

2019 President's Budget  
Rural Development  
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RURAL DEVELOPMENT

Available Funds and Staff Years (SYs)  
(Dollars in thousands)

Item	2016 Actual		2017 Actual		2018 Estimate		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Rural Community Facility Program Account a/.....	\$42,278	--	\$47,100	--	\$46,780	--	--	--
Rural Housing Insurance Fund Program Account d/.....	87,713	--	97,638	--	96,975	--	--	--
Rural Housing Assistance Grants e/.....	32,239	--	33,701	--	33,472	--	--	--
Rental Assistance Program v/.....	1,389,695	--	1,405,033	--	1,395,493	--	\$1,351,400	--
Multi-Family Housing Revitalization Program f/.....	37,000	--	41,400	--	41,119	--	--	--
Multi-Family Housing Revitalization Program GP Pilot f/.....	--	--	1,000	--	993	--	--	--
Mutual and Self-help Housing Grants g/.....	27,500	--	30,000	--	29,796	--	--	--
Rural Water and Waste Disposal Program Account b/i/.....	522,365	--	571,190	--	567,312	--	--	--
Rural Electrification and Telecommunications								
Program Account: Subsidy, including RESPA w/.....	8,104	--	11,071	--	10,996	--	863	--
Program Account: Subsidy, GP FFB Refinancing w/.....	--	--	13,800	--	13,706	--	--	--
Distance Learning, Telemedicine, and Broadband Program h/.....	36,872	--	65,600	--	65,155	--	58,121	--
Rural Business Program Account c/.....	62,687	--	65,319	--	64,875	--	--	--
Intermediary Relending Loan Program Account: Subsidy.....	5,217	--	5,476	--	5,439	--	--	--
Rural Economic Development Loans								
Program Account: Subsidy j/.....	[4,429]	--	[5,493]	--	[5,057]	--	--	--
Rural Economic Development Grants Rescission.....	-179,000	--	-132,000	--	-132,000	--	-225,000	--
Rural Energy for America Program.....	500	--	352	--	350	--	--	--
Rural Cooperative Development Grants k/.....	22,050	--	26,550	--	26,370	--	--	--
Rural Empowerment Zone/Enterprise Community Grants l/.....	--	--	--	--	--	--	--	--
Healthy Food Financing Initiative x/.....	--	--	1,000	--	993	--	--	--
Rescission.....	--	--	[-4,736]	--	--	--	[-54,046]	--
Sequestration.....	[-1,117]	--	[-1,104]	--	[-1,020]	--	--	--
Temporary Sequestration Restoration.....	[1,284]	--	[1,117]	--	[1,104]	--	[1,020]	--
Subtotal, Ongoing Programs.....	2,095,220	--	2,284,230	--	2,267,824	--	1,185,384	--
Farm Bill Authorities:								
Rural Microentrepreneur Assistance Program r/.....	3,000	--	3,000	--	3,000	--	--	--
Biorefinery Assistance Program s/.....	50,000	--	--	--	--	--	--	--
Energy Assistance Payments t/.....	15,000	--	15,000	--	15,000	--	--	--
Rural Energy for America Program u/.....	50,000	--	50,000	--	50,000	--	50,000	--
Rural Cooperative Development Grants m/.....	--	--	--	--	--	--	--	--
Sequestration.....	-8,024	--	-4,692	--	-4,488	--	--	--
Subtotal, Farm Bill Authorities.....	109,976	--	63,308	--	63,512	--	50,000	--
Salaries and Expenses n/.....	667,376	4,759	675,827	4,807	680,079	4,825	612,127	3,945
Total, Salaries and Expenses & Program Resources.....	2,872,572	4,759	3,014,914	4,807	3,011,415	4,825	1,847,511	3,945
Obligations under other USDA Appropriations:								
Reimbursements from:								
Farm Service Agency.....	8,530	--	10,308	--	10,500	--	10,500	--
Natural Resources & Conservation Service.....	43	--	127	--	300	--	300	--
Office of the Chief Information Officer.....	0	--	16	--	16	--	16	--
Foreign Agriculture Services.....	59	--	2	--	2	--	2	--
Miscellaneous Reimbursements.....	955	--	1,220	--	1,200	--	1,200	--
Total, Other USDA appropriations.....	9,587	--	11,673	--	12,018	--	12,018	--
Total, Agriculture Appropriations.....	4,977,379	4,759	5,310,817	4,847	5,291,257	4,825	3,044,913	3,945
Rural Economic Development Loans o/.....	4,429	--	5,493	--	5,057	--	-	--
Rural Economic Development Grants o/.....	12,000	--	10,000	--	10,000	--	-	--

Item	2016 Actual		2017 Actual		2018 Estimate		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
<b>Other Federal Funds:</b>								
Appalachian Regional Commission Program p/.....	--	--	6	--	--	--	--	--
NADBank q/.....	--	--	--	--	--	--	--	--
Small Business Administration.....	--	--	--	--	400	--	400	--
Federal Emergency Management Agency.....	--	--	--	--	500	--	500	--
Department of Commerce.....	181	--	180	--	180	--	180	--
Subtotal, Other Federal Funds.....	181	--	186	--	1,080	--	1,080	--
Total, Rural Development.....	4,993,989	4,759	5,326,496	4,847	5,307,394	4,825	3,045,993	3,945

- a/ Excludes \$13,513,261.87 of unobligated balances and \$1,956,694.71 in recoveries of prior year obligations available in 2016.  
Excludes \$6,414,129.14 of unobligated balances and \$3,967,101.60 in recoveries of prior year obligations available in 2017.  
Excludes a rescission of unobligated balances in the amount of \$633,115.69 in 2017.  
Excludes \$9,620,659.30 of unobligated balances and \$3,991,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$10,729,000 of estimated unobligated balances and \$3,97,000 in estimated recoveries of prior year obligations available in 2019.
- b/ Excludes \$92,375,768.23 of unobligated balances and \$53,760,794.75 in recoveries of prior year obligations available in 2016.  
Excludes a rescission of unobligated balances in the amount of \$13,000,000 in 2016.  
Excludes \$65,399,030.98 of unobligated balances and \$62,095,815.35 in recoveries of prior year obligations available in 2017.  
Excludes a rescission of unobligated balances in the amount of \$227,400.37 in 2017.  
Excludes \$41,690,973.06 of unobligated balances and \$45,101,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$114,470,000 of estimated unobligated balances and \$42,846,000 in estimated recoveries of prior year obligations available in 2019.
- c/ Excludes \$28,124,288.43 of unobligated balances and \$15,720,556.92 in recoveries of prior year obligations available in 2016.  
Excludes \$26,975,150.55 of unobligated balances and \$14,219,579.50 in recoveries of prior year obligations available in 2017.  
Excludes a rescission of unobligated balances in the amount of \$767,518.43 in 2017.  
Excludes \$20,956,291.16 of unobligated balances and \$9,905,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$12,370,000 of estimated unobligated balances and \$9,327,000 in estimated recoveries of prior year obligations available in 2019.
- d/ Excludes \$21,656,993.95 of unobligated balances and \$117,677.83 in recoveries of prior year obligations available in 2016.  
Excludes \$4,677,570.99 of unobligated balances and \$16,788,059.70 in recoveries of prior year obligations available in 2017.  
Excludes \$17,588,274.96 of unobligated balances and \$6,355,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$20,336,000 of estimated unobligated balances and \$905,000 in estimated recoveries of prior year obligations available in 2019.  
Excludes a transfer of unobligated balances in the amount of \$3,601,000 into the account in 2019.
- e/ Excludes \$4,305,787.58 of unobligated balances and \$1,342,141.89 in recoveries of prior year obligations available in 2016.  
Excludes \$3,345,967.47 of unobligated balances and \$2,806,454.98 in recoveries of prior year obligations available in 2017.  
Excludes a rescission of unobligated balances in the amount of \$2,420,129.91 in 2017.  
Excludes \$3,370,424.86 of unobligated balances and \$1,200,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$2,993,000 of estimated unobligated balances and \$1,000,000 in estimated recoveries of prior year obligations available in 2019.
- f/ Excludes \$23,929,619.23 of unobligated balances and \$2,947,674.42 in recoveries of prior year obligations available in 2016.  
Excludes \$3,028,021.52 of unobligated balances and \$5,919,123.31 in recoveries of prior year obligations available in 2017.  
Excludes a rescission of unobligated balances in the amount of \$99,927 in 2017.  
Excludes \$14,010,081.76 of unobligated balances and \$3,061,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$5,150,000 of estimated unobligated balances available in 2019. Excludes transfers out of \$1,549,000 and \$3,601,000 in 2019.
- g/ Excludes \$8,971,984.45 of unobligated balances and \$2,169,284.78 in recoveries of prior year obligations available in 2016.  
Excludes \$10,112,681.83 of unobligated balances and \$2,794,609.84 in recoveries of prior year obligations available in 2017.  
Excludes a rescission of unobligated balances in the amount of \$30,229.52 in 2017.  
Excludes \$6,262,677.64 of unobligated balances and \$1,404,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$7,493,000 of estimated unobligated balances and \$1,334,000 in estimated recoveries of prior year obligations available in 2019.
- h/ Excludes \$22,172,401.57 of unobligated balances and \$14,926,412.55 in recoveries of prior year obligations available in 2016.  
Excludes \$27,363,716.12 of unobligated balances and \$8,962,200.84 in recoveries of prior year obligations available in 2017.  
Excludes a rescission of unobligated balances in the amount of \$566,385.95 in 2017.  
Excludes \$41,951,686.81 of unobligated balances and \$6,035,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$37,609,000 of estimated unobligated balances and \$5,615,000 in estimated recoveries of prior year obligations available in 2019.
- i/ Excludes \$19,010,006.37 of unobligated balances and \$128,140.40 in recoveries of prior year obligations available in 2016.  
Excludes \$20,279,454.77 of unobligated balances and \$17,500 in recoveries of prior year obligations available in 2017.  
Excludes \$13,275,854.47 of unobligated balances available in 2018. Excludes \$9,981,000 of unobligated balances available in 2019.
- j/ Excludes \$570,212.45 of unobligated balances and \$1,148,953.64 in recoveries of prior year obligations available in 2016.  
Excludes \$443,350.93 of unobligated balances and \$891,445.65 in recoveries of prior year obligations available in 2017.  
Excludes \$1,734,858.75 of unobligated balances and \$818,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$818,000 of estimated unobligated balances and \$793,000 in estimated recoveries of prior year obligations available in 2019.
- k/ Excludes \$3,565,013.68 of unobligated balances and \$1,873,970.68 in recoveries of prior year obligations available in 2016.  
Excludes \$1,796,435.36 of unobligated balances and \$2,344,445.15 in recoveries of prior year obligations available in 2017.  
Excludes a rescission of unobligated balances in the amount of \$21,596.69 in 2017.

- Excludes \$15,461,228.51 of unobligated balances and \$792,000 in estimated recoveries of prior year obligations available in 2018.
- Excludes \$1,761,000 of estimated unobligated balances and \$726,000 in estimated recoveries of prior year obligations available in 2019.
- l/ Excludes \$33,456.33 in unobligated balances available in 2016, 2017, 2018, and 2019 estimated.
- m/ Excludes \$41,964,807.09 of unobligated balances and \$72,010.13 in recoveries of prior year obligations available in 2016.  
Excludes \$10,558,262.66 of unobligated balances and \$656,912.16 in recoveries of prior year obligations available in 2017.  
Excludes \$8,865,142.59 of unobligated balances and \$190,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$1,055,000 of estimated unobligated balances and \$174,000 in estimated recoveries of prior year obligations available in 2019.
- n/ Includes \$16,558,706.80 for IT Carryover in 2015. Includes \$23,300,000.00 for IT Carryover in 2016.
- o/ Section 313 of the Rural Electrification Act provides the authority to make grants with the earnings generated from the interest differential on voluntary cushion of credit payments made by RUS borrowers.
- p/ Excludes \$2,749,167.86 of unobligated balances and \$1,133,342.33 in recoveries of prior year obligations available in 2016.  
Excludes \$6,665,266.16 of unobligated balances in 2017.  
Excludes \$7,239,998.82 of unobligated balances in 2018.
- q/ Excludes \$37,665.53 of unobligated balances available in 2016. Excludes \$915.44 of unobligated balances available in 2017.
- r/ Excludes \$2,170,661.87 of unobligated balances and \$566,818.35 in recoveries of prior year obligations available in 2016.  
Excludes \$566,881.22 of unobligated balances and \$319,959.49 in recoveries of prior year obligations available in 2017.  
Excludes \$319,993.71 of unobligated balances and \$288,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$290,000 of estimated unobligated balances and \$259,000 in estimated recoveries of prior year obligations available in 2018.
- s/ Excludes \$124,100,471.78 of unobligated balances and \$6,700,000.00 in recoveries of prior year obligations available in 2016.  
Excludes \$174,150,471.78 of unobligated balances and \$252,991.35 in recoveries of prior year obligations available in 2017.  
Excludes \$91,631,634 of estimated unobligated balances and transfer of \$43,003,463.10 from CCC available in 2018 .  
Excludes \$70,830,000 of estimated unobligated balances available in 2019.
- t/ Excludes \$9,298,036.28 of unobligated balances and \$1,958,591.92 in recoveries of prior year obligations available in 2016.  
Excludes \$11,208,278.84 of unobligated balances and \$3,114,049.76 in recoveries of prior year obligations available in 2017.  
Excludes \$14,439,685.83 of unobligated balances available in 2018. Excludes \$11,679,000 of unobligated balances available in 2019.
- u/ Excludes \$10,688,306.57 of unobligated balances and \$5,958,425.53 in recoveries of prior year obligations available in 2016.  
Excludes \$9,464,915.21 of unobligated balances and \$11,108,821.28 in recoveries of prior year obligations available in 2017.  
Excludes \$12,699,763.93 of unobligated balances and \$6,834,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$6,874,000 of estimated unobligated balances and \$6,151,000 in estimated recoveries of prior year obligations available in 2019.
- v/ Excludes \$40,000,000 of unobligated balances available in 2018.  
Excludes \$12,699,763.93 of unobligated balances and \$6,834,000 in estimated recoveries of prior year obligations available in 2018.  
Excludes \$6,874,000 of estimated unobligated balances and \$6,151,000 in estimated recoveries of prior year obligations available in 2019.
- w/ Excludes \$8,000,000 of unobligated balances available in 2017. Excludes \$26,294,978.80 of unobligated balances available in 2018.  
Excludes \$38,380,000 of estimated unobligated balances available in 2019.
- x/ Excludes \$1,000,000 of unobligated balances available in 2018.

RURAL DEVELOPMENT

SALARIES AND EXPENSES

Permanent Positions by Grade and Staff Year Summary

Item	2016 Actual			2017 Actual			2018 Estimate			2019 President's Budget		
	Wash.			Wash.			Wash.			Wash.		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	18	-	18	14	-	14	14	-	14	14	-	14
SL.....	4	-	4	3	-	3	3	-	3	3	-	3
GS-15.....	68	42	110	67	-	67	68	42	110	67	-	67
GS-14.....	130	8	138	126	7	133	130	8	138	126	7	133
GS-13.....	398	380	778	405	366	771	404	385	789	405	366	771
GS-12.....	343	1,080	1,423	221	1,092	1,313	383	1,090	1,473	221	1,092	1,313
GS-11.....	108	455	563	119	430	549	108	455	563	119	430	549
GS-10.....	1	-	1	1	-	1	1	-	1	1	-	1
GS-9.....	91	506	597	95	452	547	91	506	597	95	452	547
GS-8.....	69	19	88	15	65	80	69	19	88	15	65	80
GS-7.....	357	635	992	367	602	969	357	635	992	367	602	969
GS-6.....	37	122	159	25	76	101	37	122	159	25	76	101
GS-5.....	76	144	220	34	88	122	76	144	220	34	88	122
GS-4.....	5	66	71	11	50	61	5	66	71	11	50	61
GS-3.....	2	9	11	18	38	56	2	9	11	18	38	56
GS-2.....	1	2	3	2	1	3	1	2	3	2	1	3
Ungraded Positions.....	3	-	3	-	-	-	-	-	-	-	-	-
Total Perm. Positions.....	1,711	3,468	5,179	1,523	3,267	4,790	1,749	3,483	5,232	1,523	3,267	4,790
Unfilled, EOY..	251	226	477	18	75	93	217	190	407	285	560	845
Total, Perm. Full-Time Employment, EOY.....	1,460	3,242	4,702	1,505	3,192	4,697	1,532	3,293	4,825	1,238	2,707	3,945
Staff Year Est...	1,479	3,368	4,847	1,523	3,284	4,807	1,532	3,293	4,825	1,239	2,706	3,945

RURAL DEVELOPMENT

MOTOR VEHICLE FLEET DATA

Size, Composition, and Annual Operating Costs of Vehicle Fleet  
(in thousands of dollars)

Fiscal Year	Number of Vehicles by Type *							Annual Operating Costs (\$ in 000)	
	Sedans and Station Wagons	Light Trucks, SUVs, and Vans		Medium Duty Vehicles	Ambulances	Buses	Heavy Duty Vehicles		Total Number of Vehicles
		4x2	4x4						
FY 2016	570	137	104				811	\$4,650	
Change	-	-	-				-	-	
FY 2017	570	137	104				811	4,650	
Change	-	-	-2				-	-250	
FY 2018	570	137	102				811	4,400	
Change	-	-	-				-	-	
FY 2019	570	142	102				811	4,400	

\* Numbers include vehicles owned by the agency and leased from commercial sources or GSA.

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.

RURAL DEVELOPMENT

SALARIES AND EXPENSES

Shared Funding Projects  
(Dollars in thousands)

	2016 Actual	2017 Actual	2018 Estimate	2019 Estimate
<b>Working Capital Fund:</b>				
Administration:				
HR Enterprise System Management.....	\$35	\$35	\$37	\$54
Mail and Reproduction Management.....	1,138	1,526	1,542	1,548
Material Management Service Center.....	121	173	201	205
Procurement Operations.....	44	57	68	56
Integrated Procurement System.....	148	148	201	203
Subtotal.....	1,486	1,939	2,049	2,066
Communications:				
Creative Media & Broadcast Center.....	1,054	979	951	1,207
Finance and Management:				
NFC/USDA.....	1,275	1,319	1,337	1,362
Financial Management Services.....	3,190	2,643	2,529	2,578
Internal Control Support Services.....	222	226	207	208
Subtotal.....	4,687	4,188	4,073	4,148
Information Technology:				
NITC/USDA.....	22,099	23,214	22,887	22,887
Client Technology Service.....	31,563	31,469	28,806	30,793
Subtotal.....	53,662	54,683	51,693	53,680
Correspondence Management.....	243	266	239	258
Total, Working Capital Fund.....	61,132	62,055	59,005	61,359
<b>Department Shared Cost Programs:</b>				
1890's USDA Initiatives.....	152	178	162	162
Classified National Security Information.....	24	25	27	27
Continuity of Operations Planning.....	96	98	92	92
Identity & Access Management HSPD-12.....	324	323	291	291
Emergency Operations Center.....	112	113	101	101
Facility and Infrastructure Review and Assessment.....	21	22	20	20
Faith-Based Initiatives and Neighborhood Partnerships.....	18	19	17	17
Hispanic-Serving Institutions National Program.....	84	94	86	86
Honor Awards.....	4	0	3	3
Human Resources Transformation.....	74	80	76	76
Intertribal Technical Assistance Network.....	147	145	133	133
Medical Services.....	52	48	56	56
People's Garden.....	31	31	28	28
Personnel Security Branch.....	37	41	35	35
Pre-authorizing Funding.....	179	169	160	160
Retirement Processor/Web Application.....	28	28	26	26
TARGET Center.....	69	71	63	63
USDA 1994 Program.....	33	38	34	34
Virtual University.....	95	97	86	86
Total, Department Shared Cost Programs.....	1,580	1,620	1,496	1,496
<b>E-Gov:</b>				
Budget Formulation and Execution Line of Business.....	9	9	7	7
Disaster Assistance Improvement Plan.....	19	21	21	21
Enterprise Human Resources Integration.....	94	94	94	94
E-Rulemaking.....	24	23	28	23
E-Training.....	117	-	-	-
Financial Management Line of Business.....	6	4	4	4
Geospatial Line of Business.....	25	38	38	38
GovBenefits.gov.....	67	73	75	76
Grants.gov.....	32	30	23	28
Human Resources Line of Business.....	13	13	14	14
Integrated Acquisition Environment.....	418	1,075	1,096	1,184
FOIA.....	-	-	-	2
Total, E-Gov.....	824	1,380	1,400	1,491
Agency Total.....	63,536	65,055	61,901	64,346

## RURAL DEVELOPMENT

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

### Rural Development Salaries and Expenses (including transfers of funds):

For necessary expenses for carrying out the administration and implementation of programs in the Rural Development mission area, including activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; [~~\$233,142,000~~]\$156,054,000: *Provided*, That notwithstanding any other provision of law, funds appropriated under this heading may be used for advertising and promotional activities that support the Rural Development mission area.

#### SALARIES AND EXPENSES

##### Lead-off Tabular Statement

Budget Estimate, 2019.....	\$612,127,000
2018 Annualized Continuing Resolution.....	<u>680,079,000</u>
Change in Appropriation.....	<u>-67,952,000</u>

#### Salaries and Expenses by Source of Funding (Dollars in Thousands)

<u>Item</u>	<u>Direct Approp.</u>	<u>RUS E&amp;T</u>	<u>RUS Broadband</u>	<u>RUS WWD</u>	<u>RHS RHIF</u>	<u>RHS CF</u>	<u>RBS IRP</u>	<u>Total</u>
2018 Annualized CR.....	\$233,142	\$33,044	0	0	\$409,455	0	\$4,438	\$680,079
GSA Rent.....	134	33	\$7	\$16	209	\$126	0	524
VERA/VSIP cost estimate for 600 Staff Years.....	3,824	932	197	445	5,985	3,617	0	15,000
Lump Sum Payment for Accrued Leave for 600 Staff Years.....	3,315	808	171	385	5,187	3,134	0	13,000
Reduction of 880 Staff Years and General Support.....	-75,521	3,210	7,682	17,303	-176,587	140,714	-4,438	-87,636
Reduction from the Comprehensive Loan Program.....	-8,840	0	0	0	0	0	0	-8,840
Change from 2018.....	<u>-77,088</u>	<u>4,983</u>	<u>8,057</u>	<u>18,149</u>	<u>-165,206</u>	<u>147,591</u>	<u>-4,438</u>	<u>-67,952</u>
Total, 2019 President's Budget.....	<u>156,054</u>	<u>38,027</u>	<u>8,057</u>	<u>18,149</u>	<u>244,249</u>	<u>147,591</u>	<u>0</u>	<u>612,127</u>

Note: The totals may not add due to rounding.

RURAL DEVELOPMENT

SALARIES AND EXPENSES

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2016 Actual		2017 Actual		2018 Estimate		Inc. or Dec.		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
	Discretionary Appropriations:									
Salary and Expenses.....	\$206,335	1,602	\$225,835	1,650	\$224,302	1,656	-\$68,248	-531	\$156,054	1,125
Comprehensive Loan Program.....	19,500	-	-	-	-	-	-	-	-	-
CLP GP 770(b) available through 9/30/18.....	-	-	8,900	-	8,840	-	-8,840	-	-	-
Subtotal Adjusted Appropriations.....	225,835	1,602	234,735	1,650	233,142	1,656	-77,088 (1)	-531	156,054	1,125
STEM Study GP 768.....	-	-	500	-	497	-	-497	-	-	-
Total Adjusted Appropriations.....	225,835	1,602	235,235	1,650	233,639	1,656	-77,585	-531	156,054	1,125
Rescissions, Transfers, and Seq. (Net) .....	457,241	3,245	450,142	3,157	446,937	3,169	+9,136 (1)	-349	456,073	2,820
Total Appropriation.....	683,076	4,847	685,377	4,807	680,576	4,825	-68,449	-880	612,127	3,945
Transfers In:										
Transfer for Congressional Relations.....	212	-	150	-	-	-	-	-	-	-
Rural Electrification & Telecommunications Loans.....	34,707	246	33,270	233	33,044	234	+4,983	+1	38,027	235
Distance Learning, Telemedicine and Broadband Program.....	-	-	-	-	-	-	8,057	+50	8,057	50
Community Facilities Program Account.....	-	-	-	-	-	-	147,591	+913	147,591	913
Rural Housing Insurance Fund Program Account.....	417,854	2,967	412,254	2,892	409,455	2,903	-165,206	-1,393	244,249	1,510
Water and Waste Disposal Program.....	-	-	-	-	-	-	+18,149	+112	18,149	112
Intermediary Relending Program.....	4,468	32	4,468	32	4,438	32	-4,438	-32	-	-
Subtotal.....	457,241	3,245	450,142	3,157	446,937	3,169	+9,136	-349	456,073	2,820
Reimbursements.....	-	-	11,878	-	-	-	-	-	-	-
Bal. Available, SOY.....	23,300	-	23,550	-	15,537	-	-	-	-	-
Total Available.....	706,376	4,847	720,805	4,807	696,113	4,825	-68,449	-880	612,127	3,945
Rescinded Balances.....	-	-	-8,900	-	-	-	-	-	-	-
Lapsing Balances.....	-1,389	-	-3,602	-	-	-	-	-	-	-
Bal. Available, EOY.....	-20,900	-	-15,537	-	-15,776	-	-	-	-	-
Total Obligations.....	684,087	4,847	692,766	4,807	680,337	4,825	-68,449	-880	612,127	3,945

RURAL DEVELOPMENT

SALARIES AND EXPENSES

Project Statement  
Obligations Detail and Staff Years (SYs)  
(Dollars in thousands)

Program	2016 Actual		2017 Actual		2018 Estimate		Inc. or Dec.		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Obligations:										
Salary and Expenses.....	\$207,346	1,602	\$242,624	1,650	\$214,664	1,656	-\$58,610	-531	\$156,054	1,125
Comprehensive Loan Program.....	19,500	-	-	-	-	-	-	-	-	-
CLP GP 770(b) available through 9/30/18.....	-	-	-	-	17,740	-	-17,740	-	-	-
Subtotal.....	226,846	1,602	242,624	1,650	232,404	1,656	-76,350	-531	156,054	1,125
STEM Study GP 768.....	-	-	-	-	997	-	-997	-	-	-
Subtotal.....	226,846	1,602	242,624	1,650	233,401	1,656	-77,347	-531	156,054	1,125
Rescissions, Transfers, and Seq. (Net) .....										
Transfer for Congressional Relations.....	212	-	150	-	-	-	-	-	-	0
Rural Electrification & Telecommunications Loans.....	34,707	246	33,270	233	33,044	234	+4,983	+1	38,027	235
Distance Learning, Telemedicine and Broadband Program.....	-	-	-	-	-	-	+8,057	+50	8,057	50
Community Facilities Program Account.....	-	-	-	-	-	-	+147,591	+913	147,591	913
Rural Housing Insurance Fund Program Account.....	417,854	2,967	412,254	2,892	409,455	2,903	-165,206	-1,393	244,249	1,510
Water and Waste Disposal Program.....	-	-	-	-	-	-	-	-	18,149	112
Intermediary Relending Program.....	4,468	32	4,468	32	4,438	32	-4,438	-32	-	-
Subtotal.....	457,241	3,245	450,142	3,157	446,937	3,169	+9,136	-461	456,073	2,820
Total Obligations.....	457,241	4,847	692,766	4,807	680,337	4,825	-68,211	-992	612,127	3,945
Rescinded Balance.....	-	-	8,900	-	-	-	-	-	-	-
Lapsing Balances.....	1,389	-	3,602	-	-	-	-	-	-	-
Bal. Available, EOY.....	20,900	-	15,597	-	15,776	-	-	-	-	-
Total Available.....	479,530	3,245	720,865	3,157	696,113	4,825	-83,986	-880	612,127	3,945
Transfers In.....	-457,241	-3,245	-450,142	-3,157	-446,937	-3,169	-9,136	+349	-456,073	-2,820
CLP GP 770(b) available through 9/30/18.....	-	-	-8,900	-	-	-	-	-	-	-
STEM Study GP 768.....	-	-	-500	-	-	-	-	-	-	-
Reimbursements.....	-	-	-11,878	-	-	-	-	-	-	-
Bal. Available, SOY.....	-23,300	-	-23,610	-	-15,537	-	+15,537	-	-	-
Total Appropriation.....	-1,011	-	225,835	-	233,639	+1,656	-77,585	-531	+156,054	+1,125

### Justification of Increases and Decreases

- (1) A net decrease of \$67,952,000 and 880 staff years for Salaries and Expenses (\$680,079,000 and 4,825 staff years available in 2018).

Rural Development's (RD) 2019 Budget request reflects a realignment of its core operations and program delivery mechanisms to ensure that RD funding is delivered in the most cost effective way to rural communities, with a focus on achieving greater efficiency and eliminating potentially duplicative spending while supporting investments in infrastructure. Included in this request are \$28 million in one-time expenses that will be needed to reduce the staff year level within RD commensurate with organizational realignments. The budget represents approximately a nine percent reduction from the annualized continuing resolution level in 2018 or, excluding the one-time expenses, a 15 percent reduction.

To implement this reduction RD will critically and comprehensively examine the size and scope of existing operations to ensure the agency's commitment to serving rural America is balanced against efficiencies that will streamline services provided. RD will cut operational costs wherever possible, including staff, the field office structure and program delivery mechanisms. Nearly all RD loan and grant origination activities will be terminated. This operational shift will substantially drive down staffing requirements in the associated programs.

RD's first priority is to work efficiently, effectively, with integrity and a focus on customer service. To that end, two new centers have been established to streamline mission support functions and enable program resources to be truly focused on more coordinated and timely service to our rural customers. Specifically, these are the Rural Innovations Center and the RD Business Center.

The Rural Innovation Center brings together and integrates a group of select functions that are critical to creating an environment in which rural communities can prosper, functions include:

- Policy and trend analysis
- Data analysis and program outcomes measurement
- Strategic planning
- Capacity building at the community level
- Partnership development: interagency, interdepartmental, intergovernmental

These activities will drive synergy across the three business lines within the RD mission area; utility infrastructure development, housing and community facilities, and business and cooperative programs, so as to ensure communities are well-equipped with a set of tools to address challenges and seize new opportunities in rural America.

The newly-created RD Business Center consolidates mission support functions; the strengthening of the RD administrative services team; and houses the Chief Information Officer, the Chief Operating Officer, the Chief Financial Officer, and the Chief Risk Officer. Led by a Director of Administration, the Center increases operational efficiencies, maximizes collaboration among agencies that serve similar customers, enhance reporting relationships, and increase accountability of financial and human resources. By streamlining and strengthening and realigning several critical business functions, RD will have an agile workforce which is able to respond quickly to the changing needs of our rural customers by both unifying processes and increasing our focus on infrastructure, partnership, and innovation.

The requested level will support an onboard staff level of 3,945, a reduction of 880 staff from 2018, which are associated with programs proposed to be eliminated. This reduction is expected to be achieved through methods such as natural attrition, offering Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP). RD will examine the staffing distribution resulting from reductions. Since many RD field offices are collocated with the Farm Service Agency and Natural Resources Conservation Service, as well as other USDA agencies in some instances, RD will closely coordinate with these agencies to ensure USDA offices remain accessible to local residents and minimize negative financial impact on other agency occupants of affected shared leases and space.

RD has an outstanding loan portfolio that exceeds \$216 billion and has over 1.3 million outstanding loans and loan guarantees, making it one of the largest “banks” in the country. The RD Mission Area priority is to maintain the portfolio quality and protect the American public’s interests in the loans outstanding. Meeting that responsibility requires constant vigilance in servicing and overseeing those loans.

The funding change includes the following items:

An increase of \$524,000 for the GSA Rent and Security (\$20,053,000 GSA Rent and \$3,069,000 Security available in 2018).

This increase will cover the projected increase in GSA rent and DHS security costs and, therefore, will prevent a decrease in general support. The requested level provides funding to support GSA rent and DHS security shortfalls and represents the amount estimated in 2019 to support GSA rental obligations for the field and national office space.

- a. An increase of \$15,000,000 for Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP) for staff working in programs that have been terminated.

This one-time increase is estimated to support VERA/VSIP for 600 staff in the 1165 and the 1101 occupational series. Staff working in the 1165 and 1101 job series are heavily involved in new loan, loan guarantee, and grant origination activities including: outreach, initiating required documentation, underwriting, obligation, inspections and compliance. Program terminations included in the 2019 request reduces the need for these activities. Further, RD would target administrative support functions, such as budget execution, Human Resources, IT and financial accounting that support new loan, loan guarantee and grant activities. It is estimated these functions would make up 10 percent of the required staff-year savings.

- b. An increase of \$13,000,000 for lump sum payments for accrued annual leave for 600 staff.

This one-time increase is requested to support lump sum payments for the estimated 600 staff accepting a VERA/VSIP. It is estimated that these employees are seasoned professionals in the latter part of their careers with fully matured annual leave balances.

- c. A decrease of \$8,840,000 for one time funding for the Comprehensive Loan Program.

The decrease is associated with the completion of the ongoing capital investment required to develop the Comprehensive Loan Program (CLP). The completion of the full development scope of CLP occurred in 2016; however, project development continued in 2018 with contracts awarded in 2017.

- d. A decrease of \$87,636,000 for savings realized from reducing workforce by 880 staff years.

The decrease is a result of savings generated from the implementation of workforce authorities such as VERA/VSIP. These savings are a result of lower salaries and benefits for 880 fewer positions, general support and IT expenses related to these positions and corresponding reductions in working capital fund and green book charges for shared service activities from across the Department. To implement this reduction RD will critically and comprehensively examine the size and scope of existing operations to ensure the agency’s commitment to serving rural America is balanced against efficiencies that will streamline services provided.

The requested level will support an onboard staff level of 3,945, a reduction of 880 staff from 2018. This reduction is expected to be achieved through methods such as natural attrition, offering Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments.

## RURAL DEVELOPMENT

## SALARIES AND EXPENSES

Geographic Breakdown of Obligations and Staff Years

(Dollars in thousands and Staff Years (SYs))

State/Territory	2016 Actual		2017 Actual		2018 Estimate		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Alabama.....	\$8,212	84	\$8,063	85	\$8,344	85	\$7,338	70
Alaska.....	3,941	32	3,848	31	4,005	30	3,521	25
Arizona.....	5,159	48	5,402	50	5,242	50	4,610	41
Arkansas.....	7,789	82	7,036	71	7,915	71	6,960	58
California.....	13,314	117	13,199	114	13,529	113	11,896	92
Colorado.....	5,254	49	5,299	48	5,339	48	4,695	40
Connecticut.....	1,207	14	1,149	11	1,226	12	1,078	10
Delaware.....	3,608	33	3,591	32	3,666	33	3,224	28
District of Columbia.....	341,860	1,479	359,797	1,523	332,595	1,532	306,339	1,238
Florida.....	9,440	92	9,382	91	9,592	92	8,435	75
Georgia.....	11,053	103	10,852	101	11,231	100	9,876	82
Hawaii.....	3,769	31	3,601	28	3,830	31	3,368	26
Idaho.....	5,430	52	4,962	48	5,518	47	4,852	39
Illinois.....	9,005	95	8,473	89	9,150	90	8,046	74
Indiana.....	8,333	81	7,848	79	8,467	80	7,446	66
Iowa.....	8,792	88	8,629	86	8,934	86	7,856	71
Kansas.....	5,312	51	5,088	51	5,398	50	4,746	41
Kentucky.....	9,294	92	8,940	94	9,444	94	8,304	77
Louisiana.....	7,482	76	7,089	72	7,603	72	6,685	59
Maine.....	5,414	56	5,049	53	5,501	52	4,838	43
Maryland.....	1,155	10	1,115	10	1,174	10	1,032	8
Massachusetts.....	3,960	33	3,657	33	4,024	31	3,538	26
Michigan.....	11,018	114	11,208	115	11,196	116	9,845	95
Minnesota.....	8,864	86	8,472	80	9,007	80	7,920	66
Mississippi.....	10,960	111	10,516	106	11,137	106	9,793	87
Missouri.....	10,490	106	10,638	109	10,659	109	9,373	89
Montana.....	4,358	41	3,601	33	4,428	34	3,894	28
Nebraska.....	4,734	45	4,819	49	4,810	48	4,230	40
Nevada.....	2,581	23	2,774	26	2,623	25	2,306	21
New Hampshire.....	1,912	19	1,860	18	1,943	19	1,708	16
New Jersey.....	3,351	34	3,512	32	3,405	33	2,994	28
New Mexico.....	4,158	40	4,682	41	4,225	42	3,715	35
New York.....	9,448	99	8,927	92	9,600	93	8,442	76
North Carolina.....	13,943	140	13,346	137	14,168	137	12,458	112
North Dakota.....	4,681	43	4,392	42	4,756	43	4,183	36
Ohio.....	9,399	99	9,195	97	9,550	98	8,398	80
Oklahoma.....	6,793	65	6,794	66	6,902	66	6,070	54
Oregon.....	5,386	51	5,215	52	5,473	53	4,813	44
Pennsylvania.....	7,961	88	7,866	84	8,089	83	7,113	68
Puerto Rico.....	5,716	56	5,633	58	5,808	58	5,107	48
Rhode Island.....	376	2	392	4	382	2	336	2
South Carolina.....	8,260	80	8,387	80	8,393	81	7,381	66
South Dakota.....	5,916	60	5,652	56	6,011	57	5,286	47
Tennessee.....	11,584	117	11,000	109	11,771	109	10,351	89
Texas.....	13,750	139	13,326	138	13,972	139	12,286	113
Utah.....	3,704	35	3,693	36	3,764	35	3,310	29
Vermont.....	3,381	34	3,229	33	3,435	34	3,021	28
Virginia.....	8,265	83	7,790	78	8,398	78	7,385	64
Washington.....	7,096	68	6,800	65	7,210	66	6,340	53
West Virginia.....	5,208	53	5,105	52	5,292	52	4,653	42
Wisconsin.....	7,347	74	7,462	78	7,465	78	6,565	64
Wyoming.....	3,088	29	2,727	26	3,138	27	2,759	22
Western Pacific Areas.....	1,276	12	1,368	13	1,297	12	1,140	10
Virgin Islands.....	300	3	316	3	305	3	268	2
Obligations.....	684,087	4,847	692,766	4,807	680,337	4,825	612,127	3,945
Rescinded Balance.....	-	-	8,900	-	-	-	-	-
Lapsing Balances.....	1,389	-	3,602	-	-	-	-	-
Balance Available, EOY.....	20,900	-	15,537	-	-	-	-	-
Total, Available or Estimate.....	706,376	4,847	720,805	4,807	680,337	4,825	612,127	3,945

RURAL DEVELOPMENT  
SALARIES AND EXPENSES

Classification by Objects  
(Dollars in thousands)

		2016	2017	2018	2019
		Actual	Actual	Estimate	President's Budget
Personnel Compensation:					
	Washington, D.C.	\$120,805	\$121,039	\$117,197	\$105,387
	Field	247,894	248,373	249,043	223,946
11.0	Total personnel compensation.....	365,703	366,410	366,240	329,333
12.0	Personnel benefits.....	127,584	128,942	128,249	105,520
13.0	Benefits for former personnel.....	185	151	-	-
	Total, personnel comp. and benefits.....	493,472	495,503	494,489	434,853
Other Objects:					
21.0	Travel and transportation of persons.....	13,218	10,605	14,500	14,500
22.0	Transportation of things.....	129	75	700	700
23.1	Rental payments to GSA.....	20,327	21,007	20,053	20,454
23.2	Rental payments to others.....	20,537	20,248	20,600	20,600
23.3	Communications, utilities, and miscellaneous charges.....	2,139	470	500	500
24.0	Printing and reproduction.....	1,942	2,061	2,100	2,100
25	Other contractual services.....	-	-	-	-
25.1	Advisory and assistance services.....	13,296	14,720	14,000	14,000
25.2	Other services from non-Federal sources.....	27,509	1,171	2,500	2,500
25.3	Other goods and services from Federal sources.....	53,139	1,746	5,069	5,192
25.4	Operation and maintenance of facilities.....	25,947	37,818	37,818	37,818
25.5	Research and development contracts.....	5,962	82,745	63,008	53,910
25.7	Operation and maintenance of equipment.....	1,232	903	1,800	1,800
26.0	Supplies and materials.....	3,284	1,804	3,000	3,000
31.0	Equipment.....	1,402	1,403	200	200
33.0	Investments and Loans.....	-	-	-	-
42.0	Insurance claims & indemnities.....	552	487	-	-
43.0	Interest and dividends.....	-	-	-	-
	Total, Other Objects.....	190,615	197,263	185,848	177,274
99.9	Total, new obligations.....	684,087	692,766	680,337	612,127
	DHS Building Security Payments (included in 25.3).....	\$2,693	\$2,951	\$3,069	\$3,192
Position Data:					
	Average Salary (dollars), ES Position.....	\$143,925	\$146,947	\$150,312	\$150,312
	Average Salary (dollars), GS Position.....	\$55,795	\$56,967	\$58,049	\$58,049
	Average Grade, GS Position.....	11.3	11.3	11.4	11.4