

2025 USDA EXPLANATORY NOTES - RURAL DEVELOPMENT SALARIES AND EXPENSES

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PREFACE

This publication summarizes the fiscal year (FY) 2025 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2025 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2022 and 2023, annualized Continuing Resolution levels for 2024, and the President’s Budget request for 2025. Amounts for 2024 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2024 and 2025 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2022, 2023, 2024 and 2025.

In tables throughout this document, amounts equal to zero (0) are displayed as dashes (-). Amounts less than 0.5 and greater than zero are rounded and shown as a zero (0). This display treatment is used to prevent the masking of non-zero amounts that do not round up to one (1).

AGENCY-WIDE

AVAILABLE FUNDS AND FTEs

Table RD-1. Available Funds and FTEs (thousands of dollars, FTEs)

Item	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Salaries and Expenses:								
Discretionary Appropriations.....	\$300,285	1,725	\$351,157	1,682	\$351,087	1,664	\$428,206	1,735
Mandatory Appropriations.....	2,829	3	2,829	3	2,829	2	2,829	2
Offsetting Collections.....	490,615	2,885	494,061	2,932	494,423	2,934	483,280	2,934
Total Discretionary Appropriations.....	300,285	1,725	351,157	1,682	351,087	1,664	428,206	1,735
Total Mandatory Appropriations.....	2,829	3	2,829	3	2,829	2	2,829	2
Total Offsetting Collections.....	490,615	2,885	494,061	2,932	494,423	2,934	483,280	2,934
Total Adjusted Appropriation.....	793,729	4,613	848,047	4,617	848,339	4,600	914,315	4,671
Balance Available, SOY.....	46,037	-	68,125	-	86,646	-	17,012	-
Balances Interchanges.....	33,085	-	25,517	-	-	-	-	-
Rescinded Balances.....	-	-	-5,763	-	-	-	-	-
Recoveries, Other.....	3,313	-	-	-	-	-	-	-
Total Available.....	876,164	4,613	935,926	4,617	934,985	4,600	931,327	4,671
Lapsing Balances.....	-	-	-711	-	-	-	-	-
Balance Available, EOY.....	-68,125	-	-86,646	-	-17,012	-	-13,601	-
Total Obligations.....	808,039	4,613	848,569	4,617	917,973	4,600	917,726	4,671
Total Obligations, RD.....	808,039	4,613	848,569	4,617	917,973	4,600	917,726	4,671
Other USDA:								
Agricultural Marketing Service.....	115	-	0	-	0	-	0	-
Agricultural Research Service.....	3	-	-	-	-	-	-	-
Animal & Plant Health Inspection.....	2	-	-	-	-	-	-	-
Client Experience Center.....	1	-	-	-	-	-	-	-
Commodity Credit Corporation.....	1,176	-	408	-	408	-	408	-
Farm Service Agency.....	4,392	-	3,665	-	3,665	-	3,665	-
FEMA Disaster Finance Center.....	-	-	521	-	521	-	521	-
Food Safety & Inspection Service.....	18	-	-	-	-	-	-	-
Foreign Agricultural Service.....	2	-	-	-	-	-	-	-
FPAC BC.....	5,594	-	5,882	-	5,882	-	5,882	-
Homeland Security Office.....	25	-	-	-	-	-	-	-
Natural Resources Conservation.....	3	-	-	-	-	-	-	-
Office of Budget & Program Analysis.....	4	-	750	-	750	-	750	-
Office of Chief Economist.....	1	-	-	-	-	-	-	-
Office of Chief Financial Officer.....	1,988	-	8,848	-	8,848	-	8,848	-

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Item	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Office of Civil Rights.....	1	-	-	-	-	-	-	-
Office of Executive Secretariat.....	25	-	70	-	70	-	70	-
Office of General Counsel.....	21	-	-	-	-	-	-	-
Office of Inspector General.....	1	-	-	-	-	-	-	-
Office of Secretary.....	8	-	265	-	265	-	265	-
Risk Management Agency.....	6	-	-	-	-	-	-	-
USDA Departmental Administration.....	8	-	7	-	7	-	7	-
USDA FNS Food & Nutrition Service....	4	-	-	-	-	-	-	-
Miscellaneous Reimbursements.....	1	-	-	-	-	-	-	-
Total, Other USDA.....	13,401	-	20,417	-	20,417	-	20,417	-
Total, Agriculture Available.....	889,565	4,613	956,343	4,617	955,402	4,600	951,744	4,671
Other Federal Funds:								
Dept. of Health and Human Services.....	63	-	-	-	-	-	-	-
Federal Emergency Management Agency.....	159	-	-	-	-	-	-	-
Customs and Border Protection.....	33	-	1,133	-	1,133	-	1,133	-
Dept. of the Navy.....	-	-	2	-	2	-	2	-
Total, Other Federal.....	255	-	1,135	-	1,135	-	1,135	-
Total Available, RD.....	889,820	4,613	957,478	4,617	956,537	4,600	952,879	4,671

Footnote: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in Rural Development, is found in the USDA Budget Summary and is not reflected above.

PERMANENT POSITIONS BY GRADE AND FTEs

Table RD-2. Permanent Positions by Grade and FTEs

Item	2022			2023			2024			2025		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	18	6	24	14	8	22	15	8	23	15	8	23
SL.....	2	-	2	1	1	2	1	1	2	1	1	2
GS-15.....	33	116	149	15	78	93	16	81	97	16	83	99
GS-14.....	38	190	228	25	243	268	26	253	279	26	257	283
GS-13.....	134	862	996	72	933	1,005	75	972	1,047	76	987	1,063
GS-12.....	39	1,213	1,252	13	1,290	1,303	14	1,344	1,358	14	1,365	1,379
GS-11.....	12	577	589	4	552	556	4	575	579	4	584	588
GS-10.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-9.....	20	587	607	10	558	568	10	581	591	11	590	601
GS-8.....	9	10	19	3	14	17	3	15	18	3	15	18
GS-7.....	21	543	564	14	471	485	15	491	506	15	498	513
GS-6.....	9	76	85	7	67	74	7	70	77	7	71	78
GS-5.....	1	82	83	1	48	49	1	50	51	1	51	52
GS-4.....	-	19	19	-	7	7	-	7	7	-	7	7
GS-3.....	-	3	3	-	-	-	-	-	-	-	-	-
GS-2.....	1	1	2	-	-	-	-	-	-	-	-	-
Total												
Permanent.....	338	4,285	4,623	180	4,270	4,450	188	4,448	4,636	190	4,517	4,707
Total Perm. FT												
EOY.....	338	4,285	4,623	180	4,270	4,450	188	4,448	4,636	190	4,517	4,707
FTE*.....	334	4,282	4,616	187	4,430	4,617	186	4,414	4,600	189	4,482	4,671

*Total FTEs are all inclusive of workforce categories including temporary positions.

VEHICLE FLEET

Motor Vehicle Fleet

The passenger motor vehicles of Rural Development (RD) are used almost exclusively by RD State and field office staff to provide program delivery to essential facilities, such as services for water and sewer systems, housing, emergency service facilities, and electric and telephone services. In the course of their daily work, these personnel often need to travel to rural communities, individual farms, commercial firms, and State offices that are only accessible by vehicle. Number of vehicles by type include vehicles owned by the agency and leased from commercial sources or GSA. Annual Operating Costs exclude acquisition costs and gains from sale of vehicles as shown in FAST.

Replacement Criteria

RD replaces vehicles in accordance with Title 41, CFR §102–34.270, Table of Minimum Replacement Standards. RD replaces and disposes of vehicles using data on utilization, age, condition, and funding availability. The average age of RD’s vehicle fleet is five years. All replacement vehicles selected should be alternative fuel vehicles or Gas/Hybrid vehicles, which have an extended life cycle. Vehicle replacements will be determined and approved on a case-by-case basis for 2025 by the Enterprise Operations Division Director and the Fleet Manager.

Reductions to Fleet

Reductions to Fleet RD ended in 2023, with 589 vehicles (leased and owned), which is a reduction of 12 vehicles from 2022. The projected number of vehicles for 2025 will remain at the optimal fleet size. RD current fleet inventory is 564 vehicles, which is a reduction of 25 vehicles from 2023 levels. Fleet additions are determined and approved on a case-by-case basis by the Deputy Chief Operating Officer and Chief Enterprise Officer of the Enterprise Office. For 2025, RD is expecting to maintain its current level of vehicles with for vehicles meeting minimum replacement standards.

Table RD-3. Size, Composition, and Annual Costs of Motor Vehicle Fleet

	Sedans and Station Wagons	Vans	SUVs	Light Trucks 4X2	Light Trucks 4X4	Medium Duty Vehicles	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
2018 End of Year Operating Inventory	526	53	200	4	2	-	-	-	785	\$3,200,000
2022 End of Year Operating Inventory	380	40	174	4	3	-	-	-	601	2,563,323
2023 Actual Acquisitions.....	21	4	33	14	8	-	-	-	80	
2023 Actual Disposals	68	8	16	-	-	-	-	-	92	
2023 End of Year Operating Inventory	333	36	191	18	11	-	-	-	589	3,319,683
2024 Planned Acquisitions	14	2	103	2	8	-	-	-	129	
2024 Planned Disposals	114	8	31	-	1	-	-	-	154	
2024 End of Year Operating Inventory	233	30	263	20	18	-	-	-	564	3,745,425
2025 Planned Acquisitions	-	-	19	16	-	-	-	-	35	
2025 Planned Disposals	35	-	-	-	-	-	-	-	35	
2025 End of Year Operating Inventory	198	30	282	36	18	-	-	-	564	4,151,822

Table RD-4. Statement of Proposed Purchase of Passenger Motor Vehicles

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2022	605	10		6	-	6
2023	601	92		80	-	80
2024	589	129		154	-	154
2025	564	35		35	-	35

SHARED FUNDING PROJECTS

Table RD-5. Shared Funding Projects (thousands of dollars)

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Working Capital Fund:				
Administrative Services:				
Material Management Service	\$168	\$142	\$156	\$148
AskUSDA Contact Center	-	1,023	1,018	1,021
Mail and Reproduction Services	797	865	723	715
Integrated Procurement Systems.....	174	173	184	-
Procurement Operations Services.....	40	32	17	188
Human Resources Enterprise Management Systems.....	64	84	69	70
Subtotal	1,243	2,319	2,167	2,142
Communications:				
Creative Media & Broadcast Center	444	632	750	638
Finance and Management:				
National Finance Center	1,156	1,369	1,410	1,339
Financial Shared Services	2,690	2,898	3,133	2,979
Personnel and Document Security	-	221	254	257
Internal Control Support Services.....	221	290	300	287
Subtotal	4,067	4,778	5,097	4,862
Information Technology:				
Client Experience Center	31,782	29,220	26,305	25,547
Department Administration Information Technology Office	3,868	1,865	1,157	1,120
Digital Infrastructure Services Center	36,804	39,545	28,407	26,830
Enterprise Cybersecurity Services	-	1,396	2,971	3,238
Enterprise Data and Analytics Services.....	-	1,215	1,239	1,180
Enterprise Network Services.....	2,332	2,115	4,034	3,136
Subtotal	74,782	75,356	64,113	61,051
Correspondence Management Services:				
Office of the Executive Secretariat	234	318	333	316
Total, Working Capital Fund	79,459	83,403	72,460	69,009
Department-Wide Shared Cost Programs:				
Agency Partnership Outreach	295	334	332	332
Diversity, Equity, Inclusion and Accessibility	-	91	119	119
Employee Experience	-	156	166	166
Intertribal Technical Assistance Network.....	162	162	159	159
Medical Services	118	148	95	95
National Capital Region Interpreting Services	25	47	38	38
Office of Customer Experience	407	146	143	143
Personnel and Document Security Program	81	-	-	-
Physical Security.....	199	206	209	209
Security Detail	211	228	239	239
Security Operations Program.....	290	316	338	338
TARGET Center	60	75	79	79
Talent Group	-	164	147	147
USDA Enterprise Data Analytics Services.....	206	-	-	-
Total, Department-Wide Reimbursable Programs.....	2,054	2,073	2,064	2,064
E-Gov:				
Budget Formulation and Execution Line of Business	11	10	11	12
Disaster Assistance Improvement Plan.....	27	27	27	27
E-Rulemaking	113	149	99	133
Financial Management Line of Business	4	4	4	4

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Item	2022	2023	2024	2025
	Actual	Actual	Estimated	Estimated
Geospatial Line of Business.....	38	38	38	38
Benefits.gov	71	66	72	-
Grants.gov.....	62	60	-	79
Human Resources Line of Business	14	13	13	13
Hiring Assessment Tool.....	11	-	-	-
Integrated Acquisition Environment.....	1,395	1,301	-	1,089
Total, E-Gov	1,746	1,668	264	1,395
Agency Total.....	84,632	87,144	74,788	72,468

ADVERTISING EXPENDITURES

Table RD-6. Advertising Expenditures (thousands of dollars)

Item	2023	2023	2024	2024	2025	2025
	Actual Number of Contracts	Actual Dollars Obligated	Estimated Number of Contracts	Estimated Dollars Obligated	Estimated Number of Contracts	Estimated Dollars Obligated
Total Contracts for Advertising Services	1	\$20	1	\$20	1	\$20
Contracts for Advertising Services to Socially and Economically Disadvantaged Small Businesses	1	\$20	1	\$20	1	\$20
Contracts for Advertising Services to Women-Owned and Minority-Owned Small Businesses	1	\$20	1	\$20	1	\$20

ACCOUNT I: SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

1 Salaries and Expenses
 2
 3 For necessary expenses for carrying out the administration and implementation of Rural Development programs,
 4 including activities with institutions concerning the development and operation of agricultural cooperatives; and
 5 for cooperative agreements; [~~\$527,182,000~~]\$428,206,000: *Provided*, That of the amount made available under
 6 this heading, up to [~~\$32,000,000~~]\$10,000,000, to remain available until September 30, [2025]2026, shall be for
 7 the Rural Partners Network activities of the Department of Agriculture, and may be transferred to other agencies
 8 of the Department for such purpose, consistent with the missions and authorities of such agencies: *Provided*
 9 *further*, That of the amount made available under this heading, no less than [~~\$125,000,000~~]\$100,000,000, to
 10 remain available until expended, shall be used for information technology expenses: [*Provided further*, That of
 11 the amount made available under this heading, up to \$1,000,000 shall be for the administration of the Rural
 12 Voucher Program: *Provided further*, That of the amount made available under this heading, up to \$13,000,000
 13 shall be for program loan costs for the Water and Waste program account, Rural Housing Insurance Fund
 14 account and the Electric and Telecommunications program account: *Provided further*, That of the amount made
 15 available under this heading, up to \$4,000,000 shall be for loan packager costs for the Single Family Housing
 16 Direct program:]*Provided further*, That notwithstanding any other provision of law, funds appropriated under
 17 this heading may be used for advertising and promotional activities that support Rural Development programs:
 18 *Provided further*, That in addition to any other funds appropriated for purposes authorized by section 502(i) of
 19 the Housing Act of 1949 (42 U.S.C. 1472(i)), any amounts collected under such section, as amended by this Act,
 20 will immediately be credited to this account and will remain available until expended for such purposes.

Change Description

The first change (lines 10 to 16 of paragraph 1) eliminates language for set asides for the administration of the voucher program, for program loan cost expenses (PLCE) that will be administered in the salaries and expenses account, including a support contract directly related to the origination and servicing of credit reform loans, and for a contract supporting physical inspections of Section 515 Direct loans properties.

LEAD-OFF TABULAR STATEMENT

Table RD-7. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2024	\$351,087,000
Change in Appropriation	<u>+ 77,119,000</u>
Budget Estimate, 2025	<u><u>428,206,000</u></u>

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PROJECT STATEMENTS

Table RD-8. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs			
Discretionary Appropriations:											
Salaries and Expenses (Direct Appropriation).....	\$295,285	1,725	\$211,087	1,682	\$211,087	1,664	\$318,206	1,735	+\$107,119	+71	(1)
IT Cost	-	-	135,000	-	135,000	-	100,000	-	-35,000	-	(1)
Rural Partners Network (RPN)	5,000	-	5,000	-	5,000	-	10,000	-	+5,000	-	(2)
Interchange.....	-	-	70	-	-	-	-	-	-	-	-
Subtotal	300,285	1,725	351,157	1,682	351,087	1,664	428,206	1,735	+77,119	+71	
Mandatory Appropriations:											
Biobased Market Program (Farm Bill)	2,829	3	2,829	3	2,829	2	2,829	2	-	-	
Subtotal	2,829	3	2,829	3	2,829	2	2,829	2	-	-	
Offsetting Collections:											
Salaries and Expenses (RHIF, IRP, RET)	449,992	2,885	449,992	2,885	449,992	2,885	449,992	2,885	-	-	
Local Agriculture Marketing Program (LAMP).....	1,450	-	-	-	1,435	2	1,435	2	-	-	
Broadband Reconnect Admin. Cost.....	25,916	-	9,357	-	8,143	-	-	-	-8,143	-	
Broadband Reconnect TA.....	2,433	-	6,652	47	9,095	47	9,095	47	-	-	
BIL Broadband TA	-	-	550	-	24,000	-	21,000	-	-3,000	-	
BIL Broadband Admin	-	-	8,030	-	-	-	-	-	-	-	
IT carryover	10,824	-	4,638	-	-	-	-	-	-	-	
Division N Technical Assistance	-	-	13,050	-	-	-	-	-	-	-	
Other programs	-	-	1,792	-	1,758	-	1,758	-	-	-	
Subtotal	490,615	2,885	494,061	2,932	494,423	2,934	483,280	2,934	-11,143	-	
Total Adjusted Approp	793,729	4,613	848,047	4,617	848,339	4,600	914,315	4,671	+65,976	+71	
Add back:											
Transfers In and Out, Rescissions.....	-493,615	-2,855	-497,131	-	-497,423	-47	-486,280	-47	+11,143	-	
Sequestration.....	171	-	171	-	171	-	171	-	-	-	
Total Appropriation	300,285	1,758	351,087	4,617	351,087	4,553	428,206	4,624	+77,119	+71	
Transfers In:											
Appropriations Interchange	-	-	70	-	-	-	-	-	-	-	
BioBased Market (Farm Bill)	3,000	-	3,000	-	3,000	-	3,000	-	-	-	
Local Agriculture Marketing Program (LAMP).....	1,450	-	-	-	1,435	-	1,435	-	-	-	
Broadband/Reconnect Admin.....	25,916	-	9,357	-	8,143	-	-	-	-8,143	-	
Broadband/Reconnect TA.....	2,433	-	6,652	-	9,095	47	9,095	47	-	-	
BIL Broadband TA	-	-	550	-	24,000	-	21,000	-	-3,000	-	
BIL Broadband Admin	-	-	8,030	-	-	-	-	-	-	-	
Carryover for IT purposes.....	10,824	-	4,638	-	-	-	-	-	-	-	
Division N Technical Assistance	-	-	13,050	-	-	-	-	-	-	-	

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Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs			
Other Programs	-	-	1,792	-	1,758	-	1,758	-	-	-	-
Rural Electrification and Telecommunications											
Loans	33,270	213	33,270	-	33,270	-	33,270	-	-	-	-
Rural Housing Insurance Program.....	412,254	2,613	412,254	-	412,254	-	412,254	-	-	-	-
Intermediate Relending Program	4,468	29	4,468	-	4,468	-	4,468	-	-	-	-
Total Transfers In.....	493,615	2,855	497,131	-	497,423	47	486,280	47	-11,143	-	-
Sequestration.....	-171	-	-171	-	-171	-	-171	-	-	-	-
Balances Interchange	33,085	-	25,517	-	-	-	-	-	-	-	-
Recoveries, Other	3,313	-	-	-	-	-	-	-	-	-	-
Rescinded Balances	-	-	-5,763	-	-	-	-	-	-	-	-
Bal. Available, SOY	46,037	-	68,125	-	86,646	-	17,012	-	-	-	-
Total Available.....	876,164	4,613	935,926	4,617	934,985	4,600	931,327	4,671	+65,976	+71	-
Lapsing Balances	-	-	-711	-	-	-	-	-	-	-	-
Bal. Available, EOY	-68,125	-	-86,646	-	-17,012	-	-13,601	-	+3,411	-	-
Total Obligations	808,039	4,613	848,569	4,617	917,973	4,600	917,726	4,671	-247	+71	-

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Table RD-9. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2022		2023		2024		2025		FTE Inc.	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs	Inc. or Dec.	or Dec.
Discretionary Obligations:										
Salaries and Expenses (Direct Appropriation)	\$196,529	1,725	\$210,644	1,682	\$216,087	1,664	\$318,206	1,735	+\$102,119	+71
IT Cost	95,522	-	108,632	-	135,000	-	100,000	-	-35,000	-
Rural Partners Network (RPN)	2,893	-	4,473	-	5,527	-	10,000	-	+4,473	-
Goodfellow	1,866	-	1,888	-	6,055	-	-	-	-6,055	-
Interchange	13,000	-	20,340	-	25,332	-	-	-	-25,332	-
Placemaking Innovation Challenge Grants....	3,600	-	-	-	-	-	-	-	-	-
Subtotal Disc Obligations	313,410	1,725	345,977	1,682	388,001	1,664	428,206	1,735	+40,205	+71
Mandatory Obligations:										
Biobased Market Program (Farm Bill)	2,829	3	2,566	3	2,829	2	2,829	2	-	-
Subtotal Mand Obligations	2,829	3	2,566	3	2,829	2	2,829	2	-	-
Offsetting Collections:										
Salaries and Expenses (RHIF, IRP, RET)	449,992	2,885	449,992	2,885	449,992	2,885	449,992	2,885	-	-
Local Agriculture Marketing Program (LAMP).....	594	-	753	-	891	2	782	2	-110	-
American Rescue Plan - LAMP COVID	259	-	380	-	-	-	-	-	-	-
American Rescue Plan	2,657	-	18,378	-	-	-	-	-	-	-
Broadband Reconnect Admin. Cost.....	25,916	-	9,355	-	8,144	-	-	-	-8,144	-
Broadband Reconnect TA.....	2,433	-	3,403	-	-	-	-	-	-	-
RED Broadband Reconnect TA.....	-	-	3,247	47	9,095	47	9,095	47	-	-
BIL Broadband TA	-	-	550	-	24,000	-	21,000	-	-3,000	-
BIL Broadband Admin	-	-	8,030	-	-	-	-	-	-	-
IT expenses	9,949	-	4,638	-	26,368	-	-	-	-26,368	-
Division N Technical Assistance	-	-	443	-	5,088	-	3,964	-	-	-
Other Programs	-	-	857	-	3,565	-	1,859	-	-1,707	-
Subtotal Offsetting Collections.....	491,800	2,885	500,026	2,932	527,143	2,934	486,691	2,934	-40,452	-
Total Obligations	808,039	4,613	848,569	4,617	917,973	4,600	917,726	4,671	-247	+71
Add back:										
Lapsing Balances	-	-	711	-	-	-	-	-	-	-
Balances Available, EOY:										
IT Cost	-	-	26,368	-	-	-	-	-	-	-
Rural Partners Network (RPN)	-	-	527	-	-	-	-	-	-	-
LAMP	7,243	-	3,806	-	4,482	-	5,135	-	+653	-
Goodfellow	7,923	-	6,055	-	-	-	-	-	-	-
ARPA.....	21,711	-	-	-	-	-	-	-	-	-
Interchange.....	20,085	-	25,332	-	-	-	-	-	-	-
Division N Admin TA	-	-	12,607	-	7,518	-	3,555	-	-3,963	-

2025 USDA EXPLANATORY NOTES - RURAL DEVELOPMENT SALARIES AND EXPENSES

Item	2022		2023		2024		2025		FTE Inc.	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs	Inc. or Dec.	or Dec.
Other programs	11,163	-	11,951	-	5,012	-	4,911	-	-101	-
Total Bal. Available, EOY	68,125	-	86,646	-	17,012	-	13,601	-	-3,411	-
Total Available.....	876,164	4,613	935,926	4,617	934,985	4,600	931,327	4,671	-3,658	+71
Less:										
Total Transfers In.....	-493,615	-2,855	-497,131	-	-497,423	-47	-486,280	-47	+11,143	-
Sequestration.....	171	-	171	-	171	-	171	-	-	-
Balances Interchange	-33,085	-	-25,517	-	-	-	-	-	-	-
Recoveries, Other	-3,313	-	-	-	-	-	-	-	-	-
Rescinded Balances	-	-	5,763	-	-	-	-	-	-	-
Bal. Available, SOY	-46,037	-	-68,125	-	-86,646	-	-17,012	-	+69,634	-
Total Appropriation	300,285	1,758	351,087	4,617	351,087	4,553	428,206	4,624	+65,976	+71

JUSTIFICATION OF CHANGES

Salaries and Expenses

When rural people thrive, America thrives. RD connects business owners to new markets; helps power people with modern infrastructure; and supports opportunities for people to build brighter futures in rural America. RD partners with communities on the ground so every rural community can access its programs successfully. RD supports the people of rural America – whether they are moving to a new town, transitioning jobs, taking care of their homes and loved ones, or experiencing other life events – because rural communities are a place everyone should feel comfortable calling home.

Congress has entrusted RD to invest in rural communities and has generally increased RD’s program funding levels every year. At the same time, however, RD’s capacity to deliver on those programs has not kept pace because staffing levels and IT modernization efforts lag. For example, RD’s portfolio increased 85 percent in the last decade but its staffing levels decreased by 30 percent. RD fully supports the Administration goal to ensure at least 40 percent of program benefits accrue to participants in underserved and distressed communities, but these communities generally require additional and sustained outreach and technical support to accomplish this goal. RD staff are critical to providing rural assistance that reflects the needs of local communities.

When developing the 2025 budget request, RD is emphasizing several themes:

1. First, do no harm – ensure adequate funding is provided to programs to prevent program participants from losing access to vital programs.
2. Second, program delivery should focus on historically underserved communities to ensure that at least 40 percent of the benefits from RD programs flow to those areas and that RD programs are benefitting those communities most in need, as the Administration requires in EO 14096.
3. Third, focus on staffing and IT modernization so RD can support the outreach and extra work required to obligate 100 percent of program funding requested while RD focuses on historically underserved communities – these communities require greater outreach and technical assistance to be able to effectively participate in RD programs.

A key priority for RD is to fully fund Rental Assistance to ensure rural Americans continue to have access to safe, sanitary, and low-cost housing opportunities. RD will also continue its focus on grant funding in key program areas such as Water and Waste Environmental programs and Community Facilities programs because underserved communities often lack the resources to qualify for or to repay loans but need program support to provide essential services.

Another key priority is to maintain and grow RD’s staffing and to continue efforts to modernize the IT infrastructure that supports program activity. RD’s top two enterprise risks continue to be staffing levels, including hiring and retention, and IT not meeting program needs. These are long-standing risks RD continues to try to mitigate through its budget requests.

First, the 2025 budget request supports higher staffing levels (4,671 FTEs). This FTE increase is key to RD’s ability to deliver its programs to underserved, unserved, and disadvantaged communities. RD is at historically low staffing levels when compared to its loan portfolio, and we anticipate an increase in workload and servicing as the portfolio continues to increase. RD may be unable to meet mission responsibilities and customer expectations if it does not receive adequate funding to increase staff to support high priority needs, including additional FTEs in State and local offices to provide outreach and support to underserved communities. Increased staffing resources would have a direct effect on the mission area’s ability to be sustainable, relevant, and results-oriented in delivering much-needed programs and services across rural America.

To ensure that RD will be able to deliver on this proposal RD has enhanced its Human Resources capacity through targeted hiring, using USDA flexibilities, and increasing Pathways hiring, and contract support actions that have already improved RD’s ability to recruit, on-board, and retain new staff. Current data-driven staffing strategies include analyzing timekeeping records that capture the various programs and activities of RD staff to determine the staffing levels necessary to support program delivery at the State level. In 2022, RD finalized an analysis on the optimal number of FTEs needed at the field level to deliver the anticipated program funding levels. The analysis concluded that 6,800 FTEs is the optimal level to deliver and support RD’s loan and grant programs, including long-term servicing of the loan portfolio.

Second, the 2025 budget request supports RD's ability to continue efforts to modernize its automated loan and accounting systems. A modernized RD will process loans and grants for rural America faster, help small businesses access new and better markets, grow modern infrastructure, promote a healthy environment and affordable housing, and create equitable access to quality healthcare, jobs, and capital, but modernization requires that RD continue to invest in IT development, modernization, and enhancement efforts. RD programs may not have the technical capabilities needed to deliver appropriate products and services to their customers if IT systems do not align with business needs. This could lead to declining customer experiences and overall diminished capacity to deliver its mission. RD has IT modernization projects that would move the agency to a more bank-like environment. These IT projects would allow applicants to apply for services online, eliminating the paper application process, and would allow borrowers to access their loan information directly, and could streamline funding requests and reduce manual processes.

RD is committed to securing environmental justice, equity and spurring economic opportunity for underserved communities that have been historically marginalized, overburdened by pollution, and have experienced underinvestment in essential services. In line with Executive Order 14008 and 14096, RD is taking proactive actions to work towards ensuring 40 percent of the benefits of climate and clean energy investments are provided to underserved communities. These actions included an examination of the activities of key programs to determine whether those programs' benefits have occurred for underserved communities. In 2025 DE, RD will continue to track program expenditures that flow to underserved communities and identify metrics that will help track how program benefits improve outcomes for underserved communities.

The commitment and resources RD brings to rural people and communities across the country help drive economic security and prosperity. RD connects business owners to new markets; helps power people with modern infrastructure; and supports opportunities for people to build brighter futures in rural America. It also supports rural prosperity by investing in high-speed internet access, affordable rural housing, rural businesses, and jobs of the future; water and wastewater systems; and rural healthcare. RD Mission Area request aligns with the following USDA Strategic Plan's Goals and Objectives:

Goal 1: Combat Climate Change to Support America's Working Lands, Natural Resources and Communities

Strategic Objective 1.4: Increase Carbon Sequestration, Reduce Greenhouse Gas Emissions, and Create Economic Opportunities (and Develop Low-Carbon Energy Solutions) by supporting rural and tribal clean electricity generation and energy efficiency.

Goal 2: Ensure America's Agricultural System is Equitable, Resilient, and Prosperous

Strategic Objective 2.2: Build Resilient Food Systems, Infrastructure, and Supply Chain by assessing the impact of the Department's Build Back Better and American Rescue Plan investments on key outcomes using grant performance metrics for local and regional food systems (such as partnerships developed, business development changes, diversification and expanded market development), and the supply chain (such as feasibility studies conducted, value chain enhancements made, increased small food business activity, number of new market access points established).

Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities

Strategic Objective 5.3: Increase Capacity, Sustainability, and Economic Vitality in Rural and Tribal Communities.

Strategic Objective 5.4: Promote Environmental Justice by Maximizing Sustainable and Green Economic Development in Rural and Tribal Communities.

Goal 6: Attract, Inspire, and Retain an Engaged and Motivated Workforce that's Proud to Represent USDA

Strategic Objective 6.1: Foster a culture of civil rights, diversity, equity, inclusion, accessibility, transparency, and accountability.

Strategic Objective 6.2: Establish a customer-centric, inclusive, high-performing workforce that is representative of America and the communities we serve.

Strategic Objective 6.3: Promote USDA operational excellence through better use of technology and shared solutions.

Although RD's mission area agencies support Strategic Goals 1 through 5, the Salaries and Expenses account focuses on supporting Strategic Goal 6.

RD's Customer Experience approach

Pursuant to OMB Circular A-11, Section 280, all Executive agencies have a responsibility to manage customer experience and improve service delivery using leading practices and a human-centered approach, pursuant to Executive Order 14058 on *Transforming Federal Customer Experience and Service Delivery To Rebuild Trust in Government* of December 13, 2021, and the 21st Century Integrated Digital Experience Act (P.L. 115-336). In 2025, RD will increase its digital customer engagement capabilities and, through the RD Innovation Center Customer Experience (CX) team, will implement embedded digital surveys into select program filing systems. Customer input will be collected regularly, analyzed, and provided to RD program agencies to aid in identifying customer pain points and potential process, policy or regulatory changes.

As a High Impact Service Provider (HISP), RD is required to work with OMB to designate at least two specific services for targeted service improvement (see OMB Circular A-11, Section 280). The goal of these efforts is to select customer-facing service(s) that would benefit most from implementing a human-centered approach to service design and delivery. This aligns with USDA's commitment to build a shared culture that fosters trust in government through an improved customer experience. It is also responsive to RD's elevation of "Customer Experience and Communications" as a Tier 2 Enterprise Risk. RD's two active HISP service areas for 2025 will be OneRD Guarantee (RD's commercial guarantee program for Business, Rural Energy for America Program (REAP), Community Facilities and Water loan guarantees) and either Telecommunications Technical Assistance Program or REAP Grants.

OneRD Guarantee Loan Initiative – Since being designated a HISP Service in 2021, the Innovation Center has collaborated with program staff from Rural Business-Cooperative Service (RBCS), Rural Housing Service (RHS), and Rural Utilities Service (RUS) to understand lender experiences and prioritize service delivery improvements. This has resulted in:

- Establishment of customer listening posts along multiple touchpoints of the lender journey;
- Creation of customer and employee journey maps;
- Increased engagement with customers through focus groups, interviews, etc.;
- Establishment of performance metrics related to customer satisfaction and application processing times; and
- Release of lender resources targeted towards addressing recurring lender pain points.

There is still work to be done as RD has yet to meet its two-part KPIs in providing positive customer experiences. The composite KPI includes goals for 1) overall customer satisfaction and 2) Percent of complete applications processed within 30 days. A key action necessary to achieve faster processing times is automation.

Within the base, RD would continue designing capacity building by formally establishing a service design studio, launch automated survey features, building customer centric workforce and design, develop, and launch RD's Better Grants, Better Service Initiative. RD also will continue service improvement by designing and launching a digital application status notification system for OneRD guaranteed lenders.

RD's Approach to Equity

Using Executive Order 13985 (Advancing Racial Equity and Support for Underserved Communities Through the Federal Government) and Executive Order 14091 (Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government) as our road maps, RD's focus on underserved communities advances the Biden-Harris administration's directive to deliver federal resources gained from recent, once-in-a-lifetime funding boosts.

The road map included doing a complete review of RD's programs, policies, procedures, and processes to find where barriers to accessing our resources are for those in rural areas.

Some of these barriers include lack of knowledge of federal programs, lack of capacity to access and manage federal resources, and lack of trust in the federal government.

By focusing on underserved rural communities, we are:

- Building capacity and targeting investments in rural areas using an innovative, whole-of-government approach with the Rural Partners Network.
- Developing a framework that assigns priority points to applications for projects in communities facing RD program access barriers.
- Working hard to bring affordable, high-speed internet connectivity to unserved and underserved rural communities, assuring parity with their urban neighbors.
- Ensuring rural communities – especially those disproportionately affected by high energy costs and climate change – can participate in the clean energy revolution.
- Decreasing barriers and adapting programs to align with Indigenous perspectives and respect Tribal jurisdiction and traditions.

Accountability and transparency are necessary to this equity work and that is why RD created the Rural Data Gateway. The Rural Data Gateway strengthens USDA RD partnerships with rural people, entrepreneurs, government officials and Congress by making RD's data easier to access. Its dashboards significantly expand access to RD financial data with an easy-to-use interface encompassing more than 65 RD programs.

RD's Approach to Environmental Justice

In Executive Order 14008, the President directed the Director of the Office of Management and Budget (OMB), the Chair of the Council on Environmental Quality (CEQ), and the National Climate Advisor, in consultation with the White House Environmental Justice Advisory Council (WHEJAC), to jointly publish guidance on how certain Federal investments might be made toward a goal that 40 percent of the overall benefits of such investments flow to disadvantaged communities – the Justice40 Initiative. The Justice40 Initiative is a critical part of the Administration's whole-of-government approach to advancing climate action and environmental justice.

There are eight programs across the three agencies that have been selected as covered programs: REAP, Single Family Housing, Mutual Self-Help, Multi-Family Housing Rental Assistance, Community Facilities, Water and Waste Disposal, Rural Energy Savings Program, High Energy Cost Grant, and Electric Infrastructure. We have been tracking non-financial metrics for this program over the past two fiscal years.

In 2023, RD was able to advance Justice40 through increased resources from the Inflation Reduction Act (IRA), which provided nearly \$2 billion for REAP. In addition, for the Rural Utilities Service, nearly \$11 billion was authorized for two new programs that support clean energy projects in rural America. Using the Justice40 initiative framework, RD is aiming to direct benefits to underserved communities.

The Budget request continues its focus on the priorities of the Administration: Economic Recovery, Climate Change, and Racial Equity. The request continues to support the Administration's focus on new construction for the Multifamily Housing Direct and Guarantee Loan programs. RD will accomplish its mission by focusing efforts on:

- **Marketing and Outreach:** These functions are delivered through a field structure of 477 state, local, and area offices. The budget requests additional FTEs to increase state staffing levels to achieve RD's core mission of community development through technical assistance, outreach, and community-level engagement.
- **Loan Origination and Underwriting:** The budget request includes critical staff that can originate loans, administer grants, and ensure the proper underwriting of program funds. The staff make sure regulations and credit standards align with strategic goals, priorities, and mission objectives.
- **Servicing:** An essential function of RD is to service the loans that it obligates. After borrowers receive the loans and grants servicing begins. Staff service loans and grants by monitoring lending activity for guaranteed loans to ensure that borrowers follow regulations and by auditing lending records to ensure fair practices to rural borrowers. Servicing actions for direct loans include managing payments and escrow accounts, processing foreclosures, and overall evaluation of portfolio performance. As of the end of 2023, RD's portfolio was almost \$234 billion, with more than 1.14 million guaranteed and direct loans. RD's portfolio increases by five percent each year. By 2025, it's estimated the portfolio will be more than \$258 billion in outstanding debt, excluding IRA funding.

- Risk Management and Mitigation: RD's Risk Office provides a formal framework that allows RD's Senior Leadership to assess mission area risks that may negatively affect RD across its functional areas. These mission area risk assessments are data driven and help inform RD's budget process, internal control assessments, strategic planning, IT investments, and other key decision-making processes.

IT system functionality meeting program needs ranks as the second highest risk and has since the inception of the enterprise risk management process in 2017. These risks indicate areas of concern regarding RD's ability to meet its strategic mission. RD Risk Office also houses the Special Assets Unit (SAU), which supports the commercial and community programs by monitoring borrower financial status and managing borrower accounts with delinquencies over 90 days. The SAU operates under existing agency regulations, using a consistent approach with standardized mitigation tools, to assist distressed borrowers, maximize debt recovery, while also considering the impacts to a community.

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

Justification of Increases and Decreases:

1. An increase of \$72,119,000 and 71 FTEs in salaries and expenses (\$351,087,000 and 4,600 FTEs available in 2024).

The funding changes requested are as follows:

- a) An increase of \$47,418,000 for pay and benefit costs related to 4,600 FTEs.

To maintain the anticipated 2024 staffing level of 4,600 a total of \$47,418,000 is needed. This increase consists of \$17,549,000 in pay and benefit costs to support the 2025 pay cost increase of 2 percent of Cost of Living pay increases. In addition, the increase includes an additional \$29,869,000 for costs associated with maintaining staffing levels while incorporating the Cost of Living pay increase from 2024. This funding will support the 4,600 FTEs currently working for RD. If this funding is not provided, RD would need to reduce staffing to adjust these costs. The total requested increase coupled with the base funding level will support the 4,600 FTEs. This staffing level is necessary to continue to support the cadre of RD staff at the field and headquarters levels. Without these employees RD cannot deliver the program level requested in the budget.

- b) An increase of \$1,000,000 for awards.

Awards are a tool for motivating and rewarding the workforce. The 2023 staffing level is barely adequate to support program delivery and imposes significant workload on RD's current employees, so additional funding is needed to maintain morale and reward employees for their efforts serving rural communities, supporting State and local offices, and providing the administrative support required for the field offices to accomplish their mission. The increase will continue to support non-SES awards to the cadre of RD employees that work on delivering and servicing the program level provided by Congress. The additional funding improves morale and increases customer service.

- c) An increase of \$10,000,000 in salary and benefits to support an increase of 71 FTEs from 2024.

This increase will support a total FTE level of 4,671. This funding supports an additional 71 FTEs that are needed for delivering the program level requested; providing excellent customer services in rural areas; supporting delivery of RD funding and services in distressed communities, including communities of color and energy communities affected by the transition from coal to clean energy sources; and servicing the current and future portfolio. The increase assumes an average salary and benefit cost of above \$140,000. Without additional staffing RD may not be able to support the program levels requested in the budget and continue supporting rural borrowers and customers. RD will continue to focus on supporting historically underserved rural areas, which will require more emphasis and staff support to provide the assistance needed. Of the FTE increase, 2/3 will be for positions in the field and 1/3 for Headquarters organizations.

With the additional funding RD will be partnering with State and local institution to develop their individual solutions for improving their social economic standing. These are vital resources that will enhance the lives of distressed communities, including communities of color and energy communities.

d) An increase of \$13,701,000 for support contracts.

RD is requesting funding to support “must pay” contracts essential for program delivery. Many of the functions that RD must accomplish are performed by contractors because of staffing limitations and because of the specialized skills needed for some activities, including Credit Reform modeling. This includes inflationary costs for multiple contracts such as rent, vehicles, legal services, maintenance services for REOs, technical contracts that support the management of the portfolio, and support operations, and about \$700,000 for continuing the digitization and storing of records. In addition, RD will need to use contracting support for the increased servicing efforts associated with the IRA projects for which the section 22005 funding will not be sufficient. The increase also includes increased hiring of Pathways students to support minority serving institutions. RD needs these contracts to maintain its operations and continue servicing its loans. Some of the impacts if the additional funding is not provided will be:

- REO properties may decay rapidly, causing loss of value of the property and loss of revenue for the Federal government.
- RD contracts out legal services related to foreclosure of Single-Family Housing properties and other legal processes related to purchasing homes. Without this increase, RD cannot maintain the same level of legal services, slowing the foreclosure process and increasing closing times that may directly impact our SFH borrowers.
- Customer Experience: This funding will also provide \$500,000 towards building a Customer-Centric workforce. The funding will support evaluation of what interventions and approaches are best suited to engage, empower, and train USDA employees to uphold customer-centric mindsets and reinforce behaviors that contribute towards positive customer and employe experiences. This aligns with USDA strategic objective 6.2, support the learning agenda by evaluating how effective RD’s initiatives are (e.g., eliminating unnecessary paperwork, improving stakeholder outreach, providing technical assistance to applicants, etc.) in improving equitable program access to historically disadvantaged and underserved communities. The funding will be used to design a technical approach and methodologies using a human centered design approach. RD would build rapid prototypes and conduct user testing using mixed methods research (qualitative and quantitative responses to sentiment indicators). In addition to tracking change in mindset and behaviors with select RD staff, RD would in tandem compare results to Voice of the Customer (VoC) measures from customers to monitor improvements in CX metrics such as satisfaction and trust in government.

2. An increase of \$5,000,000 for the Rural Partners Network (RPN) (\$5,000,000 available in 2024).

With the 2025 budget request, RD will expand to additional States and territories and increase engagement with other Federal agencies. With the additional funding RD will be partnering with State and local institution to develop their individual solutions for improving their social economic standing. These are vital resources that will enhance the lives of underserved communities, including communities of color and energy communities. RPN is an alliance of Federal agencies and civic partners working to expand rural prosperity and spur inclusive, sustainable economic growth. Distressed rural communities struggle to get financial or technical assistance from highly competitive programs. RPN introduces a new way of doing business by providing a whole-of-government approach to improve access to government resources, staffing and tools. Participating agencies designate key points of contact who focus specifically on rural strategies, improving visibility and attention to rural issues. To a small number of select communities, RPN provides deep hands-on technical assistance through federal staff embedded those places to assist community networks navigate federal programs. RPN aims to build on this Technical Assistance (TA) provision, by establishing regional TA hubs that would be used to deliver culturally competent technical assistance to lower capacity, underserved rural communities throughout the US, so that they can access federal resources through American Rescue Plan Act (ARPA), Bipartisan Infrastructure Act, IRA and other programs. These TA hubs would leverage partnerships with national and regional intermediary TA providers with skills and expertise in regionally appropriate sectoral strategies, federal program navigation, and predevelopment assistance. These TA hubs would serve as a central place where distressed rural communities could get a variety of technical assistance types as a “one-stop-shop” to help build their capacity and ultimately strengthen their ability to access federal funds locally and regionally. These TA hubs are an important piece of the RPN strategy given that embedded federal staff can only be deployed in a select number of communities. These TA hubs will:

- Launch regionally based technical assistance networks through USDA investment that (a) simplify and ensure access to information, training, and appropriate and adequate technical assistance for underserved and vulnerable communities; (b) strengthen key regional intermediaries and rural development hubs; and (c) improve coordination and coverage.
- Potentially partner with foundations and other private capital sources to leverage USDA’s investment by strengthening these networks and making additional resources (up to \$50 million) available through regionally based channels, to enable distressed communities to access technical assistance and capacity strengthening.
- Enhance the navigational support provided by federal staff through the Rural Partners Network by enabling community access to appropriate technical assistance and capacity-strengthening services.

With the funding previously provided, the RPN has identified additional community networks in Nevada, North Carolina, Puerto Rico, West Virginia, and Wisconsin, and will be working to fine tune the targeted areas of focus in Alaska. With the additional resources, RD will maintain current staff to support this. With this level of funding, RD will expand to 20 additional communities’ network which often encompass multi-jurisdictional regions collaborating to bring opportunity to the region as a whole as well as addressing specific community needs. The also will establish additional partnerships with entities providing dedicated technical can capacity building similar to, but distinguishable Rural LISCC and Partners for Rural transformation. The remaining funds would support travel, training, and other related expenses. The funding will support an additional intergovernmental agreement for Tohono O’odham. USDA is continuing to build out Rural.gov with the next phase of development focused on network specific pages and more specific information and tools on accessing federal programs. USDA is continuing to work through facilitation of Inter-Governmental Agreements (IGA) with Tribal organizations in Arizona, with a specific focus on hiring and strategic planning.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table RD-10. Discretionary Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Alabama.....	\$5,753	75	\$6,618	80	\$7,102	80	\$7,099	81
Alaska.....	2,834	29	3,477	29	3,732	29	3,730	29
Arizona.....	4,140	57	4,884	53	5,241	53	5,239	54
Arkansas.....	6,065	71	6,847	67	7,347	67	7,344	68
California.....	10,452	120	11,897	112	12,767	112	12,762	114
Colorado.....	3,621	61	4,305	60	4,619	59	4,617	60
Connecticut.....	547	12	190	14	204	14	204	14
Delaware.....	3,112	37	3,795	37	4,072	37	4,071	38
District of Columbia.....	504,047	334	443,699	180	480,844	217	480,884	221
Florida.....	6,295	110	7,302	121	7,836	120	7,833	122
Georgia.....	7,355	124	7,722	130	8,286	129	8,283	132
Hawaii.....	3,684	32	4,356	32	4,674	32	4,672	32
Idaho.....	3,736	46	4,107	47	4,510	47	4,508	48
Illinois.....	5,876	240	6,928	249	7,435	247	7,432	251
Indiana.....	4,230	69	7,222	72	7,749	71	7,746	72
Iowa.....	6,633	89	7,547	92	8,098	91	8,095	93
Kansas.....	3,351	57	4,066	55	4,363	54	4,361	55
Kentucky.....	6,694	86	7,644	96	8,202	95	8,199	97
Louisiana.....	5,116	75	5,902	75	6,333	75	6,331	76
Maine.....	4,137	53	4,455	49	4,781	49	4,779	50
Maryland.....	341	125	202	174	217	173	216	176
Massachusetts.....	3,142	41	4,617	45	4,954	45	4,952	46
Michigan.....	8,630	106	9,378	109	10,064	108	10,060	110
Minnesota.....	6,163	84	6,666	80	7,154	79	7,151	80
Mississippi.....	7,628	90	8,279	89	8,884	89	8,880	90
Missouri.....	75,764	677	123,339	653	138,668	649	138,611	660
Montana.....	3,798	49	4,675	48	5,017	48	5,015	49
Nebraska.....	3,553	47	4,215	44	4,523	44	4,521	44

2025 USDA EXPLANATORY NOTES - RURAL DEVELOPMENT SALARIES AND EXPENSES

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Nevada	2,117	28	2,984	33	3,202	33	3,200	33
New Hampshire	1,484	15	265	15	284	15	284	15
New Jersey	2,727	36	3,035	37	3,257	37	3,255	38
New Mexico.....	3,705	43	3,835	44	4,115	44	4,113	45
New York.....	6,297	87	6,973	81	7,483	81	7,480	82
North Carolina	9,497	133	10,071	130	10,807	129	10,803	132
North Dakota.....	3,253	35	4,026	35	4,321	35	4,319	35
Ohio.....	5,891	79	6,511	84	6,987	83	6,984	85
Oklahoma.....	4,673	64	5,263	63	5,648	63	5,645	64
Oregon.....	4,044	55	4,755	51	5,102	50	5,100	51
Pennsylvania	7,064	91	8,342	95	8,951	95	8,948	96
Puerto Rico.....	3,977	54	5,390	55	5,784	55	5,781	56
Rhode Island	236	3	47	4	50	4	50	4
South Carolina	5,719	89	6,413	83	6,882	82	6,879	84
South Dakota.....	3,207	53	3,859	54	4,141	53	4,139	54
Tennessee.....	7,331	101	8,499	111	9,120	110	9,117	112
Texas.....	11,003	177	12,479	199	13,391	198	13,386	202
Utah.....	2,733	36	3,106	34	3,333	34	3,331	34
Vermont	2,314	24	3,793	22	4,070	22	4,069	22
Virgin Islands.....	431	4	509	4	546	4	546	4
Virginia	6,093	163	7,306	202	7,840	200	7,836	204
Washington	4,465	68	5,733	69	6,152	68	6,149	69
West Virginia.....	4,530	60	5,284	60	5,670	60	5,668	61
Wisconsin.....	4,700	82	5,445	86	5,843	85	5,841	87
Wyoming.....	2,124	26	2,310	22	2,479	22	2,478	22
Western Pacific	711	12	1,042	12	1,118	12	1,118	12
Obligations.....	817,019	4,614	841,604	4,578	914,253	4,587	914,115	4,667
Lapsing Balances	-	-	448	-	-	-	-	-
Bal. Available, EOY	-	-	82,708	-	82,164	-	11,877	-
Total, Available.....	817,019	4,614	924,760	4,578	996,417	4,587	925,992	4,667

Totals may not add due to rounding.

Table RD-11. Mandatory Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Alabama	\$41	-	-	-	-	-	-	-
Alaska	112	-	-	-	-	-	-	-
California	68	-	-	-	\$110	1	\$110	1
Colorado.....	92	-	-	-	-	-	-	-
Delaware	382	-	-	-	-	-	-	-
District of Columbia	3,533	2	\$6,967	3	3,502	2	3,392	2
Florida.....	22	-	-	-	-	-	-	-
Georgia.....	88	-	-	-	-	-	-	-
Hawaii	70	-	-	-	-	-	-	-
Illinois	15	-	-	-	-	-	-	-
Indiana.....	47	-	-	-	-	-	-	-
Iowa.....	107	-	-	-	-	-	-	-
Kansas	9	-	-	-	-	-	-	-
Kentucky.....	66	-	-	-	-	-	-	-
Louisiana.....	84	-	-	-	-	-	-	-
Maine	93	-	-	-	-	-	-	-
Massachusetts	5	-	-	-	-	-	-	-
Michigan	104	-	-	-	-	-	-	-
Minnesota.....	61	-	-	-	-	-	-	-
Mississippi	97	-	-	-	-	-	-	-
Missouri	5	-	-	-	-	-	-	-

2025 USDA EXPLANATORY NOTES - RURAL DEVELOPMENT SALARIES AND EXPENSES

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Montana	22	-	-	-	-	-	-	-
Nebraska	127	-	-	-	-	-	-	-
New Jersey	9	-	-	-	-	-	-	-
New Mexico.....	8	-	-	-	-	-	-	-
New York.....	105	-	-	-	-	-	-	-
North Carolina	110	-	-	-	-	-	-	-
North Dakota.....	4	-	-	-	-	-	-	-
Ohio.....	25	-	-	-	-	-	-	-
Oklahoma.....	138	-	-	-	-	-	-	-
Oregon.....	44	-	-	-	-	-	-	-
Pennsylvania	59	-	-	-	-	-	-	-
South Carolina	31	-	-	-	-	-	-	-
South Dakota.....	133	-	-	-	-	-	-	-
Tennessee.....	214	-	-	-	-	-	-	-
Texas.....	2	-	-	-	-	-	-	-
Vermont	32	-	-	-	-	-	-	-
Virginia	15	-	-	-	-	-	-	-
Washington	12	-	-	-	-	-	-	-
West Virginia.....	12	-	-	-	-	-	-	-
Wisconsin.....	101	-	-	-	110	1	109	1
Obligations.....	6,305	2	6,967	3	3,722	4	3,611	4
Lapsing Balances	-	-	263	-	-	-	-	-
Bal. Available, EOY	-	-	3,806	-	4,482	-	5,135	-
Total, Available.....	6,305	2	11,036	3	8,204	4	8,746	4

Totals may not add due to rounding.

CLASSIFICATION BY OBJECTS

Table RD-12. Classification by Objects Discretionary Funding (thousands of dollars)

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Personnel Compensation:					
	Washington D.C.....	\$40,747	\$21,669	\$21,588	\$23,237
	Personnel Compensation, Field.....	372,794	400,815	405,519	440,908
11	Total personnel compensation	413,541	422,484	427,107	464,145
12	Personal benefits	162,070	170,508	183,046	198,919
13.0	Benefits for former personnel	530	174	-	-
	Total, personnel comp. and benefits	576,141	593,166	610,153	663,064
Other Objects:					
21.0	Travel and transportation of persons.....	6,823	10,221	12,627	13,781
22.0	Transportation of things.....	379	177	100	362
23.1	Rental payments to GSA.....	18,918	16,186	18,157	22,185
23.2	Rental payments to others.....	14,756	15,293	16,872	19,814
23.3	Communications, utilities, and misc. charges.....	3,382	3,571	3,454	4,783
24.0	Printing and reproduction.....	786	846	991	1,000
25.1	Advisory and assistance services	55,965	52,086	54,732	56,025
25.2	Other services from non-Federal sources.....	57,196	45,417	88,825	31,971
25.3	Other goods and services from Federal sources.....	6,604	8,559	20,823	24,974
25.4	Operation and maintenance of facilities.....	127	39	95	-
25.7	Operation and maintenance of equipment	73,546	71,853	74,095	70,051
26.0	Supplies and materials	954	880	855	1,005
31.0	Equipment	951	4,777	4,981	600
32.0	Land and structures	18	2,155	7,217	4,200
33.0	Investments and loans	3	1	-	-
42.0	Insurance Claims and Indemnities	437	1,264	275	300
43.0	Interest and Dividends	25	2	-	-
44	Refunds	-	15,111	-	-
	Total, Other Objects.....	240,878	248,438	304,099	251,051
99.9	Total, new obligations.....	817,019	841,604	914,252	914,115
	DHS Building Security Payments (included in 25.3)	\$2,861	\$2,730	\$2,900	\$2,975
	Information Technology Investments:				

2025 USDA EXPLANATORY NOTES - RURAL DEVELOPMENT SALARIES AND EXPENSES

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
	Commercial Loan, Grant and Guarantees (CLGG)				
	Related Mission Area PPA #1				
11	Internal Labor.....	\$4,818	\$1,920	\$3,629	\$3,780
25.1	Advisory and assistance services	2,287	13,864	40,180	5,407
11	Internal Labor.....	155	443	-	-
25.1	Advisory and assistance services	8,766	4,803	4,000	-
	Total CLGG	16,026	21,030	47,809	9,187
	Residential Loan, Grant and Guarantees (RLGG)				
11	Internal Labor.....	1,507	1,252	1,963	3,780
25.2	Outside Services (Consulting)	3,933	13,864	31,340	3,940
	Total RLGG	5,440	15,116	33,303	7,720
	Enterprise Conent Management (ECM)				
11	Internal Labor.....	452	501	512	700
25.2	Outside Services (Consulting)	2,967	4,211	8,305	3,303
	Total ECM.....	3,419	4,712	8,817	4,003
	Mission Area Non-Major Investment Totals.....	13,694	8,320	25,192	12,784
	Mission Area Standard Investment Totals	8,026	12,659	16,346	13,301
25.3	Mission Area WCF Transfers	71,927	75,356	65,095	61,051
	Total Non-Major Investment	93,647	96,335	106,633	87,136
	Total IT Investments.....	118,532	137,193	196,562	108,046
	Cybersecurity				
	Identify	n/a	\$909	\$909	\$909
	Protect	n/a	4,008	4,008	3,919
	Respond.....	n/a	291	291	162
	Recover	n/a	647	647	647
	Total Cybersecurity	-	5,855	5,855	5,637
	Position Data:				
	Average Salary (dollars), ES Position.....	\$188,426	\$194,993	\$205,913	\$210,031
	Average Salary (dollars), GS Position	\$87,854	\$93,316	\$98,542	\$100,513
	Average Grade, GS Position	11.0	11.0	12.0	12.0

Table RD-13. Classification by Objects Mandatory Funding (thousands of dollars)

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
	Personnel Compensation:				
	Washington D.C.....	\$2,574	\$1,638	\$220	\$224
	Personnel Compensation, Field	-	-	220	224
11	Total personnel compensation	2,574	1,638	440	448
12	Personal benefits	945	433	151	154
	Total, personnel comp. and benefits	3,519	2,071	591	602
	Other Objects:				
21.0	Travel and transportation of persons	15	104	35	36
23.3	Communications, utilities, and misc. charges.....	-	14	-	-
25.1	Advisory and assistance services	785	3,067	1,389	1,232
25.2	Other services from non-Federal sources	1,986	1,710	1,706	1,740
99.9	Total, new obligations.....	6,305	6,967	3,721	3,611

PROJECT STATEMENTS

Table RD-14. Project Statement Disaster Assistance Fund Account (thousands of dollars)

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated	Inc. or Dec.
Transferred Balances (12X2006)	-\$4,000	-	-	-	-
Bal. Available, SOY	11,105	\$7,105	\$7,105	\$7,105	-
Total Available	7,105	7,105	7,105	7,105	-
Bal. Available, EOY	-7,105	-7,105	-7,105	-7,105	-
Total Obligations	-	-	-	-	-

AGENCY-WIDE PERFORMANCE**Introduction**

USDA's RD serves a leading role in facilitating rural prosperity and economic development by financing investments in rural utilities, housing, and business investments. Building and modernizing rural America's infrastructure is critical to create jobs and increase our country's productivity of vital goods and services. Additionally, communities that do not invest in critical infrastructure upgrades risk losing their ability to provide clean, safe, and reliable water; electric, broadband, health, other community services; and business growth. Continued investment will be required to close infrastructure gaps and connect rural residents and businesses to nationwide and global commerce. RD is comprised of three agencies: (1) RBCS provides assistance for the development of business and industry, including small businesses, and renewable energy and energy improvement projects; (2) RHS provides assistance for home ownership, multi-family housing, and essential community facilities such sectors as healthcare, education, and public safety; and (3) RUS provides financing to build or improve rural water and waste disposal, rural electric and telecommunications infrastructure (including broadband access).

RD is committed to driving prosperity across rural America, securing environmental justice, and spurring economic opportunity for disadvantaged communities that have been historically marginalized, overburdened by pollution, and have experienced underinvestment in essential services. Through these programs administered by RD, USDA will promote job creation and economic development, increase availability of high-speed e-connectivity, strengthen community infrastructure, provide affordable and safe housing, advance education opportunities, modernize healthcare, strengthen utility infrastructure, and support workforce training and veterans' employment to enhance quality of life in the rural communities. RD programs will also continue to expand stakeholder participation and facilitate the involvement of local, tribal, and state governments to support inclusive rural prosperity efforts.

RD's Innovation Center (IC) spearheads RD's efforts in Strategic Planning, Performance, Evidence and Evaluation. OBPA leads the Department in performance management including, evaluation, evidence, and chairs the Performance, Evaluation, Evidence, Risk Committee (PEER). The IC is a member of the PEER and works directly with OBPA, senior leadership, and actively engages with both internal and external stakeholders.

Alignment to USDA 2022 – 2026 Strategic Plan

The programs of RD directly support the Secretary's Strategic Goals 5 and 6 of the Department's Strategic Goals in the current 2022 – 2026. USDA Strategic Plan is fact-based, data-driven, and designed to promote customer focused decisions. Departmental KPIs are performance metrics aligned with the Strategic Objectives laid out in the USDA's Strategic Plan and are monitored and evaluated during the Quarterly Strategic Reviews, the Bi-Annual Strategic Review with OMB, and included within the Annual Performance Plan and Report published by OBPA, which is responsible for achieving and measuring results with respect to the following USDA Strategic Goal and Objectives:

Strategic Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities

- Objective 5.1: Improve Rural and Tribal Community Infrastructure, Including Affordable E-Connectivity, Cornerstone Community Facilities, Sustainable and Reliable Power, and Clean and Safe Water and Sewer Systems
- Objective 5.2: Boost the Financial Security of Rural and Tribal Communities
- Objective 5.3: Increase Capacity, Sustainability, and Economic Vitality in Rural and Tribal Communities
- Objective 5.4: Promote Environmental Justice by Maximizing Sustainable and Green Economic Development in Rural and Tribal Communities

Strategic Goal 6: Attract, Inspire, and Retain an Engaged and Motivated Workforce that's Proud to Represent USDA

- Objective 6.3: Establish a Customer-Centric, Inclusive, High-Performing Workforce that is Representative of America and the Communities We Serve

SUMMARY OF PERFORMANCE

A more detailed report of the performance plan can be found at <https://www.usda.gov/our-agency/about-usda/performance>. The following table summarizes the results for the Departmental KPIs for which Rural Development is responsible.

Table RD-15. Key Performance Indicators

Strategic Objective 5.1	Item	2024	2025
E-Connectivity	Results	-	-
Number of Households with Potential Access to Rural Development-Funded New and/or Improved E-Connectivity Services	Target	125,000	125,000

Expected Performance Progress Towards the Achievement of Strategic Objectives:

Strategic Objective 5.1: Improve Rural and Tribal Community Infrastructure, Including Affordable E-Connectivity, Cornerstone Community Facilities, Sustainable and Reliable Power, and Clean and Safe Water and Sewer Systems

E-Connectivity: RD has launched a Broadband Technical Assistance Program which will help build a pipeline for e-connectivity investments. RD will deploy the technical assistance grants via cooperative agreements to support communities of need. RD will continue to collaborate with Commerce's National Telecommunications and Information Administration (NTIA) on the joint APG to ensure the further deployment of BIL funds and annual appropriations. Risks to progress include reduced or limited continued appropriations, dependency on partnership with NTIA, and potential staffing need to conduct environmental reviews on incoming applications.

Table RD-16. Key Performance Indicators

Strategic Objective 5.2	Item	2024	2025
Equity in Field-Based Programs	Results	-	-
Number of Underserved, Socially Disadvantaged, and Vulnerable Rural and Tribal Communities Engaged in Field-Based Programs	Target	92	92
Equity in Field-Based Programs	Results	-	-
Investment in Underserved, Socially Disadvantaged, and Vulnerable Rural and Tribal Communities in Field-Based Programs	Target	\$60	\$40

Expected Performance Progress Towards the Achievement of Strategic Objectives:

Strategic Objective 5.2: Boost the Financial Security of Rural and Tribal Communities

Equity in Field-Based Programs: RD will continue this multiphase strategic engagement project (CORE) designed to connect RD to socially vulnerable, distressed and persistent poverty rural and Tribal communities to listen, understand and document: community assets, needs and plans barriers to participation in RD; and to determine what type of assistance is needed now (capacity building, planning, application or funding) and uses data to identify rural areas of focus.

Table RD-17. Key Performance Indicators

Strategic Objective 5.3	Item	2024	2025
Distressed Communities Assistance	Results	-	-
Percentage of Rural Development Assistance Directed to Distressed Communities	Target	30%	30%
Non-Federal Funding	Results	-	-
Percentage of Rural Development Commercial and Infrastructure Investments that Leverage Non-Federal Funding in Distressed (DC) and Socially Vulnerable (SV) Communities	Target	70%	75%

Expected Performance Progress Towards the Achievement of Strategic Objectives:

Strategic Objective 5.3: Increase Capacity, Sustainability, and Economic Vitality in Rural and Tribal Communities

Distressed Communities Assistance: RD's continued focus on investing in Distressed Communities directly supports one of the key priorities under this administration:

Assist rural communities recover economically through more and better market opportunities and through improved infrastructure.

RD is seeking changes in the Farm Bill that would provide RD flexibility to offer technical assistance that matches customer need and support strategic engagement.

Non-Federal Funding: RD is placing an emphasis on staff to seek out funding partners who can make projects more affordable through the blending of RD funds with other state, local or philanthropic funding.

Table RD-18. Key Performance Indicator

<u>Strategic Objective 5.4</u>	<u>Item</u>	<u>2024</u>	<u>2025</u>
<u>Climate/Coal Decline Geographies</u>	<u>Results</u>	<u>-</u>	<u>-</u>
Percentage of Total Investments Made into Energy Communities, as defined by the Inflation Reduction Act, through Rural Development Programs	<u>Target</u>	<u>19%</u>	<u>20%</u>

Expected Performance Progress Towards the Achievement of Strategic Objectives:

Strategic Objective 5.4: Promote Environmental Justice by Maximizing Sustainable and Green Economic Development in Rural and Tribal Communities

Energy Communities: These investments are further prioritized by IRA, which includes a provision that directs additional financial incentives for clean energy projects developed in “energy communities,” which could provide economic benefits to regions that face challenges associated with the energy transition. The IRA defines energy communities as:

- a) A “brownfield site” (as defined in certain subparagraphs of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA))
- b) A “metropolitan statistical area” or “non-metropolitan statistical area” that has (or had at any time after 2009) 0.17 percent or greater direct employment or 25 percent or greater local tax revenues related to the extraction, processing, transport, or storage of coal, oil, or natural gas; and has an unemployment rate at or above the national average unemployment rate for the previous year
- c) A census tract (or directly adjoining census tract) in which a coal mine has closed after 1999; or in which a coal-fired electric generating unit has been retired after 2009

Table RD-19. Key Performance Indicators

<u>Strategic Objective 6.2</u>	<u>Item</u>	<u>2024</u>	<u>2025</u>
<u>OneRD Customer Experience</u>	<u>Results</u>	<u>-</u>	<u>-</u>
Percentage of OneRD Customers Whose Application Processing Time Does Not Exceed 30 Days (Receipt to Conditional Commitment)	<u>Target</u>	<u>65%</u>	<u>55%</u>
<u>OneRD Customer Experience</u>	<u>Results</u>	<u>-</u>	
Percentage of OneRD Program Customer (Lender) Satisfaction Survey Ratings of 4 or above	<u>Target</u>	<u>70%</u>	<u>65%</u>

Expected Performance Progress Towards the Achievement of Strategic Objectives:

Strategic Objective 6.2: Establish a Customer-Centric, Inclusive, High-Performing Workforce that is Representative of America and the Communities We Serve

OneRD Customer Experience: RD’s progress in improving both processing and customer satisfaction are impeded by both IT and staffing constraints. OneRD has not received funding for an application in-take system for lenders. RD lacks the staff to meet customer expectations. One issue raised by customers is the time it takes for RD to complete environmental reviews.