

2023 USDA EXPLANATORY NOTES – RURAL DEVELOPMENT SALARIES AND EXPENSES

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AVAILABLE FUNDS AND FTEs**Table RD-1. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Salaries and Expenses:								
Discretionary Appropriations	\$247,835	4,259	\$314,462	4,405	\$389,141	4,736	\$549,245	5,329
Mandatory Appropriations	\$2,823	-	\$2,829	-	\$2,829	-	\$2,829	-
Rural Housing Insurance Fund:								
Discretionary Appropriations	\$536,173	-	\$490,846	-	\$492,274	-	\$620,816	-
Mandatory Appropriations	-	-	39,000	-	-	-	-	-
Rental Assistance:								
Discretionary Appropriations	1,375,000	-	1,410,000	-	1,410,000	-	1,601,926	-
Mandatory Appropriations	-	-	100,000	-	-	-	-	-
Multi-Family Housing:								
Discretionary Appropriations	61,000	-	70,000	-	70,000	-	-	-
Mutual Self-Help Housing:								
Discretionary Appropriations	31,000	-	31,000	-	31,000	-	40,000	-
Rural Housing Assistance Grants:								
Discretionary Appropriations	47,000	-	47,500	-	47,500	-	75,000	-
Community Facilities:								
Discretionary Appropriations	86,832	-	101,000	-	76,000	-	74,000	-
Mandatory Appropriations	-	-	500,000	-	-	-	-	-
Rural Business Programs:								
Discretionary Appropriations	71,500	-	61,400	-	61,400	-	83,100	-
Supplemental Appropriations	20,500	-	-	-	-	-	-	-
Intermediary Relending Program:								
Discretionary Appropriations	9,687	-	7,407	-	7,407	-	7,781	-
Rural Cooperative Development Grants:								
Discretionary Appropriations	26,600	-	26,600	-	26,600	-	30,700	-
Mandatory Appropriations	17,899	-	55,981	-	17,938	-	17,938	-
Rural Microentrepreneur Assistance Program:								
Discretionary Appropriations	3,000	-	6,000	-	6,000	-	6,000	-
Rural Energy for America Program:								
Discretionary Appropriations	706	-	10,392	-	10,392	-	30,018	-
Mandatory Appropriations	47,050	-	47,150	-	47,150	-	47,150	-
Health Foods Financing Initiative:								
Discretionary Appropriations	5,000	-	5,000	-	5,000	-	5,000	-
Biorefinery Assistance Program:								
Mandatory Appropriations	23,525	-	-	-	-	-	-	-
Energy Assistance Payments:								
Mandatory Appropriations	106,587	-	6,601	-	106,601	-	6,601	-
Rural Water and Waste Disposal Program:								
Discretionary Appropriations	654,480	-	616,567	-	616,567	-	716,557	-
Rural Electrification and Telecommunications:								
Discretionary Appropriations	49,065	-	46,547	-	46,547	-	403,336	-
Distance Learning, Telemedicine and Broadband:								
Discretionary Appropriations	387,000	-	628,000	-	628,000	-	697,000	-
Supplemental Appropriations	125,000	-	-	-	2,000,000	-	-	-
High Energy Cost Grants:								
Discretionary Appropriations	10,000	-	10,000	-	10,000	-	10,000	-
Total Discretionary Appropriations	3,601,878	\$4,259	3,882,721	\$4,405	3,933,828	\$4,736	4,950,479	\$5,329
Total Mandatory Appropriations	197,884	-	751,561	-	174,518	-	74,518	-
Total Supplemental Appropriations	145,500	-	-	-	2,000,000	-	-	-
Total Adjusted Appropriation	3,945,263	4,259	4,634,282	4,405	6,108,346	4,736	5,024,997	5,329

2023 USDA EXPLANATORY NOTES – RURAL DEVELOPMENT SALARIES AND EXPENSES

Item	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Balance Available, SOY	1,610,685	-	1,428,021	-	2,222,940	-	3,492,876	-
Recoveries, Other	123,444	-	197,268	-	137,502	-	110,742	-
Total Available	5,679,391	4,259	6,259,571	4,405	8,468,787	4,736	8,628,615	5,329
Lapsing Balances	-15,688	-	-52,319	-	-59,229	-	-59,472	-
Rescinded Balances	-15,073	-	-12,000	-	-4,489	-	-	-
Balance Available, EOY	-1,426,576	-	-2,238,813	-	-3,492,876	-	-887,119	-
Total Obligations	4,222,055	4,259	3,956,438	4,405	4,912,193	4,736	7,682,024	5,329
Other Funding:								
Rural Economic Development Loans	7,894	-	4,503	-	2,207	-	6,981	-
Rural Economic Development Grants	9,410	-	9,430	-	9,430	-	14,145	-
ReConnect	255,000	-	104,000	-	50,000	-	-	-
Total Appropriation, Other Funding	272,304	-	117,933	-	61,637	-	21,126	-
Balance Available, SOY (enter with plus)	532,968	-	306,328	-	207,305	-	161,335	-
Recoveries, Other (enter with plus)	1,049	-	123,051	-	80,378	-	37,601	-
Total Available, Other Funding	806,321	-	547,312	-	349,320	-	220,062	-
Lapsing Balances (enter with minus)	-	-	-	-	-	-	-	-
Bal. Available, EOY (enter with minus)	-358,467	-	-245,930	-	-160,023	-	-31,709	-
Total Obligations, Other funding	447,853	-	301,383	-	189,297	-	188,352	-
Total Obligations, RD	4,669,908	4,259	4,257,821	4,405	5,101,490	4,736	7,870,376	5,329
Other USDA:								
Agricultural Marketing Service	364	-	277	-	277	-	277	-
Agricultural Research Service	2	-	6	-	6	-	6	-
Animal&Plant Health Inspection	-	-	2	-	2	-	2	-
Client Experience Center	-	-	6	-	6	-	6	-
Commodity Credit Corporation	1,115	-	-	-	-	-	-	-
Farm Service Agency	8,370	-	3,810	-	3,810	-	3,810	-
FEMA Disaster Finance Center	51	-	-	-	-	-	-	-
Food Safety & Inspection Service	14	-	17	-	17	-	17	-
Foreign Agricultural Service	1	-	2	-	2	-	2	-
Forest Service	4	-	47	-	47	-	47	-
FPAC BC	1	-	4,961	-	4,961	-	4,961	-
Homeland Security Office	15	-	24	-	24	-	24	-
National Institute of Foods	-	-	58	-	58	-	58	-
Natural Resources Conservation	13	-	46	-	46	-	46	-
Office of Budget&Program Analysis	4	-	4	-	4	-	4	-
Office of Chief Economist	20	-	1	-	1	-	1	-
Office of Chief Financial Officer	-	-	1	-	1	-	1	-
Office of Civil Rights	-	-	1	-	1	-	1	-
Office of Executive Secretariat	307	-	24	-	24	-	24	-
Office of General Counsel	17	-	20	-	20	-	20	-
Office of Inspector General	1	-	1	-	1	-	1	-
Office of Policy Planning Engagement	3	-	-	-	-	-	-	-
Office of Secretary	-	-	7	-	7	-	7	-
Risk Management Agency	-	-	4	-	4	-	4	-
USDA Departmental Administration	-	-	1	-	1	-	1	-
USDA FNS Food & Nutrition Service	2	-	3	-	3	-	3	-
USDA National Appeals Division	-	-	-	-	-	-	-	-
Miscellaneous Reimbursements	2	-	1	-	1	-	1	-
Total, Other USDA	10,308	30	9,325	29	9,325	30	9,325	30
Total, Agriculture Available	6,496,020	4,289	6,816,208	4,434	8,827,432	4,766	8,858,002	5,359
Other Federal Funds:								
Dept. of Health and Human Services	-	-	533	-	533	-	533	-
Defense Finance and Accounting	-	-	2	-	2	-	2	-
Federal Emergency Management Agency	-	-	9	-	9	-	9	-
Total, Other Federal	-	-	544	-	544	-	544	-
Total Available, RD	6,496,020	4,289	6,816,752	4,434	8,827,976	4,766	8,858,546	5,359

PERMANENT POSITIONS BY GRADE AND FTE'S**Table RD-2. Permanent Positions by Grade and FTEs**

Item	2020			2021			2022			2023		
	D.C.	Field	Actual Total	D.C.	Field	Actual Total	D.C.	Field	Estimated Total	D.C.	Field	Estimated Total
SES	15	5	20	22	1	23	15	7	22	16	7	23
SL	1	-	1	1	-	1	1	-	1	1	-	1
GS-15	63	70	133	74	23	97	70	30	100	76	31	107
GS-14	77	103	180	125	99	224	94	156	250	102	161	263
GS-13	192	628	820	295	657	952	234	821	1,055	253	848	1,102
GS-12	53	1,116	1,169	191	1,035	1,226	56	1,344	1,400	61	1,392	1,452
GS-11	23	537	560	67	464	531	31	612	643	34	632	666
GS-10	1	-	1	1	-	1	1	-	1	1	-	1
GS-9	29	447	476	208	408	616	33	590	623	36	610	645
GS-8	7	51	58	26	9	35	8	46	54	9	48	56
GS-7	38	708	746	228	447	675	45	788	833	49	814	863
GS-6	12	96	108	15	99	114	14	130	144	15	134	149
GS-5	4	74	78	16	70	86	6	105	111	6	108	115
GS-4	9	65	74	6	22	28	5	61	66	5	63	68
GS-3	3	10	13	1	3	4	2	7	9	2	7	9
GS-2	-	1	1	1	1	2	1	1	2	1	1	2
GS-1	-	-	-	-	-	-	-	-	-	-	-	-
Other Graded	-	-	-	-	-	-	-	-	-	-	-	-
Ungraded	2	1	3	-	-	-	1	1	1	-	-	1
Total												
Permanent	529	3,912	4,441	1,277	3,338	4,615	617	4,698	5,315	668	4,857	5,525
Unfilled, EOY	16	143	159	-	-	-	-	-	-	-	-	-
Total Perm. FT EOY	513	4,055	4,600	1,277	3,338	4,615	617	4,698	5,315	668	4,857	5,525
FTE	511	3,748	4,259	1,242	3,192	4,434	572	4,194	4,766	643	4,716	5,359

VEHICLE FLEET

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	0	0	0	785	\$3,200,000	
2020 End of Year Operating Inventory	493	51	200	4	2	0	0	0	750	3,100,000	
2021 Planned Acquisitions	0	0	0	0	0	0	0	0	0	0	
2021 Planned Disposals	127	0	18	0	0	0	0	0	145	0	
2021 End of Year Operating Inventory	366	51	182	4	2	0	0	0	605	2,700,000	
2022 Planned Acquisitions	0	0	0	0	0	0	0	0	0	0	
2022 Planned Disposals	4	0	0	0	0	0	0	0	4	0	
2022 End of Year Operating Inventory	362	51	182	4	2	0	0	0	601	2,470,000	
2023 Planned Acquisitions	0	0	0	0	0	0	0	0	0	0	
2023 Planned Disposals	0	0	0	0	0	0	0	0	0	0	
2023 End of Year Operating Inventory	362	51	182	4	2	0	0	0	601	2,470,000	

The passenger motor vehicles of Rural Development (RD) are used almost exclusively by RD State field office staff in order to provide program delivery to essential facilities, such as services for water and sewer systems, housing, health clinics, emergency service facilities, and electric and telephone services. In the course of their daily work, these personnel often need to travel to communities, individual farms, commercial firms, and State agricultural offices which 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 excludes 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 four 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 fiscal year (FY) 2023 by the Enterprise Services Division Director and the Fleet Manager.

Reductions to Fleet

RD ended FY 2020, with 750 vehicles (leased and owned), which is a reduction of 19 vehicles from FY 2019. The projected number of vehicles for FY 2021 continues to be reduced to an optimal size with vehicle transfers and disposals of those meeting the minimum standards. RD current fleet inventory is 605 vehicles, which is a reduction of 145 vehicles from FY 2020 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 FY 2023, RD is expecting to have 601 vehicles.

SHARED FUNDING PROJECTS

Table RD-4. Shared Funding Projects (dollars in thousands)

Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Working Capital Fund:				
Administrative Services:				
Material Management Service.....	\$182	\$164	\$157	\$153
Mail and Reproduction Services.....	1,493	1,097	897	894
Integrated Procurement Systems.....	212	155	174	173
Procurement Operations Services.....	73	84	43	31
Human Resources Enterprise Management Systems.....	48	59	64	66
Subtotal.....	2,008	1,558	1,336	1,317
Communications:				
Creative Media & Broadcast Center.....	161	310	886	974
Finance and Management:				
National Finance Center.....	1,193	1,255	1,155	1,159
Financial Management Systems.....	2,629	2,722	2,618	2,721
Internal Control Support Services.....	211	223	221	272
Subtotal.....	4,032	4,200	3,995	4,152
Information Technology:				
Client Experience Center.....	33,435	33,479	32,142	33,204
Department Administration Information Technology Office.....	1,616	2,757	2,002	2,010
Digital Infrastructure Services Center.....	22,483	33,803	28,964	29,577
Enterprise Network Services.....	2,918	3,117	2,193	1,838
Subtotal.....	60,452	73,155	65,302	66,629
Correspondence Management Services.....	230	234	296	296
Total, Working Capital Fund.....	66,882	79,458	71,814	73,368
Department-Wide Shared Cost Programs:				
Agency Partnership Outreach.....	332	309	351	351
Honor Awards.....	0	0	0	0
Human Resources Self-Service Dashboard.....	26	-	-	-
Intertribal Technical Assistance Network.....	138	152	162	162
Medical Services.....	25	119	118	118
National Capital Region Interpreting Services.....	-	17	50	62
Office of Customer Experience.....	248	432	416	416
Personnel and Document Security Program.....	63	80	82	82
Physical Security.....	254	192	201	205
Security Detail.....	200	206	216	217
Security Operations Program.....	253	290	292	292
TARGET Center.....	49	53	63	63
USDA Enterprise Data Analytics Services.....	351	243	212	212
Total, Department-Wide Reimbursable Programs.....	1,940	2,095	2,162	2,181
E-Gov:				
Budget Formulation and Execution Line of Business.....	5	5	11	11
Disaster Assistance Improvement Plan.....	21	21	27	27
E-Rulemaking.....	53	70	113	118
Financial Management Line of Business.....	4	4	4	4
Geospatial Line of Business.....	38	38	38	38
Hiring Assess.....	-	-	11	11
Benefits.gov.....	72	70	71	67
Grants.gov.....	34	32	62	73
Human Resources Line of Business.....	13	14	14	14
Integrated Acquisition Environment.....	469	870	1,395	1,395
Total, E-Gov.....	708	1,122	1,745	1,756
Agency Total.....	69,530	82,676	75,721	77,304

ACCOUNT 1: SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

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

Salaries and Expenses (including transfers of funds)

For necessary expenses for carrying out the administration and implementation of Rural Development programs, including activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; [~~\$367,447,000~~]\$504,066,000: *Provided*, That of the amount made available under this heading, [~~\$32,000,000~~]\$39,000,000, to remain available until September 30, [2023]2024, shall be for [the StrikeForce]the Rural Partners Network activities of the Department of Agriculture, and may be transferred to other agencies of the Department of Agriculture or to other Federal agencies for such purpose, consistent with the missions and authorities of such agencies: *Provided further*, That of the amount made available under this heading, \$3,000,000 shall be for Rural Placemaking Innovation Challenge Grants: *Provided further*, That notwithstanding any other provision of law, funds appropriated under this heading may be used for advertising and promotional activities that support Rural Development programs: Provided further, That in addition to any other funds appropriated for purposes authorized by section 502(i) of the Housing Act of 1949 (42 U.S.C. 1472(i)), any amounts collected under such section, as amended by this Act, will immediately be credited to this account and will remain available until expended for such purposes.

Change Description

The change (line 4 and 5 of paragraph 1) provides a set aside for the Rural Partners Network activities and eliminates StrikeForce denomination. The new denomination includes working together with other USDA agencies and other Federal agencies.

Second change (line 6 of paragraph 1) includes transferability to other Federal agencies that will support Rural Development and USDA in deploying a whole-Federal government approach for the Rural Partners Network activities. This funding is available for two years.

Third change (line 7 and 8 of paragraph 1) includes language to fund the Rural Placemaking Innovation Challenge Grants at a \$3 million in 2023.

LEAD-OFF TABULAR STATEMENT

Table RD-5. Lead-Off Tabular Statement (In dollars)

<u>Item</u>	<u>Amount</u>
Estimate, 2022	\$264,024,000
Change in Appropriation	<u>+240,042,000</u>
Budget Estimate, 2023	<u><u>504,066,000</u></u>

2023 USDA EXPLANATORY NOTES – RURAL DEVELOPMENT SALARIES AND EXPENSES

PROJECT STATEMENT

Table RD-6. Project Statement Appropriations (thousands of dollars, FTE)

Item	2020 Actual		2021 Actual		2022 Estimated		2023 Estimated		Budget	FTE	Chg Key
	BA	FTE	BA	FTE	BA	FTE	BA	FTE	Authority Inc. or Dec.	Inc. or Dec.	
Discretionary Appropriations:											
Salaries and Expenses (Direct Appropriation).....	\$247,835	1,513	\$264,024	1,549	\$264,024	\$1,665	\$504,066	2,242	+\$240,042	+577	(1)
Salaries and Exp. (from RBS, RHS, RUS approp.).....	497,974	2,746	449,992	2,885	449,992	3,101	449,992	3,117	-	+16	
Program Admin. (transferred from other accounts).....	-	-	49,878	-	115,490	-	45,256	-	-70,234	-	(2)
Goodfellow.....	-	-	9,815	-	9,815	-	-	-	-9,815	-	(3)
Subtotal.....	745,809	4,259	773,709	4,434	839,321	4,766	999,314	5,359	+159,993	+593	
Mandatory Appropriations:											
Biobased Market Program.....	2,823	-	2,829	-	2,829	-	2,829	-	-	-	
Subtotal.....	2,823	-	2,829	-	2,829	-	2,829	-	-	-	
Total Adjusted Approp.....	748,632	4,259	776,538	4,434	842,150	4,766	1,002,143	5,359	159,993	593	
Add back:.....	-	-	-	-	-	-	-	-	-	-	
Rescission, Transfers In and Out.....	-500,974	-2,746	-512,685	-2,885	-578,297	-3,101	-498,248	-3,117	80,049	-16	
Sequestration.....	177	-	171	-	171	-	171	-	-	-	
Total Appropriation.....	247,835	1,513	264,024	1,549	264,024	1,665	504,066	2,242	240,042	577	
Transfers In:											
Biobased Market Program (mandatory).....	3,000	-	3,000	-	3,000	-	3,000	-	-	-	
Cong. Relations.....	140	-	-	-	-	-	-	-	-	-	
Interchange from Water and Waste.....	15,368	-	-	-	-	-	-	-	-	-	
Local Agriculture Marketing Program COVID (mandatory).....	-	-	3,000	-	2,943	-	-	-	-2,943	-	
Local Agriculture Marketing Program T (mandatory).....	3,000	-	3,973	-	3,663	-	2,000	-	-1,663	-	
DLTB CARES ACT 2020/2021.....	3,000	-	-	-	-	-	-	-	-	-	
CARES Act No Year.....	715	-	-	-	-	-	-	-	-	-	
RBP CARES Act 2020/2021.....	615	-	-	-	-	-	-	-	-	-	
RED Grants - Administration.....	-	-	-	-	10,000	-	-	-	-10,000	-	
RED Grants - Technical Assistance.....	-	-	-	-	20,000	-	-	-	-20,000	-	
Broadband/Reconnect Administration Account.....	19,024	-	17,000	-	33,700	-	16,072	16	-17,628	+16	(4)
Electric.....	-	-	-	-	-	-	15,000	-	+15,000	-	
Infrastructure.....	-	-	-	-	33,000	-	-	-	-33,000	-	
America Rescue Program Act.....	-	-	26,000	-	12,184	-	12,184	-	-	-	
Broadband/Reconnect Technical Assistance Account.....	5,810	-	-	-	-	-	-	-	-	-	
Rural Electrification and Telecommunication Loans.....	33,270	203	33,175	213	33,270	229	33,270	229	-	-	
Rural Housing Insurance Program.....	412,254	2,516	412,254	2,614	412,254	2,811	412,254	2,811	-	-	
Intermediate Relending Program.....	4,468	27	4,468	29	4,468	31	4,468	31	-	-	
Miscellaneous Fees.....	310	-	-	-	-	-	-	-	-	-	
Total Transfers In.....	500,974	2,746	502,870	2,856	568,482	3,071	498,248	3,087	-70,234	16	
Sequestration.....	-177	-	-171	-	-171	-	-171	-	-	-	
Recoveries, Other.....	8,147	-	10,410	-	-	-	-	-	-	-	
Lapsing Balances transferred between Expired & Unexpired Accounts.....	6,063	-	11,500	-	7,500	-	-	-	-7,500	-	
Bal. Available, SOY.....	11,158	-	17,468	-	-	-	-	-	-	-	
Total Available.....	774,000	4,259	806,101	4,405	839,835	4,736	1,002,143	5,329	162,308	593	
Lapsing Balances.....	-723	-	-7,554	-	-189	-	-189	-	-	-	
Lapsing Balances transferred between Expired & Unexpired Accounts.....	-11,500	-	-29,413	-	-	-	-	-	-	-	
Bal. Available, EOY.....	-15,822	-	-15,365	-	-	-	-	-	-	-	
Total Obligations.....	745,955	4,259	753,769	4,405	839,646	4,736	1,001,954	5,329	+162,308	+593	

Table RD-7. Project Statement Obligations (thousands of dollars, FTE)

Item	2020 Actual		2021 Actual		2022 Estimated		2023 Estimated		Budget Authority Inc. or Dec.
	BA	FTE	BA	FTE	BA	FTE	BA	FTE	
Discretionary Obligations:									
Salaries and Expenses.....	\$230,962	1,513	\$264,024	1,549	\$264,024	1,665	\$504,066	2,242	+240,042
Goodfellow.....	-	-	-	-	-	-	-	-	-
Subtotal.....	230,962	1,513	264,024	1,549	264,024	1,665	504,066	2,242	+240,042
Transfer In:									
Biobased Market Program (mandatory).....	2,620	-	2,437	-	2,640	-	2,640	-	-
Transfer for Congressional Relations.....	140	-	-	-	-	-	-	-	-
Interchange from Water and Waste Disposal.....	15,368	-	-	-	-	-	-	-	-
Local Agriculture Marketing Program Covid (mandatory).....	-	-	3,000	-	2,943	-	-	-	-2,943
Local Agriculture Marketing Program T (mandatory).....	90	-	3,973	-	3,663	-	2,000	-	-1,663
DLTB CARES Act 2020/2021.....	2,255	-	-	-	-	-	-	-	-
DLTB CARES Act No Year.....	152	-	-	-	-	-	-	-	-
RBP CARES Act 2020/2021.....	139	-	-	-	-	-	-	-	-
RED Grants.....	-	-	-	-	10,000	-	-	-	-
RED Grants.....	-	-	-	-	20,000	-	-	-	-
Broadband/Reconnect Administration Account.....	19,024	-	17,000	-	33,700	-	16,072	16	-17,628
Electric.....	-	-	-	-	-	-	15,000	-	+15,000
Infrastructure.....	-	-	-	-	33,000	-	-	-	-
American Rescue Plan.....	-	-	1,843	1	12,184	-	12,184	-	-
Rural Electrification & Telecommunications Loans.....	33,270	203	33,270	213	33,270	229	33,270	229	-
Rural Housing Insurance Program.....	412,254	2,516	412,254	2,613	412,254	2,811	412,254	2,811	-
Intermediary Relending Program.....	4,468	27	4,468	29	4,468	31	4,468	31	-
IT Expenses.....	8,729	-	11,500	-	7,500	-	-	-	-7,500
Miscellaneous Fees.....	310	-	-	-	-	-	-	-	-
Total Transfer In.....	498,819	2,746	489,745	2,856	575,622	3,071	497,888	3,087	-77,734
Recoveries Other.....	16,174	-	-	-	-	-	-	-	-
Subtotal Disc obligations.....	745,955	4,259	753,769	4,405	839,646	4,736	1,001,954	5,329	+162,308
Total Obligations.....	745,955	4,259	753,769	4,405	839,646	4,736	1,001,954	5,329	162,308
Add back:.....									
Lapsing Balances	-722	-	+7,946	-	-	-	-	-	-
Balances Available, EOY:									
Information Technology.....	11,500	-	7,500	-	-	-	-	-	-
DLTB CARES Act 2020/2021.....	745	-	-	-	-	-	-	-	-
DLTB CARES Act No Year.....	598	-	-	-	-	-	-	-	-
RBP CARES Act 2020/2021.....	476	-	-	-	-	-	-	-	-
S&E No Year.....	15,448	-	15,365	-	-	-	-	-	-
Total Bal. Available, EOY.....	28,767	-	30,811	-	-	-	-	-	-
Total Available.....	774,000	4,259	792,526	4,405	839,646	4,736	1,001,954	5,329	162,308
Less:									
Total Transfers In.....	-498,642	-2,746	-490,868	-2,856	-575,622	-3,101	-497,888	-3,117	77,734
Sequestration.....	-177	-	-171	-	-	-	-	-	-
Recoveries, Other.....	-16,188	-	-10,410	-	-	-	-	-	-
Bal. Available, SOY.....	-11,158	-	-27,053	-	-	-	-	-	-
Total Appropriation.....	247,835	1,513	264,024	1,549	264,024	1,635	504,066	2,212	240,042

Rural Development Salaries and Expenses

Rural Development (RD) programs were established to enable economic viability for over 60 million Americans living and working in 3,142 rural counties in the United States, and in the Pacific Islands, Guam, Puerto Rico, and Virgin Islands. Because of limited resources for salaries and expenses in prior years, RD was forced to reduce staffing and could not fully fund the needed investments in Information Technology (IT) to modernize systems. The 2023 Budget request supports the higher staffing levels requested in the 2022 Budget, an increase in FY 2023 and continues to fund IT modernization efforts in support of delivering programs to underserved, unserved and disadvantaged communities. Because of the lack of sufficient funding in prior years, RD's top two enterprise risks are staffing levels, (including hiring and retention), and program needs not being met by IT. The 2023 Budget requests funding that would mitigate these risks.

RD is committed to 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. In line with Executive Order 14008, RD will take proactive actions to work towards ensuring 40 percent of the benefits of climate and clean energy investments are directed to disadvantaged communities. In 2022, these actions included an examination of the activities of key programs to determine whether those programs' benefits have accrued to disadvantaged communities. In 2023, RD will continue to track program expenditures that flow to disadvantaged communities and identify metrics that will help track how program benefits improve outcomes for disadvantaged communities.

FTE Request

The 2023 request for RD continues its focus on the priorities of the Administration: COVID-19, Economic Recovery, Climate Change, and racial equity. In addition, the budget request includes additional staff to support the administration effort on focusing new construction for the multifamily housing direct and guaranteed programs. The 2023 budget request includes an increase of 577 FTEs from the 2022 level of 4,766 to 5,343 and an additional 16 FTEs will be funded with the ReConnect administrative set aside to a total of 5,359. 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 request replenishes State staffing levels to ensure RD's core mission of community development through technical assistance, outreach, and community-level engagement is achieved;
- **Loan Origination and Underwriting:** The request also includes 266 FTEs to support the origination of new loans, including 16 FTEs that will be dedicated to continuing the implementation of the ReConnect pilot program. This program is a cornerstone for extending broadband across the country and is a high priority for the Administration as it is essential to achieve economic equity in rural communities. The 16 FTEs will replace the current contract support that has been used for program delivery since the pilot program's inception and will be funded through the ReConnect program funds. The other 250 new FTEs will support the critical function of originating loans, administering grants, and ensuring that program funds are underwritten to appropriate regulations and credit standards that align with strategic goals, priorities, and mission objectives;
- **Servicing:** An essential function of RD is to service the loans that are originated. After loans and grants are provided to the borrowers, servicing starts by monitoring lending activity for guaranteed loans to ensure that regulations are followed 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 2021, RD's portfolio was almost \$234 billion, with over 1.2 million guaranteed and direct loans. RD's portfolio increases by five percent each year. By 2023, we estimate RD's portfolio will include \$258 billion in outstanding debt; and,
- **Risk Management and Mitigation:** The RD Risk Office provides a formal framework that allows RD 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, Information Technology investments, and other key decision-making processes.

Currently, RD has six Mission Area risks ranked as Tier 1 (high level): 1) IT system functionality meeting program needs; 2) Staffing levels/organizational structure; 3) Hiring and Retention; 4) Records

Management; 5) Environmental Reviews; and 6) COVID-19 Portfolio Risks. IT system functionality meeting program needs ranks as the 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.

The RD Risk Office also houses the Special Assets Unit (SAU), which was created to support 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. SAU is more relevant than ever as COVID-19 flexibilities could increase risk in RD's portfolio.

In 2021, the agency obligated \$34.1 billion in program level (PL) for direct loans, guaranteed loans, and grants. RD programs provided affordable housing to 135,181 rural homeowners, safe water to 4.69 million rural residents, broadband access to 70,000 rural residents, and created 40,130 jobs in the rural communities.

RD's Salaries and Expenses (S&E) account funds Full Time Equivalents (FTEs) and general operating costs for agency program delivery, including providing direct and guaranteed loans, awarding grants, and providing technical assistance for rural community and economic development needs such as housing, business development/expansion, community facilities, and broadband. These programs facilitate economic development, prosperity, and enhanced quality of life by assisting rural residents with improved:

- Housing;
- Access to capital;
- Infrastructure;
- Broadband access and connectivity; and
- Support for workforce availability.

RD staff is strategically located with the ability to interact with its customers using an in-person delivery model and through partnership networks in serving rural America. This budget proposal considers the entire RD mission and aims to modernize operations and align resources to increase opportunity in rural areas.

The S&E account also funds critical mission support activities that and protect RD's estimated portfolio of \$258 billion dollars, which would make RD one of the top ten lending institutions in the country if it were a private institution. As part of its fiduciary responsibility, RD conducts an annual review of financial statements for every commercial borrower; provides certification for 400,000 multi-family housing tenants; processes monthly payments for 14,000 multi-family borrowers; and provides specialized account processing for the 221,809 single family direct loans, including payment receipt and application, issuing monthly billing statements, performing re-amortizations, processing transfers, providing annual IRS 1098 processing and reporting, and managing debt settlements. RD also manages loan servicing actions that affect customer payment calculations for Escrow, Payment Subsidy, and other specialized servicing options. A large customer contact center provides efficient and accurate customer service and loss mitigation strategies to program loan and grant recipients. Additionally, RD provides data to major credit reporting agencies and to the Department of Treasury for Treasury Offset, provides cross servicing, Internal Revenue Service reporting, and guaranteed loss mitigation claims processing, and is responsible for lender oversight for all RD loans.

This request also supports continued implementation of the legislation enacted in response to the economic and social disruptions caused by the COVID-19 pandemic. This legislation provided additional program funds for RD programs and provided loan servicing options and flexibilities for current borrowers within the existing portfolio. RD is continuing the implementation of these unplanned but critical activities in support those affected by the COVID-19 pandemic while performing its regular portfolio management duties. This imposes additional burdens on an already stretched and stressed staff and IT infrastructure.

Information Technology (IT) request

The 2023 budget request also includes a significant investment in IT development, modernization, and enhancement to begin the process of modernizing the critical Rural Development IT infrastructure. RD offers many bank-like services, including direct loans for many of its programs. However, because of its backlog of unfunded IT development projects, RD is not able to offer bank-like services to its borrowers. Currently, many Rural

Development programs operate using paper-based applications, customers do not have on-line access to view their balances, and serving actions are primarily manually entered into systems. RD must update its technology to meet current lender standards that include ease of application for services, customer access, and effective servicing of loans.

This budget request will afford RD the opportunity, through effective planning and business case development, to invest in IT systems that will enhance the customer experience in ease of application and access to pertinent account information. Additionally, IT investment in modernization will lift manual processing responsibilities from RD staff. The result of these efforts will profoundly change the day-to-day operations of loan servicing that aligns with traditional lenders and will provide RD with the ability to align its overall staffing resources to focus on its mission of program delivery through community and economic development.

Historically, RD S&E appropriations have not increased proportionally to the increase in program dollars and the growing portfolio. The level of S&E appropriations was not sufficient to support the necessary staffing, training, IT, or program delivery activities and essentially created a risk that RD may not be able to meet its core mission.

The 2023 request allows RD to continue efforts to rebuild its human infrastructure (including staffing increases) and IT improvements, that were started in the 2022 budget; and allows RD to sustain and expand on the outreach activities implemented under the Rural Partners Network (previously known as StrikeForce) authority to ensure all rural communities are made aware of and encouraged to participate in RD programs. Equally critical is the need for resources to address employee training needs to effectively deliver and manage RD's loan and grant programs meant to build communities and spur economic development.

The RD mission area programs provide affordable, sustainable housing, essential community facilities, clean water supply, broadband access, affordable electricity, and support economic development and expanding the use of renewable energy sources. The 2023 request focuses on the priorities of the Administration (COVID-19, Economic Recovery, Climate Change, and racial equity) by ensuring the RD mission area has the staff and support structure to continue delivering its programs effectively, efficiently, and with integrity to all of rural America, especially to its underserved communities.

The 2023 budget is focusing human resources on deploying the programs and services in support of Executive Order (EO) 14008 that direct the Federal government to provide up to 40 percent of the benefits of its programs to disadvantaged communities. This will support the Administration's efforts to combat climate change and promote racial equity. In addition, the budget request focus on improving housing options for low and very low- income rural Americas by emphasizing multi-family housing new construction through the multi-family housing direct and guaranteed programs. Providing affordable, sustainable, and climate change resilience requires additional resources such as additional FTEs that will engage in strong partnerships with State, local and other Federal agencies. RD is requesting a total increase of \$240.042 million from the 2022 level.

- (1) An increase of \$240,042,000 and 577 FTEs for the Salaries and Expenses account (\$714,016,000 and 4,766 FTEs available in FY 2022):

The funding change is requested for the following items:

- (A) An increase of \$93,707,000 and 577 FTEs for Salaries and Benefits for additional staffing and to support current staff.

These increases are primarily in support of field staff and would enable RD to effectively manage its growing portfolio and maintain a high level of customer service, innovation, and modernization. The increased staffing resources would allow RD to meet the growing priorities in critical areas that have a direct effect on the agency's ability to be sustainable, relevant, and results-oriented in delivering much-needed programs and services across rural America. Over the last several years there has been a significant increase in the obligated dollars being delivered each year, and an associated increase in the loan portfolio that must be serviced and managed expertly to ensure the best financial interest of the taxpayers and the Government. In addition, the loan portfolio has grown in complexity over the years because of new program types and variations, and because of new loan restructuring options.

- 1) An increase of \$47,615,000 million and 577 FTEs.

This increase will support the salary and benefit cost of increasing 577 FTEs. These new employees will be located across the 477 local offices, 47 State offices and headquarters. The FTE

increase will be instrumental in advancing the mission of RD in rural areas and expand the origination and servicing of RD programs that benefit 60 million rural residents.

- 2) A total increase of \$38,691,000, which includes.
 - a) An increase of \$12,889,000 of which \$8,774,000 for pay inflation and \$4,115,000 for FERS. This increase will support a 2.7 percent Cost of Living pay increases for civilian employees, and a 1.1 percent increase to cover the expenses for the mandated increase of USDA’s contribution to FERS. These increases help to maintain morale for RD’s current employees. The pay inflation consists of \$964,000 for annualization of the 2021 pay increase of 1 percent and \$7,810,000 for the 2022 pay increase of 2.7 percent.
 - b) An increase of \$25,802,000 for 2023 Pay. The increase will support the annualization of the 2022 2.7 percent Cost of Living pay increase and the 2023 4.6 percent Cost of Living pay. These increases help to maintain morale for RD’s current employees and support the additional FTEs requested in the budget. RD’s workforce is essential for delivering RD programs, improving access to other Federal benefits and enhancing the economic capacity of rural Americans. Without the additional funds, RD would need to reduce other services in order to maintain its labor force.
- 3) An increase of \$7,401,000 for travel, training, and general support. With new employees on board, the agency would need to provide travel, tuition, training, supplies and contract services and locations for these employees to work. We are assessing an increase of \$4.4 million in GSA and non-GSA charges due to requesting additional spaces for employees who cannot work remotely because of their duties. This increase will also provide with additional travel funds and support equipment and supplies necessary for delivering the increase program level in multiple RD programs. The budget requests focus on more personal interaction with rural borrowers, including State and local partners. This increase includes WCF costs.

(B) An increase of \$73,582,000 for Information Technology.

- 1) A net increase of \$64,159,000 for IT Development, Modernization, and Enhancement (DME) contracts.

The RD portfolio is supported by over 100 IT systems built over 30 years on disparate platforms, technologies, and software in response to specific program needs.

Under this budget request, RD will continue to modernize its IT systems to avert system failures, remediate cybersecurity vulnerabilities, meet program priorities, and make RD’s loans and grants more accessible to rural Americans. The 2023 DME continues funding for IT modernization projects designed to move the agency to a more bank-like environment where applicants can apply for services online (eliminating the paper application process), borrowers can access their loan information directly, and funding requests can become streamlined, thus reducing manual processes.

The requested increase allows RD to invest in IT systems that will support its mission and will provide the necessary support for RD borrowers. The 2023 requested increase will cover IT development for: (1) Unifi modernization; (2) replacement/retirement of the PLAS legacy general ledger system and the Automated Multi-Family Account System (AMAS); (3) continuing the implementation of the Guaranteed Underwriting System; (4) Implementing Single Family Housing Delegated Authority; (5) develop an end-to-end automated system to fully implement efficiencies in the OneRD guaranteed regulation; and (6) other system upgrades required for providing RD services to the agencies as well as our borrowers.

- 2) An increase of \$9,423,000 in Working Capital Fund costs.

USDA continues to seek opportunities to increase efficiency and lower costs by providing centralized services through the Working Capital Fund (WCF). For 2023, the USDA WCF costs are projected to increase overall because of increased demand for centralized services, and because the cost of providing those services increases, including the automation improvements needed to support them.

In addition to the funding request with the Salaries and Expenses appropriated amounts, the budget includes \$14 million from the ReConnect pilot program set aside for IT developmental activities that will be used for expanding broadband functionality for the deployment for ReConnect and broadband activities.

(C) An increase of \$39,000,000 for Rural Partners Network (a.k.a. StrikeForce) activities.

The request includes \$39 million for Rural Partners Network activities, which will provide targeted training, technical assistance, and outreach to distressed communities including energy communities in rural America through an all-of-government approach. USDA will partner with other Federal agencies to launch Rural Partners Network efforts that ensure targeted communities are made aware of and encouraged to fully participate in Federal programs across agencies. Rural Partners Network will support more strategic community engagement and facilitate regional coordination among Federal agencies to share best practices, braid Federal resources, and foster collaboration with local and State partners. The pay and FERS increases are accounted for in the salaries and expenses description in section (A).

(D) An increase of \$4,000,000 for a contract to oversee the inspection of Section 514 and 515 properties.

To ensure that the Section 514 and Section 515 portfolio is adequately maintained, MFH's conducts physical inspections at least once every 3 years. These activities are currently performed by MFH's Loan Specialists in its Field Operations Division. The FY 2023 proposes to enter a professional services contract for these inspection activities. Conducting physical inspections requires specialized expertise and is typically performed by independent third-party professionals across both public and private sector multifamily portfolios. Utilizing contracted expert services to perform inspections provides MFH's Field Operations staff with the information they need to fulfill the inherently governmental function of making compliance and enforcement decisions. It also appropriately bifurcates the functions of deficiency identification and deficiency cure to ensure the integrity and quality of each of these functions. The \$4 million will be used to perform oversight and monitoring of the physical condition of the Sections 514 and 515 portfolio.

(E) An increase of \$750,000 for establishing the Interagency Working Group on Coal and Power Plant communities.

[Executive Order 14008](#) called for Federal investment to support the economic revitalization of coal, oil, gas, and power plant communities. It also established the Interagency Working Group (IWG) on Coal and Power Plant Communities and Economic Revitalization (Energy Communities) to advance the policy set in the Executive Order. The IWG on Energy Communities is co-chaired by the Director of the NEC and the National Climate Advisor and administered by the Secretary of Energy via the Director of the National Energy Technology Laboratory (NETL).

Energy Communities programs and initiatives are an Administration priority, and IWG agencies should anticipate a ramp up in activities that directly support or could support these communities. IWG Agencies are asked to prioritize funding for programs that:

- Provide support for workers dislocated because of closures in the energy economy;
- Expand job training in clean energy, advanced manufacturing, and reclamation; and
- Build capacity through field staff and technical assistance to support affected communities.

USDA is also being asked to provide funding for administration and capacity building activities associated the IWG, which will include but not be limited to support for research and analysis to inform pre-decisional investments, interagency coordination, and stakeholder engagement activities. These activities are necessary for the IWG to pursue its short- and long-term goals associated with supporting energy communities in the transition to a clean energy economy. RD budget includes \$750,000 for IWG operations, which reflects a share of the costs required to support the IWG.

(F) An increase of \$28,831,000 for support contracts.

This increase for non-IT contractual support services is essential for RD to program funding to the rural communities RD contracts out legal services for all the three agencies' program, mail services to serve the housing borrowers, maintenance services for non-GSA locations as well as maintenance services for real estate own properties of single -family housing while they are in foreclosure.

(G) An increase of \$172,000 for rent cost (GSA and non-GSA).

RD real property costs include the leases required for 477 local and 47 State offices, a headquarters in the District of Columbia, and office space in Saint Louis, Missouri. This marginal increase incorporates the increased lease costs of \$172,000 in 2023.

(2) A decrease of \$70,234,000 from transfers from other program accounts.

The decrease is due to a decrease in funding coming from set asides in the FY 2022 American Rescue Plan Act appropriations and transfers from the Rural Economic Development Grants set asides in support of the ReConnect program. During 2022 there were multiple programs with administrative and technical assistance set asides that the budget is not requesting.

(3) A decrease of \$9,815,000 to support Goodfellow facility relocation (\$9,815,000 available in 2022).

The budget is not requesting any additional funding related to the relocation of the Goodfellow facility as the move should be accomplished in 2022.

(4) A decrease of \$17,628,000 in Broadband ReConnect Administrative set aside (\$33,700,000 available in 2022).

In addition to the funding from the Salaries and Expenses, the 2023 budget also supports 16 additional FTEs to support the ReConnect program. The \$1.973 million necessary to support these FTEs is coming from the ReConnect program account set aside for administrative costs. This budget request will institutionalize the ReConnect program. Since 2018, when the pilot program was first funded, contractors were responsible for delivering it. After multiple years of funding and the increase demand for the program, the agency requests permanent FTEs dedicated to deploying the program.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTE**Table RD-8. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)**

State/Territory/Country	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Alabama	\$6,324	68	\$5,637	81	\$5,376	88	\$7,183	92
Alaska	2,585	23	3,052	36	2,911	39	3,890	41
Arizona	4,335	51	3,921	51	3,740	56	4,997	59
Arkansas	6,053	68	5,579	82	5,321	89	7,110	93
California	11,598	106	9,924	120	9,464	131	12,645	137
Colorado	3,872	48	3,370	42	3,102	46	4,145	48
Connecticut	1,001	12	501	9	477	9	638	10
Delaware	2,014	33	2,723	36	2,597	40	3,470	41
District of Columbia	225,068	503	458,168	553	533,779	553	605,037	649
Florida	7,300	85	5,967	84	5,691	92	7,604	96
Georgia	8,260	88	6,844	95	6,527	104	8,721	108
Hawaii	4,355	27	3,175	37	3,028	40	4,046	42
Idaho	4,099	49	3,739	50	3,566	54	4,765	56
Illinois	6,799	87	5,818	86	5,549	94	7,414	98
Indiana	5,629	65	3,919	54	3,737	59	4,994	62
Iowa	6,716	80	6,055	89	5,775	97	7,716	102
Kansas	4,042	48	3,158	47	3,011	51	4,024	53
Kentucky	7,391	79	6,065	92	5,784	101	7,729	105
Louisiana	5,207	71	4,513	68	4,304	75	5,751	78
Maine	3,817	46	3,554	53	3,389	57	4,529	60
Maryland	1,066	17	367	6	350	6	468	7
Massachusetts	3,005	35	2,967	39	2,829	42	3,781	44
Michigan	9,171	95	7,748	111	7,389	121	9,873	126
Minnesota	6,683	80	5,763	79	5,496	86	7,343	90
Mississippi	8,603	92	7,253	102	6,917	111	9,243	117
Missouri	258,830	787	68,504	717	72,728	769	97,179	1,107
Montana	3,110	43	3,442	50	3,283	54	4,387	57
Nebraska	3,608	43	3,187	45	3,039	48	4,061	51
Nevada	1,980	23	2,103	25	2,006	27	2,680	28
New Hampshire	1,680	17	1,415	20	1,349	21	1,803	22
New Jersey	2,667	32	2,336	31	2,228	34	2,977	36
New Mexico	3,516	38	3,073	39	2,931	43	3,916	45
New York	6,919	83	5,836	92	5,566	99	7,437	104
North Carolina	11,576	131	9,499	128	9,059	140	12,104	146
North Dakota	3,259	35	2,773	39	2,645	43	3,534	45
Ohio	6,979	86	5,155	79	4,916	86	6,569	90
Oklahoma	4,836	59	4,226	64	4,030	69	5,385	72
Oregon	4,443	48	3,707	50	3,535	55	4,723	58
Pennsylvania	6,592	76	6,367	89	6,072	97	8,114	102
Puerto Rico	4,410	49	4,066	66	3,878	72	5,182	75
Rhode Island	167	2	165	4	157	4	210	5
South Carolina	6,983	80	5,631	80	5,370	87	7,175	91
South Dakota	4,307	55	3,190	47	3,042	50	4,064	53
Tennessee	8,385	100	7,335	105	6,995	114	9,347	120
Texas	12,090	140	10,422	155	9,939	169	13,281	177
Utah	2,674	30	2,259	30	2,155	33	2,879	34
Vermont	2,799	29	2,520	37	2,403	38	3,211	40
Virgin Islands	249	3	318	3	303	4	406	4
Virginia	6,178	85	5,526	78	5,270	84	7,042	88
Washington	5,510	61	4,359	62	4,157	67	5,554	70
West Virginia	4,373	52	4,052	59	3,864	65	5,163	68
Wisconsin	6,112	73	4,534	65	4,325	72	5,778	75
Wyoming	2,174	27	1,906	29	1,819	32	2,429	33
Western Pacific Areas	1,858	14	1,120	15	1,069	17	1,427	18
Obligations	743,257	4,259	748,810	4,401	818,241	4,734	985,133	5,327

2023 USDA EXPLANATORY NOTES – RURAL DEVELOPMENT SALARIES AND EXPENSES

State/Territory/Country	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Bal. Available, EOY	11,500	-	7,500	-	-	-	-	-
Total, Available	754,757	4,257	756,310	4,401	818,241	4,734	985,133	5,327

Table RD-9. Geographic Breakdown of Obligations and FTE – Mandatory Funding (thousands of dollars)

State/Territory/Country	2020		2021		2022		2023	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
District of Columbia	\$2,698	2	\$4,980	4	\$21,403	2	\$16,823	2
Obligations	2,698	2	4,980	4	21,403	2	16,823	2

CLASSIFICATION BY OBJECTS

Table RD-10. Classification by Objects-Rural Development (thousands of dollars)

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
	Personnel Compensation:				
	Washington D.C.	\$160,587	\$179,003	\$232,889	\$62,705
	Personnel Compensation, Field	196,955	210,134	155,237	422,390
11	Total personnel compensation	357,542	389,138	388,126	485,095
12	Personal benefits	133,576	145,570	169,674	169,598
13.0	Benefits for former personnel	530	-	-	-
	Total, personnel comp. and benefits	491,648	534,708	557,800	654,693
	Other Objects:				
21.0	Travel and transportation of persons	5,426	3,260	5,250	8,007
22.0	Transportation of things	4	-	-	-
23.1	Rental payments to GSA	19,477	15,707	18,303	19,010
23.2	Rental payments to others	14,565	14,792	18,594	18,058
23.3	Communications, utilities, and misc. charges	5,809	4,050	3,788	3,033
24.0	Printing and reproduction	1,750	731	1,069	685
25	Other contractual services	15,084	-	-	53,870
25.1	Advisory and assistance services	-	55,611	93,531	41,115
25.2	Other services from non-Federal sources	7,972	1,344	500	2,055
25.3	Other goods and services from Federal sources	12,079	23,915	26,136	35,559
25.5	Research and development contracts	93,560	15,142	25,975	79,534
25.7	Operation and maintenance of equipment	73,827	72,719	65,302	66,629
26.0	Supplies and materials	1,009	915	350	1,404
31.0	Equipment	876	5,673	1,494	1,478
42.0	Insurance Claims and Indemnities	171	243	150	-
	Total, Other Objects	251,609	214,102	260,442	330,437
99.9	Total, new obligations	743,257	748,810	818,242	985,130
	DHS Building Security Payments (included in 25.3)	\$2,899	\$2,971	\$2,882	\$2,882
	Information Technology Investments:				
11	Internal Labor	11,660	1,248	3,093	4,179
	External Labor (Contractors)	29,370	-	-	-
25.1	Advisory and assistance services (IT O&M)	-	3,282	3,106	2,307
25.5	Research and development contracts (IT DME)	-	-	1,375	24,315
11	Internal Labor	-	3,725	1,882	2,078
25.1	Advisory and assistance services (IT O&M)	-	9,794	2,000	1,109
25.5	Research and development contracts (IT DME)	-	-	-	14,000
	Total CLGG	41,030	18,049	11,456	47,988
11	Internal Labor	-	1,507	1,507	4,100
25.1	Advisory and assistance services (IT O&M)	-	12,957	4,790	3,940
25.5	Research and development contracts (IT DME)	-	-	-	19,500
	Total RLG	0	14,464	6,297	27,540
11	Internal Labor	-	452	452	600
25.1	Advisory and assistance services (IT O&M)	-	3,613	2,953	2,903
	Total ECM	0	4,065	3,405	3,503
	Mission Area Non-Major Investment Totals	-	25,079	11,906	32,140
	Mission Area Standard Investment Totals	60,842	14,329	10,934	14,778
25.7	Mission Area WCF Transfers	58,725	73,155	65,302	66,629
	Total Non-Major Investment	119,567	112,563	88,142	113,547
	Total IT Investments	160,597	149,141	109,300	192,578
	Position Data:				
	Average Salary (dollars), ES Position	\$175,495	\$177,250	\$182,036	\$187,497
	Average Salary (dollars), GS Position	\$82,856	\$83,685	\$85,944	\$88,523
	Average Grade, GS Position	12.5	12.5	12.5	12.5

Table RD-11. Classification by Objects-Biobased Market Program (thousands of dollars)

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Personnel Compensation:					
	Washington D.C.	\$378	\$250	\$294	\$294
11	Total personnel compensation	378	250	294	294
12	Personal benefits	74	94	126	126
	Total, personnel comp. and benefits	452	344	420	420
Other Objects:					
21.0	Travel and transportation of persons	-	-	55	55
24.0	Printing and reproduction	50	-	-	-
25	Other contractual services	2,105	-	-	-
25.1	Advisory and assistance services	-	1,532	1,705	1,705
25.3	Other goods and services from Federal sources	-	561	450	450
26.0	Supplies and materials	1	-	5	5
31.0	Equipment	-	-	5	5
	Total, Other Objects	2,156	2,093	2,220	2,220
99.9	Total, new obligations	2,608	2,437	2,640	2,640

Table RD-12. Classification by Objects-Local Agricultural Market Program (thousands of dollars)

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Personnel Compensation:					
	Washington D.C.	-	\$150	\$175	\$175
11	Total personnel compensation	-	150	175	175
12	Personal benefits	-	74	75	75
	Total, personnel comp. and benefits	-	225	250	250
Other Objects:					
25	Other contractual services	-	-	3,347	-
25.1	Advisory and assistance services	-	1	-	1,710
25.2	Other services from non-Federal sources	\$90	12	25	25
25.3	Other goods and services from Federal sources	-	347	-	-
26.0	Supplies and materials	-	-	15	15
	Total, Other Objects	90	360	3,387	1,750
99.9	Total, new obligations	90	585	3,637	2,000

Table RD-13. Classification by Objects-Local Agricultural Market Program COVID (thousands of dollars)

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Personnel Compensation:					
	Washington D.C.	-	\$95	\$1,645	-
11	Total personnel compensation	-	95	1,645	-
12	Personal benefits	-	-	705	-
	Total, personnel comp. and benefits	-	95	2,350	-
Other Objects:					
25.1	Advisory and assistance services	-	-	593	-
	Total, Other Objects	-	-	593	-
99.9	Total, new obligations	-	95	2,943	-

Table RD-14. Classification by Objects- American Rescue Program Act (thousands of dollars)

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
Personnel Compensation:					
	Washington D.C.	-	\$63	-	-
11	Total personnel compensation	-	63	-	-
12	Personal benefits	-	11	-	-
	Total, personnel comp. and benefits	-	74	-	-
Other Objects:					
25.1	Advisory and assistance services	-	1,768	\$12,184	\$12,184
	Total, Other Objects	-	1,768	12,184	12,184
99.9	Total, new obligations	-	1,842	12,184	12,184

ADVERTISING EXPENDITURES

Table RD-15. Advertising Expenditures (thousands of dollars)

Item	2021 Number of Contracts	2021 Dollars Obligated	2022 Number of Contracts	2022 Dollars Obligated	2023 Number of Contracts	2023 Dollars Obligated
Total Contracts for Advertising Services	1	\$450,000	1	\$450,000	1	\$450,000
Contracts for Advertising Services to Women-Owned and Minority-Owned Small Businesses	1	450,000	1	450,000	1	450,000

PROJECT STATEMENT

Table RD-16. Project Statement Disaster Assistance Fund (thousands of dollars)

Item	2020 Actual BA	2021 Actual BA	2022 Estimated BA	2023 Estimated BA	Budget Authority Inc. or Dec.
Bal. Available, SOY	\$11,105	\$11,105	\$11,105	\$11,105	\$ -
Total Available	11,105	11,105	11,105	11,105	-
Bal. Available, EOY	-11,105	-11,105	-11,105	-11,105	-
Total Obligations	-	-	-	-	-

SUMMARY OF PERFORMANCE AND EVALUATION

Introduction

USDA’s Rural Development (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) Rural Business-Cooperative Service (RBCS) provides assistance for the development of business and industry, including small businesses, and renewable energy and energy improvement projects; (2) Rural Housing Service (RHS) provides assistance for home ownership, multi-family housing, and essential community facilities such sectors as healthcare, education, and public safety; and (3) Rural Utilities Service (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.

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 FY 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:

- Objective 1.4: Increase Carbon Sequestration and Reduce Greenhouse Gas Emissions
- Objective 1.2: Build Resilient Food Systems, Infrastructure, and Supply Chain
- 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
- Objective 6.2: 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 is located at <https://www.usda.gov/our-agency/about-usda/performance>. The following tables summarize Rural Development’s contributions to the Departmental Key Performance Indicators (KPIs).

Table RD-1. KPI

Strategic Objective 5.1		FY 22	FY 23
E-connectivity	Baseline	Target	Target
5.1.1 Number of households with potential access to RD-funded new and/or improved e-connectivity services management actions,	156,501	200,000 households	250,000 households

Expected Performance Progress Towards the Achievement of Strategic Objective:

E-Connectivity: Strong digital economies enable rural communities to chart their own courses toward prosperity. Access to broadband is at the foundation of digital economy ecosystem strategies, which includes growing the economy with digital jobs, technical skill-building, entrepreneurship, and smart amenities to retain and attract working-age adults in rural communities. The COVID-19 pandemic also brought into stark focus that broadband gaps must be closed to support rural health access, remote learning, remote work options, among other areas to strengthen rural prosperity. RD is committed to exploring and implementing innovative approaches to supporting the funding of broadband across its portfolio of loan and grant programs in order to alleviate the rural e-connectivity gap. We are expanding our outreach and technical assistance efforts and continue to reduce loan processing times through the streamlining of work processes and staff training. As part of these efforts, RD plans to provide a total of two hundred webinars and three hundred technical assistance sessions over the FY 2022 and FY 2023 fiscal years.

Table RD-2. KPI

Strategic Objective 5.2		FY 22	FY 23
Equity in Field-Based Programs	Baseline	Target	Target
5.2.1 Engagement of underserved, socially disadvantaged and vulnerable rural and Tribal communities in field-based programs and investment in these designated communities. (EC= Equity Communities)	Not applicable	460 EC \$12M	460 EC \$18M

Expected Performance Progress Towards the Achievement of Strategic Objective:

Equity in Field-Based Programs: It is vital to the future economic growth and prosperity of the United States that all eligible areas, entities and residents have equitable access to RD programs and can benefit from RD-funded projects. As such, RD is leveraging our extensive field network, data and strategic investment resources to initiate the *Equity Project*. As part of this effort, states are being asked to *Connect to, Engage with, and Assist* socially vulnerable, distressed, and under-represented communities. By connecting and engaging with these communities we can further our understanding of their barriers to accessing RD programs and develop actionable strategies to assist them. The long-term goal of the *Equity Project* is to increase investments in underserved rural communities through direct RD support and by connecting communities with local, state, and federal partners.

Table RD-3. KPI

Strategic Objective 5.3		FY 22	FY 23
Distressed Communities Assistance	Baseline	Target	Target
5.3.1 Percentage of RD assistance that went to distressed communities (measured at the zip code level)	20%	25%	30%

Strategic Objective 5.3		FY 22	FY 23
Non-Federal Funding	Baseline	Target	Target
5.3.2 Percentage of RD commercial/infrastructure investments that leverage non-Federal funding	81%	81%	81%

Expected Performance Progress Towards the Achievement of Strategic Objective:

Distressed Communities Assistance: On average, rural places lag behind non-rural places on nearly every measure of economic well-being from poverty rates to labor force participation. RD is working to increase access to capital and economic benefits in distressed communities through targeted technical assistance, improved grants policy, Justice40 initiatives, workforce development programs, and other such initiatives. We are committed to ensuring our benefits reach those rural communities that have the highest need and lowest capacity and have included goals related to investing in distressed communities into state leadership performance plans. *More information on this implementation strategy can be found in the USDA Equity Action Plan.*

Non-Federal Funding: Where possible RD is committed to collaborating with other Federal agencies, State and local governments, non-profits, and the private sector on place-based and sector-based strategies (e.g., leveraging federal funds across agencies, layering technical assistance, coordinating sectoral development like food supply chain support and outdoor recreation) to more efficiently and effectively foster rural prosperity and economic development.

Table RD-4. KPI

Strategic Objective 5.4		FY 22	FY 23
Climate/Coal Decline Geographies	Baseline	Target	Target
5.4.1 Percentage of 25 priority geographies hard-hit by declines in coal production and consumption that are being served by RD programs	6%	7%	8%

Expected Performance Progress Towards the Achievement of Strategic Objective:

Climate/Coal Decline Geographies: Rural and Tribal communities are disproportionately impacted by the effects of climate change and other stressors, such as experiencing negative health impacts from air and water pollution and disruptions to critical food systems. RD is committed to increasing rural community resilience to climate change and recognizes the importance of investing in coal, oil and gas, and power plant communities to create good-paying jobs, spur economic revitalization, remediate environmental degradation, and support energy workers. As a member of *Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization*, we are encouraging and awarding priority points to projects that improve the livelihoods of community residents and meet pollution mitigation or clean energy goals. This is part of Rural Development’s framework for prioritizing projects that address the key challenges facing rural America. This funding priority supports the administration’s mission to help the people of rural America build back better, by helping them recover economically from the impacts of the COVID-19 pandemic, by ensuring all rural residents have equitable access to RD programs, and by reducing climate pollution and increasing resiliency to the impacts of climate change.

Table RD-5. KPI

Strategic Objective 6.2.4		FY 22	FY 23
OneRD Customer Experience	Baseline	Target	Target
Percentage of OneRD customers whose application processing time (receipt to Conditional Commitment) does not exceed 30 days. Part 2: Percentage of OneRD program customer (lender) satisfaction survey ratings of 4 or above	Processing: 39%, CX Survey:55%	Processing: 45% CX: 60%	Processing: 55% CX: 65%

Expected Performance Progress Towards the Achievement of Strategic Objective:

OneRD Customer Experience: Rural Development is taking steps to increase private investment in rural communities across the country by making it easier for lenders to access four flagship loan guarantee programs: Business and Industry, Community Facilities, Rural Energy for America, and Water and Waste Disposal. The OneRD Guaranteed Loan Initiative is improving program performance and impact by changing how we deliver commercial guarantee programs, implementing a standard set of requirements, processes and forms across the four flagship loan guarantee programs. We are taking a holistic approach to this project, improving all aspects of the customer experience by meeting their expectations for consistency, accountability, transparency and speed of service.