Towns Program	1,344,893.65	1,054,199.67	290,693.98
Economic Inf. Fund Building Reuse	3,588,649.95	3,407,885.03	180,764.92
Economic Inf. Fund Rural Health Care	1,703,506.00	1,703,506.00	-
Economic Transition Fund Economic Innovation	2,583,181.83	2,453,627.24	129,554.59
Economic Transition Fund Institute for Entrepreneurship	173,346.21	84,320.75	89,025.46
Economic Transition Fund Small Towns Program	205,530.63	128,056.39	77,474.24
Economic Transition Fund Building Reuse	1,216,714.91	1,216,714.91	-
Economic Transition Fund Brownfields	58,262.18	56,787.12	1,475.06
W&S Improvement Fund Supplemental Program	20,441,539.66	20,092,856.63	348,683.03
Clean Water Bond Funds Clean Water Bond Program	10,695,474.30	10,695,474.30	-
	55,071,746.55	52,097,386.80	2,974,359.75
		94.60%	5.40%

	Total	Grants	Program Administration and Direct Program Assistance
<b>Other State Funded Assistance Programs</b>			
Special Appropriation Equine Study	173,774.60	125,057.57	48,717.03
Special Appropriation Hurricane Recovery	160,764.41		160,764.41
TTF Drought Recovery	1,523,426.07	7,113.07	1,516,313.00
Community College System GATE Project	288,590.48		288,590.48
DOC - Workforce Community Mobilization	217,498.97	177,406.65	40,092.32
	2,364,054.53	309,577.29	2,054,477.24
		13.10%	86.90%