

2022 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	2019		2020		2021		2022	
	Actual	FTE	Actual	FTE	Enacted	FTE	Budget	FTE
Salaries and Expenses:								
Discretionary Appropriations	\$236,835	4,313	\$247,835	4,259	\$264,024	4,766	\$367,447	5,156
Mandatory Appropriations	3,000	-	3,000	-	3,000	-	3,000	-
Rural Housing Insurance Fund								
Discretionary Appropriations	508,525	-	536,173	-	492,274	-	489,306	-
Mandatory Appropriations	-	-	-	-	39,000	-	-	-
Rental Assistance								
Discretionary Appropriations	1,331,400	-	1,375,000	-	1,410,000	-	1,495,000	-
Mandatory Appropriations	-	-	-	-	100,000	-	-	-
Multi-Family Housing								
Discretionary Appropriations	52,500	-	61,000	-	70,000	-	-	-
Mutual Self Help Housing								
Discretionary Appropriations	30,000	-	31,000	-	31,000	-	32,000	-
Rural Housing Assistance Grants								
Discretionary Appropriations	45,000	-	47,000	-	47,500	-	45,000	-
Community Facilities								
Discretionary Appropriations	50,063	-	86,832	-	76,000	-	74,000	-
Mandatory Appropriations	-	-	-	-	500,000	-	-	-
Supplemental Appropriations	150,000	-	-	-	-	-	-	-
Rural Business Programs								
Discretionary Appropriations	65,040	-	71,500	-	61,400	-	81,150	-
Supplemental Appropriations	-	-	20,500	-	-	-	-	-
Intermediary Relending Program								
Discretionary Appropriations	8,625	-	9,687	-	7,407	-	5,992	-
Rural Cooperative Development Grants								
Discretionary Appropriations	29,100	-	26,600	-	26,600	-	26,600	-
Mandatory Appropriations	19,022	-	19,022	-	57,065	-	19,022	-
Rural Microenterprise Investment Program								
Discretionary Appropriations	3,000	-	3,000	-	6,000	-	6,000	-
Rural Energy for America Program								
Discretionary Appropriations	335	-	706	-	10,392	-	30,168	-
Mandatory Appropriations	50,000	-	50,000	-	50,000	-	50,000	-
Healthy Foods Financing Initiative								
Discretionary Appropriations	2,000	-	5,000	-	5,000	-	5,000	-
Biorefinery Assistance Program								
Mandatory Appropriations	50,000	-	25,000	-	-	-	-	-
Energy Assistance Payments								
Mandatory Appropriations	7,000	-	107,000	-	7,000	-	7,000	-
Rural Water and Waste Disposal Program								
Discretionary Appropriations	613,690	-	654,480	-	616,567	-	706,557	-
Rural Electrification and Telecommunications								
Discretionary Appropriations	44,305	-	49,065	-	46,547	-	482,340	-
Distance Learning, Telemedicine and Broadband								
Discretionary Appropriations	210,830	-	387,000	-	628,000	-	746,772	-
Supplemental Appropriations	-	-	125,000	-	-	-	-	-
High Energy Cost Grants								
Discretionary Appropriations	10,000	-	10,000	-	10,000	-	10,000	-

2022 USDA EXPLANATORY NOTES – RURAL DEVELOPMENT SALARIES AND EXPENSES

Item	2020		2021		2022 Budget			
	Actual	FTE	Actual	FTE	Enacted	FTE		FTE
Rescission	-	-	-	-	-	-	-	-
Sequestration	-4,134	-	-7,222	-	-5,346	-	-5,207	-
Transfers In	140	-	450	-	-	-	-	-
Transfers Out	-2,482	-	-2,766	-	-	-	-	-
Total Adjusted Appropriation	3,513,794	4,313	3,941,862	4,259	4,559,430	4,766	4,677,147	5,156
Balance Available, SOY	1,399,729	-	1,662,884	-	1,428,020	-	1,230,209	-
Recoveries, Other	166,224	-	123,447	-	115,200	-	80,108	-
Total Available	5,079,747	4,313	5,728,193	4,259	6,102,650	4,766	5,987,464	5,156
Lapsing Balances	-15,430	-	-15,690	-	-3,843	-	-3,554	-
Rescinded Balances	-	-	-15,073	-	-12,000	-	-	-
Balance Available, EOY	-1,662,884	-	-1,426,576	-	-1,230,209	-	-850,395	-
Total Obligations	3,401,432	4,313	4,270,854	4,259	4,856,598	4,766	5,133,515	5,156
Other Funding:								
Rural Economic Development Loans	6,675	-	8,390	-	4,775	-	2,340	-
Rural Economic Development Grants	10,000	-	10,000	-	10,000	-	10,000	-
ReConnect	425,000	-	255,000	-	104,000	-	50,000	-
Total Appropriation, Other Funding	441,675	-	273,390	-	118,775	-	62,340	-
Balance Available, SOY (enter with plus)	250,756	-	659,473	-	358,467	-	99,628	-
Recoveries, Other (enter with plus)	1,231	-	1,049	-	6,674	-	6,049	-
Total Available, Other Funding	693,661	-	933,912	-	483,916	-	168,017	-
Bal. Available, EOY (enter with minus)	-659,473	-	-358,467	-	-99,628	-	-6,144	-
Total Obligations, Other funding	34,189	-	575,445	-	384,288	-	161,873	-
Total Obligations, RD	3,435,621	4,313	4,846,299	4,259	5,240,886	4,766	5,295,388	5,156
Other USDA:								
Agricultural Marketing Service	170	-	364	-	364	-	364	-
Agricultural Research Service	1	-	2	-	2	-	2	-
Animal&Plant Health Inspection	4	-	-	-	-	-	-	-
Commodity Credit Corporation	-	-	1,115	-	45	-	45	-
Farm Service Agency	8,966	-	8,370	-	8,370	-	8,370	-
FEMA Disaster Finance Center	222	-	51	-	9	-	9	-
Food Safety & Inspection Service	17	-	14	-	14	-	14	-
Foreign Agricultural Service	3	-	1	-	1	-	1	-
Forest Service	4	-	4	-	4	-	4	-
FPAC BC	-	-	1	-	1	-	1	-
Homeland Security Office	17	-	15	-	15	-	15	-
Natural Resources Conservation	18	-	13	-	13	-	13	-
Office of Budget&Program Analysis	6	-	4	-	4	-	4	-
Office of Chief Economist	-	-	20	-	20	-	20	-
Office of Executive Secretariat	100	-	307	-	307	-	307	-
Office of General Counsel	21	-	17	-	17	-	17	-
Office of Inspector General	1	-	1	-	1	-	1	-
Office of Policy Planning Engagement	-	-	3	-	3	-	3	-
Office of Secretary	6	-	-	-	-	-	-	-
USDA FNS Food & Nutrition Service	4	-	2	-	2	-	2	-
Miscellaneous Reimbursements	4	-	2	-	2	-	2	-
Total, Other USDA	9,563	30	10,308	30	9,196	30	9,196	30
Total, Agriculture Available	5,782,971	4,343	6,672,413	4,289	6,595,763	4,796	6,164,676	5,186
Total Available, RD	5,782,971	4,343	6,672,413	4,289	6,595,763	4,796	6,164,676	5,186

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

Item	2019		2020		2021			2022				
	D.C.	Field	Actuals	D.C.	Field	Actuals	D.C.	Field	Enacted	D.C.	Field	Budget
ES.....	-	-	-	-	-	-	-	-	-	-	-	-
SES	22	-	22	15	5	20	15	7	22	15	7	22
SL	2	-	2	1		1	1	-	1	1	-	1
GS-15	124	-	124	63	70	133	64	29	93	70	30	100
GS-14	145	1	146	77	103	180	88	153	241	94	156	250
GS-13	462	284	746	192	628	820	215	773	988	234	821	1,055
GS-12	274	923	1,197	53	1,116	1,169	51	1,226	1,277	56	1,344	1,400
GS-11	117	356	473	23	537	560	28	566	594	31	612	643
GS-10	1	-	1	1		1	1	-	1	1	-	1
GS-9	119	384	503	29	447	476	34	558	591	33	590	623
GS-8	53	9	62	7	51	58	9	41	49	8	46	54
GS-7	314	482	796	38	708	746	36	729	765	45	788	833
GS-6	23	61	84	12	96	108	13	108	121	14	130	144
GS-5	19	69	88	4	74	78	4	99	103	6	105	111
GS-4	19	31	50	9	65	74	4	51	55	5	61	66
GS-3	6	30	36	3	10	13	2	7	9	2	7	9
GS-2	2	1	3		1	1	1	1	2	1	1	2
Ungraded	-	-	-	2	1	3	1	-	1	1	-	1
Total Permanent	1,702	2,631	4,333	529	3,912	4,441	567	4,346	4,913	617	4,698	5,315
Unfilled, EOY	-45	46	1	16	143	159	-	-	-	-	-	-
Total Perm. FT EOY	1,747	2,677	4,334	545	4,055	4,600	567	4,346	4,913	617	4,698	5,315
FTE			4,313			4,259			4,766			5,156

VEHICLE FLEET

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

Fiscal Year	Number of Vehicles by Type *						Annual Operating Costs (\$ in 000)	
	Sedans and Station Wagons	Light Trucks, SUVs, and Vans		Medium Duty Vehicles	Buses	Heavy Duty Vehicles		Total Number of Vehicles
		4x2	4x4					
FY 2019	530	136	103			769	3,200	
Change	-25	-8	+14			-19	-100	
FY 2020	505	128	117			750	3,100	
Change	-80	-13	-9			-102	-330	
FY 2021	425	115	108			648	2,770	
Change	-35	-10	-2			-47	-300	
FY 2022	390	105	106			601	2,470	

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

The passenger motor vehicles of 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.

Replacement Criteria

Rural Development (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 FY 2022 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. 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 625 vehicles, which is a reduction of 125 vehicles from FY2020 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.

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

Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Working Capital Fund:				
Administrative Services:				
Material Management Service Center.....	\$216	\$182	\$203	\$44
Mail and Reproduction Services.....	1,387	1,493	1,555	680
Integrated Procurement Systems.....	219	212	155	177
Procurement Operations Division.....	77	73	90	55
Human Resources Enterprise System Management.....	60	48	59	59
Subtotal.....	1,959	2,007	2,062	1,014
Communications:				
Creative Media and Broadcast Center.....	1,049	161	501	792
Finance and Management:				
National Finance Center.....	1,289	1,193	1,196	1,193
Financial Management Support Services.....	2,513	2,629	-	-
Financial Shared Services.....	-	-	2,723	2,730
Internal Control Support Services.....	144	211	223	223
Subtotal.....	3,946	4,032	4,142	4,146
Information Technology:				
Client Experience Center.....	27,812	33,435	34,142	34,262
Department Administration Information Technology Office ..	-	1,616	1,341	1,483
Digital Infrastructure Services Center.....	20,531	22,483	30,634	31,299
Enterprise Network Services.....	949	2,918	2,709	3,167
Subtotal.....	49,292	60,452	68,825	70,211
Correspondence Management Services.....	229	230	234	233
Total, Working Capital Fund.....	56,475	66,883	75,765	76,396
Department-Wide Shared Cost Programs:				
Advisory Committee Liaison Services.....	358	341	-	-
Agency Partnership Outreach.....	-	-	325	-
Honor Awards.....	28	26	0	-
Human Resources Transformation.....	148	140	-	-
Intertribal Technical Assistance Network.....	82	26	155	-
Medical Services.....	121	130	80	119
Office of Customer Experience.....	-	-	409	411
People's Garden.....	67	65	-	-
Personnel and Document Security Program.....	-	256	81	-
Physical Security.....	201	202	196	-
Security Detail.....	489	253	208	197
Security Operations Program.....	57	50	294	-
TARGET Center.....	-	236	54	-
TARGET Center NCR Interpreting Services.....	-	-	34	-
USDA Enterprise Data Analytics Services.....	-	-	226	-
Total, Department Shared Cost Programs.....	1,551	1,724	2,062	728
E-Gov:				
Budget Formulation and Execution Line of Business.....	9	4	5	5
Disaster Assistance Improvement Plan.....	21	21	21	21
Enterprise Human Resources Integration.....	94	-	-	-
E-Rulemaking.....	24	53	70	85
Financial Management Line of Business.....	4	4	4	4
Geospatial Line of Business.....	38	38	38	38
Benefits.gov.....	76	72	70	68
Grants.gov.....	28	34	32	33
Human Resources Line of Business.....	14	13	14	14
Integrated Acquisition Environment.....	1,184	469	870	870
Total, E-Gov.....	1,491	707	1,122	1,137
Agency Total.....	59,517	69,313	78,950	78,262

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; [\$264,024,000] \$367,447,000: Provided, That of the amount made available under this heading, \$32,000,000, which shall remain available until September 30, 2023, shall be for the StrikeForce activities of the Department of Agriculture, and may be transferred to agencies of the Department of Agriculture for such purpose, consistent with the missions and authorities of such agencies; 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 to 7 of paragraph 1) provides a set aside for USDA StrikeForce activities. Rural Development will coordinate with other organizations within the Department of Agriculture as well as other Federal agencies on implementing this initiative. This funding is available for two years and can be transferred to other USDA organizations.

LEAD-OFF TABULAR STATEMENT

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

Item	Budget Authority
2021 Enacted	\$264,024,000
Change in Appropriation	<u>+ 103,423,000</u>
Budget Estimate, 2022	<u>367,447,000</u>

PROJECT STATEMENT

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

Item	2019 Actual	FTE	2020 Actual	FTE	2021 Enacted	FTE	Inc. or Dec.	FTE	Chg Key	2022 Budget	FTE
Discretionary Appropriations:											
Salaries and Expenses (Direct Appropriation).....	\$236,835	1,462	\$247,835	1,513	\$264,024	1,665	+\$103,423	+102	(1)	\$367,447	1,767
Salaries and Exp. (from RBS, RHS, RUS approp.).....	471,552	2,851	497,974	2,746	490,615	3,101	-40,623	+275	(1)	449,992	3,376
Program Admin. (transferred from other accounts).....	-	-	-	-	-	-	+69,000	+13	(2)	69,000	13
Goodfellow.....	-	-	-	-	9,815	-	-9,815	-	-	-	-
Subtotal.....	708,387	4,313	745,809	4,259	764,454	4,766	+121,985	+390	-	886,439	5,156
Mandatory Appropriations:											
Biobased Market Program.....	3,000	-	2,823	-	2,829	-	-	-	-	2,829	-
Total Adjusted Approp.....	711,387	4,313	748,632	4,259	767,283	4,766	121,985	390	-	889,268	5,156
Rescission, Transfers In and Out.....	-474,552	-2,851	-500,974	-2,746	-503,430	-3,101	-25,562	-275	-	-521,992	-3,376
Sequestration.....	-	-	177	-	171	-	-	-	-	171	-
Total Appropriation.....	236,835	1,462	247,835	1,513	264,024	1,665	96,423	115	-	367,447	1,780
Transfers In:											
Biobased Market Program (mandatory).....	3,000	-	3,000	-	3,000	-	-	-	-	3,000	-
Cong. Relations.....	140	-	140	-	-	-	-	-	-	-	-
Interchange from Water and Waste.....	-	-	15,368	-	-	-	-	-	-	-	-
Local Agriculture Marketing Program COVID (mandatory).....	-	-	-	-	3,000	-	-	-	-	-	-
Local Agriculture Marketing Program T (mandatory).....	-	-	3,000	-	4,000	-	-	-	-	-	-
DLTB CARES ACT 2020/2021.....	-	-	3,000	-	-	-	-	-	-	-	-
CARES Act No Year.....	-	-	715	-	-	-	-	-	-	-	-
RBP CARES Act 2020/2021.....	-	-	615	-	-	-	-	-	-	-	-
Broadband/Reconnect Administration Account.....	21,420	-	19,024	-	17,268	-	+31,732	-	-	49,000	-
Electric.....	-	-	-	-	-	-	+20,000	-	-	20,000	-
America Rescue Program.....	-	-	-	-	26,170	-	-26,170	-	-	-	-
Broadband/Reconnect Technical Assistance Account.....	-	-	5,810	-	-	-	-	-	-	-	-
Rural Electrification and Telecommunication Loans.....	33,270	210	33,270	203	33,270	229	-	+20	-	33,270	249
Rural Housing Insurance Program.....	412,254	2,612	412,254	2,516	412,254	2,841	-	+252	-	412,254	3,093
Intermediate Relending Program.....	4,468	29	4,468	27	4,468	31	-	+3	-	4,468	34
Miscellaneous Fees.....	-	-	310	-	-	-	-	-	-	-	-
Total Transfers In.....	474,552	2,851	500,974	2,746	503,430	3,101	25,562	275	-	521,992	3,376
Sequestration.....	-	-	-177	-	-171	-	-	-	-	-171	-
Recoveries, Other.....	15,526	-	8,147	-	9,902	-	-9,902	-	-	-	-
Lapsing Balances transferred between Expired & Unexpired Accounts.....	15,000	-	6,063	-	11,500	-	-11,500	-	-	-	-
Bal. Available, SOY.....	5,286	-	11,158	-	17,268	-	-17,268	-	-	-	-
Total Available.....	747,199	4,313	774,000	4,259	805,953	4,766	94,815	390	-	889,268	5,156
Lapsing Balances.....	-1,589	-	-723	-	-	-	-	-	-	-	-
Lapsing Balances transferred between Expired & Unexpired Accounts.....	-6,063	-	-11,500	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	-11,158	-	-15,822	-	-	-	-	-	-	-	-
Total Obligations.....	728,389	4,313	745,955	4,259	805,953	4,766	+83,315	+390	-	889,268	5,156

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

Item	2019 Actual	FTE	2020 Actual	FTE	2021 Enacted	FTE	Inc. or Dec.	FTE	2022 Budget	FTE
Discretionary Obligations:										
Salaries and Expenses.....	229,183	1,462	230,962	1,513	264,024	1,665	+103,423	+102	367,447	1,767
Goodfellow.....	-	-	-	-	9,815	-	-	-	-	-
Subtotal.....	229,183	1,462	230,962	1,513	273,839	1,665	103,423	102	367,447	1,767
Transfers In:										
Biobased Market Program (mandatory).....	2,492	-	2,620	-	2,829	-	-	-	2,829	-
Transfer for Congressional Relations.....	140	-	140	-	-	-	-	-	-	-
Interchange from Water and Waste Disposal.....	-	-	15,368	-	-	-	-	-	-	-
Local Agriculture Marketing Program Covid (mandatory).....	-	-	-	-	3,000	-	-3,000	-	-	-
Local Agriculture Marketing Program T (mandatory).....	-	-	90	-	7,000	-	-7,000	-	-	-
DLTB CARES Act 2020/2021.....	-	-	2,255	-	745	-	-745	-	-	-
DLTB CARES Act No Year.....	-	-	152	-	598	-	-598	-	-	-
RBP CARES Act 2020/2021.....	-	-	139	-	476	-	-476	-	-	-
Broadband/Reconnect Administration Account.....	21,420	-	19,024	-	17,268	-	+31,732	+13	49,000	13
Electric.....	-	-	-	-	-	-	+20,000	-	20,000	-
American Rescue Plan.....	-	-	-	-	26,170	-	-26,170	-	-	-
Rural Electrification & Telecommunications Loans.....	33,270	210	33,270	203	33,270	229	-	+20	33,270	249
Rural Housing Insurance Program.....	412,254	2,612	412,254	2,516	412,254	2,841	-	+252	412,254	3,093
Intermediary Relending Program.....	4,468	29	4,468	27	4,468	31	-	+3	4,468	34
IT Expenses.....	15,000	-	8,729	-	11,500	-	-11,500	-	-	-
Miscellaneous Fees.....	-	-	310	-	-	-	-	-	-	-
Total Transfers In.....	489,044	2,851	498,819	2,746	519,578	3,101	2,243	288	521,821	3,389
Recoveries Other.....	10,162	-	16,174	-	12,536	-	-12,536	-	-	-
Subtotal Disc obligations.....	728,389	4,313	745,955	4,259	805,953	4,766	+83,315	+390	889,268	5,156
Total Obligations.....	728,389	4,313	745,955	4,259	805,953	4,766	83,315	390	889,268	5,156
Lapsing Balances.....	-1,589	-	-722	-	-	-	-	-	-	-
Balances Available, EOY:										
Information Technology.....	6,063	-	11,500	-	-	-	-	-	-	-
DLTB CARES Act 2020/2021.....	-	-	745	-	-	-	-	-	-	-
DLTB CARES Act No Year.....	-	-	598	-	-	-	-	-	-	-
RBP CARES Act 2020/2021.....	-	-	476	-	-	-	-	-	-	-
S&E No Year.....	14,336	-	15,448	-	-	-	-	-	-	-
Total Bal. Available, EOY.....	20,399	-	28,767	-	-	-	-	-	-	-
Total Available.....	747,199	4,313	774,000	4,259	805,953	4,766	83,315	390	889,268	5,156
Less:										
Total Transfers In.....	-489,044	-2,851	-498,642	-2,746	-489,325	-3,101	-32,325	-288	-521,650	-3,389
Total Transfers Out.....	-	-	-	-	-	-	-	-	-	-
Sequestration.....	-	-	-177	-	-171	-	-	-	-171	-
Recoveries, Other.....	-16,034	-	-16,188	-	-25,350	-	25,350	-	-	-
Bal. Available, SOY.....	-5,286	-	-11,158	-	-17,268	-	-	-	-	-
Total Appropriation.....	236,835	1,462	247,835	1,513	273,839	1,665	76,340	102	367,447	1,767

Rural Development Salaries and Expenses

Rural Development 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. Rural Development (RD) has sustained its operations and delivered these programs with limited Salaries and Expenses (S&E) funds. Rural Development is, however, at a critical juncture in continuing its mission, managing its growing portfolio, and expanding its programs to underserved, unserved and disadvantaged communities.

The 2022 budget requests \$4.6 billion in Budget Authority (BA) to support over \$50 billion in Program Level (PL). Within this total, \$817.4 million is for the Salaries and Expenses account, an increase of \$103.4 million above the 2021 enacted level. The requested budget authority supports expansion of broadband internet capabilities in rural communities through the ReConnect program, which requests \$700 million in BA, of which \$650 million is discretionary funding and \$50 million is earnings from the Cushion of Credit account; increases Rental Assistance and the voucher programs to cover expected demand for affordable housing; increases Water and Waste Grants to continue providing safe drinking water and wastewater infrastructure for rural America; helps Rural Communities use clean energy and provides incentives for rural utilities to switch to renewable energy to support the de-carbonization of electric production; provides increased lending capacity for single family housing programs and the business and industry guaranteed loan program; and partners with Rural communities and leaders to help grow rural economies and tackle rural poverty.

RD is committed to securing environmental justice and spurring economic opportunity for disadvantaged communities that have been historically marginalized and overburdened by pollution and experience underinvestment in essential services. In line with EO 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. These actions will include an examination of the activities of key programs to determine whether those programs' benefits have accrued to disadvantaged communities. RD will also begin to track program expenditures that impact disadvantaged communities and consider metrics that will help track how applicable covered program benefits accrue at specific disadvantaged communities.

The 2022 request for RD focuses on the priorities of the Administration: COVID-19, Economic Recovery, Climate Change, and racial equity. The 2022 budget request includes an increase of 390 FTEs from the 2021 level of 4,766 to 5,156. 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 263 FTEs for loan origination and underwriting, of which 13 FTES will be dedicated to continuing the implementation of the ReConnect pilot program, a cornerstone for extending broadband

across the country. This program is a high priority for the Administration and is essential to achieve economic equity in rural communities. The 13 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; and, 250 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 to ensure that regulations are followed and by auditing lending records to ensure fair practices to rural borrowers. Servicing actions include managing payments and escrow accounts, processing foreclosures, and overall evaluation of portfolio performance. As of the end of 2020, RD's portfolio was \$234 billion, with over 1.3 million guaranteed and direct loans. RD's portfolio increases by five percent each year. By 2022, RD's portfolio will include \$258 billion in outstanding debt.
- **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 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 five Mission Area risks ranked as Tier 1 (high level): 1) IT system functionality meeting program needs, 2) COVID-19 portfolio, 3) Data Breach and Cybersecurity, 4) Goodfellow relocation, and 5) Leadership Development. IT system functionality meeting program needs ranks as the highest risk and has since the inception of the enterprise risk management process in 2017. High-level Tier 2 risks include Staffing and Hiring/Retention. 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 2019, the agency obligated \$28.5 billion in PL (direct loans, guaranteed loans, and grants). It provided affordable housing to 105,516 rural homeowners, safe water to 2.3 million rural residents, broadband access to 68,900 rural residents, and created 10,890 jobs in the rural economy. 2020 was challenging for USDA as a whole and for RD because the restrictions imposed by the COVID 19 pandemic changed business operations and portfolio management activities, with significant changes in the person-to-person services that RD provides to rural residents and communities. Despite these challenges, in 2020 RD obligated approximately \$39 billion in PL, providing affordable housing to 138,331 to rural homeowners, safe drinking water to over 2 million rural residents, broadband access to 118,599 customers, and funding to new businesses that will create over 11,000 jobs.

RD's Salaries and Expenses (S&E) account funds 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:

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

The S&E account also funds critical mission support activities that facilitate the delivery of RD programs and protect RD's portfolio of \$234 billion dollars, which would make RD 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; and processes monthly payments for 14,000 multi-family borrowers. The Servicing and Asset Management Office (Servicing Office) provides specialized account processing for the 227,424 single family direct loans, including payment receipt and application, issuing monthly billing statements, performing reamortizations, processing transfers, providing annual IRS 1098 processing and reporting, and managing debt settlements. The Servicing Office 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. And the Servicing Office 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.

Information Technology (IT) request

The 2022 budget request also includes a significant investment in IT development, modernization, and enhancements 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 needs to update its technology to meet current lender standards that include ease of application for services, customer access, and effective servicing of loans.** Equally as 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.

Historically, RD S&E appropriations have not increased proportional to the increase in program dollars and the growing portfolio. The level of S&E appropriations were 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. 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.

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

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.

(1) An increase of \$103,423,000 and 250 FTE's for the Salaries and Expenses account (\$714,016,000 and 4,766 FTE's available in 2021).

This funding change is requested for the following items:

A) An increase of \$51,488,000 and 250 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 \$29,989,000 and 250 FTEs.

This increase will support the salary and benefit cost of increasing 250 FTEs and 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) An increase of \$12,889,000, which includes \$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.

- 3) An increase of \$8,610,000 for travel, training and other costs to support the additional 250 FTEs.

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 \$2.4 million in GSA and non-GSA charges due to requesting additional spaces.

- B) A net increase of \$13,411,000 for Information Technology.

- 1) A net increase of \$16,410,000 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 begin 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 requested increase allows RD to invest in IT systems that will support its mission and will provide the necessary support for RD borrowers. For 2022, includes an increase of \$19.934 million that will cover IT development for: (1) Unifi modernization; (2) replacement/retirement of the PLAS legacy general ledger system; (3) continuing the implementation of the Guaranteed Underwriting System; and (4) other system upgrades required for providing RD services to the agencies as well as our borrowers. The budget includes a reduction of \$3.524 million in DME that is in the base for DME that was finished in 2021.

- 2) An increase of \$1,386,000 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 2022, 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.

- 3) A decrease of \$4,385,000 for IT Operations and Management contractual services.

This reduction is based on a cost savings as new systems replace legacy systems. Legacy systems are using archaic programming language like COBOL that it is very costly to maintain.

C) An increase of \$1,372,000 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, post-Goodfellow move, and new cleaning protocol due to COVID 19. The GSA increase is \$1.2 million and the non-GSA increase is \$220,000 in 2022.

D) An increase of \$32,000,000 for StrikeForce activities.

The request includes \$32 million for Strikeforce 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 Strikeforce efforts that ensure targeted communities are made aware of and encouraged to fully participate in Federal programs across agencies. StrikeForce 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.

E) An increase of \$5,152,000 for support services.

This increase on non-IT contractual services are services that RD provides based on the program funding. 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.

(2) A transfer of \$69,000,000 from the ReConnect pilot program and the Electric grants and modification for de-carbonization efforts:

A) ReConnect program related costs. These increases are being funding thru program funding.

1) An increase of \$3,490,000 for salaries, benefits and travel.

In addition to the 250 FTEs for origination and servicing, the budget requests 13 FTEs to support the institutionalization of the ReConnect Program. For indention, the ReConnect program has been deployed by a contractor. This budget is requesting a cadre of federal employees that will continue the deployment of the program. The costs associated with this increase of \$3.490 million to cover salaries and benefits and travel expenses will be covered by the funding provided in the ReConnect program account. The GP 779 of Public Law.115-141 authorized the use of 4 percent from the program funds to support the administration and 3 percent for technical assistance .

- 2) An increase of \$36,510,000 for support contracts.

This funding will continue support contracts for mapping and interagency agreements with FCC and NITC. Because of the requirements of the program, we need to continue the monitoring of the request to ensure that there is not overlapping in funding and that we are funding projects in unserved or underserved areas of rural America.

- 3) An increase of \$9,000,000 for IT operations and management and IT development.

This increase addresses the cost associated with maintaining the IT systems that were development for this program and will continue developing IT capabilities for providing access to the borrowers and for enhancing application intake for this program.

- B) An increase of \$20,000,000 for the Electric Pilot for de-carbonization/carbon free of the electric grid.

The increase will be used for contract support for implementing the electric pilot program that will contribute to the de-carbonization of the electric grid and use of renewable energy sources for the production of energy. This funding will be used for technical assistance, IT development and contract support. As this new pilot program would be set up in 2022, the agency will use contractors for delivering the program.

PROPOSED LEGISLATION: AMERICAN JOBS PLAN MANDATORY PROPOSAL

Program: Rural Development Salaries and Expenses account

Proposal

As part of the American Jobs Plan, the 2022 Budget proposes to invest in a new Rural Partnership fund and provides \$5 billion in the Rural Development Salaries and Expenses account to support this effort.

Rationale

The American Jobs Plan provides \$5 billion for a new Rural Partnership program to help rural regions, including Tribal Nations, build on their unique assets and realize their vision for inclusive community and economic development. This program will empower rural regions by supporting locally-led planning and capacity building efforts, and providing flexible funding to meet critical needs.

Goal

The Proposal will support rural communities and create jobs.

Table RD-8. American Jobs Plan (millions of dollars)

Item	2020	2021	2022	10 Year Total
Budget Authority (millions)	-	-	\$5,000	\$5,000
Outlays (millions)	-	-	\$650	\$5,000

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTE**Table RD-9. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)**

State/Territory/Country	2019		2020		2021		2022	
	Actual	FTE	Actual	FTE	Enacted	FTE	Budget	FTE
Alabama	\$7,245	71	\$6,324	68	\$8,850	82	\$9,778	89
Alaska	3,296	25	2,585	23	3,723	29	4,114	31
Arizona	5,082	44	4,335	51	6,857	57	7,576	61
Arkansas	5,921	56	6,053	68	8,302	76	9,173	82
California	12,473	101	11,598	106	14,620	115	16,153	125
Colorado	4,294	37	3,872	48	7,029	59	7,766	62
Connecticut	1,137	11	1,001	12	1,326	12	1,465	13
Delaware	3,072	26	2,014	33	4,305	41	4,756	44
District of Columbia	434,162	1,598	225,068	503	325,231	555	362,104	605
Florida	7,783	72	7,300	85	11,723	102	12,952	111
Georgia	8,863	77	8,260	88	11,750	106	12,982	115
Hawaii	3,154	24	4,355	27	5,428	30	5,997	33
Idaho	4,483	40	4,099	49	6,091	52	6,729	57
Illinois	7,400	74	6,799	87	10,865	100	12,004	110
Indiana	6,651	63	5,629	65	7,881	69	8,707	75
Iowa	7,319	68	6,716	80	9,910	93	10,948	99
Kansas	4,865	45	4,042	48	6,074	53	6,711	59
Kentucky	8,102	78	7,391	79	8,861	84	9,790	91
Louisiana	5,889	57	5,207	71	8,585	78	9,485	84
Maine	3,733	36	3,817	46	5,407	51	5,974	55
Maryland	1,129	10	1,066	17	3,840	28	4,242	32
Massachusetts	3,410	29	3,005	35	4,117	37	4,548	40
Michigan	10,249	97	9,171	95	12,320	111	13,611	120
Minnesota	7,535	67	6,683	80	9,777	85	10,801	91
Mississippi	9,715	94	8,603	92	10,879	96	12,019	104
Missouri	9,245	86	258,830	789	99,218	898	109,619	967
Montana	3,305	30	3,110	43	5,938	53	6,560	57
Nebraska	4,167	40	3,608	43	5,245	47	5,795	51
Nevada	2,448	22	1,980	23	3,134	26	3,462	28
New Hampshire	2,097	25	1,680	17	2,910	18	3,215	20
New Jersey	2,691	26	2,667	32	4,057	34	4,482	37
New Mexico	3,533	29	3,516	38	4,806	38	5,310	42
New York	7,233	72	6,919	83	8,703	84	9,615	91
North Carolina	12,249	117	11,576	131	15,690	138	17,335	149
North Dakota	3,281	30	3,259	35	4,283	38	4,732	42
Ohio	7,631	79	6,979	86	9,896	91	10,934	99
Oklahoma	5,349	51	4,836	59	6,214	58	6,865	62
Oregon	4,445	41	4,443	48	6,041	52	6,675	57
Pennsylvania	7,183	69	6,592	76	10,043	88	11,096	93
Puerto Rico	5,082	52	4,410	49	5,027	50	5,554	54
Rhode Island	116	2	167	2	294	4	324	5
South Carolina	7,264	68	6,983	80	10,479	92	11,578	99
South Dakota	4,634	42	4,307	55	6,235	54	6,889	59
Tennessee	9,441	90	8,385	100	12,430	111	13,733	120
Texas	12,823	128	12,090	140	17,942	167	19,823	181
Utah	3,430	31	2,674	30	3,901	33	4,310	36
Vermont	2,721	19	2,799	29	2,494	30	2,756	32
Virgin Islands	358	3	249	3	258	3	286	3
Virginia	7,012	64	6,178	85	11,677	108	12,901	114
Washington	5,927	55	5,510	61	7,923	68	8,753	75
West Virginia	4,864	47	4,373	52	5,990	57	6,618	61
Wisconsin	6,819	64	6,112	73	9,343	82	10,323	90
Wyoming	2,127	20	2,174	27	2,913	28	3,218	30
Western Pacific Areas	1,460	11	1,858	14	1,990	15	1,858	14
Obligations	725,897	4,313	743,257	4,259	798,825	4,766	885,004	5,156
Lapsing Balances	1,589	-	-	-	-	-	-	-
Bal. Available, EOY	6,063	-	11,500	-	-	-	-	-
Total, Available	733,549	4,313	754,757	4,259	798,825	4,766	885,004	5,156

Table RD-10. Geographic Breakdown of Obligations and FTE – Mandatory Biobased Market Program (thousands of dollars)

State/Territory/Country	2019			
	Actual	2020 Actual	2021 Enacted	2022 Budget
District of Columbia.....	\$2,492	\$2,608	\$2,829	\$2,829
Obligations.....	2,492	2,608	2,829	2,829

Table RD-11. Geographic Breakdown of Obligations and FTE – Mandatory Local Agricultural Market Program (thousands of dollars)

State/Territory/Country	2020			
	2019 Actual	Actuals	2021 Enacted	2022 Budget
District of Columbia.....	-	90	4,299	1,435
Transfer In.....	1,522	1,432	1,435	1,435
Balance SOY	-	1,522	2,864	-
Total, Available	1,522	2,954	4,299	1,435
Obligations.....	-	-90	-4,299	-1,435
Balance EOY	1,522	2,864	-	-

CLASSIFICATION BY OBJECTS**Table RD-12. Classification by Objects-Rural Development (thousands of dollars)**

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
Personnel Compensation:					
	Washington D.C.	\$147,344	\$160,587	\$46,563	\$50,864
	Personnel Compensation, Field	207,787	196,955	354,761	387,079
11.0	Total personnel compensation	355,131	357,542	401,324	437,943
12.0	Personnel benefits	125,791	133,576	147,598	155,428
13.0	Benefits for former personnel	468	530	530	-
	Total, personnel comp. and benefits	481,390	491,648	549,452	593,371
Other Objects:					
21.0	Travel and transportation of persons	11,097	5,426	6,741	7,907
22.0	Transportation of things	117	4	2,202	-
23.1	Rental payments to GSA	19,120	19,477	15,683	18,637
23.2	Rental payments to others	14,164	14,565	15,683	17,704
23.3	Communications, utilities, and misc. charges	4,719	5,809	8,536	3,033
24.0	Printing and reproduction	1,553	1,750	927	685
25.0	Other contractual services	-	15,084	64,074	-
25.1	Advisory and assistance services	7,667	-	26,431	106,994
25.2	Other services from non-Federal sources	1,758	7,972	1,407	2,055
25.3	Other goods and services from Federal sources	2,841	12,079	25,625	34,591
25.4	Operation and maintenance of facilities	97,106	-	-	-
25.5	Research and development contracts	79,600	93,560	3,524	26,934
25.7	Operation and maintenance of equipment	493	73,827	68,825	70,211
26.0	Supplies and materials	1,271	1,009	1,763	1,404
31.0	Equipment	2,706	876	7,952	1,478
33.0	Investments and loans	252	-	-	-
42.0	Insurance Claims and Indemnities	39	171	-	-
43.0	Interest and Dividends	4	-	-	-
	Total, Other Objects	244,507	251,609	249,373	291,633
99.9	Total, new obligations	725,897	743,257	798,825	885,004
	DHS Building Security Payments (included in 25.3)..	2,840	2,899	3,098	3,098
Position Data:					
	Average Salary (dollars), ES Position	\$160,107	\$175,495	\$188,076	\$192,402
	Average Salary (dollars), GS Position	\$58,049	\$82,856	\$83,388	\$85,306
	Average Grade, GS Position	11.4	12.5	12.5	12.5
Information Technology Investments:					
CLGG, ECM & RLGG					
11.0	Internal Labor.....	9,019	11,660	6,930	6,930
	External Labor (Contractors).....	28,686	29,370	24,890	32,870
	Mission Area Non-Major Investment Totals.....			12,600	13,550
	Mission Area Standard Investment Totals.....	53,354	60,842	10,830	13,530
25.3	Mission Area WCF Transfers.....	58,522	58,725	72,730	70,660

Table RD-13. Classification by Objects-Biobased Market Program (thousands of dollars)

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
	Personnel Compensation:				
	Washington D.C.	\$46	\$378	\$252	\$252
11.0	Total personnel compensation	46	378	252	252
12.0	Personnel benefits	10	74	95	95
	Total, personnel comp. and benefits	57	452	347	347
	Other Objects:				
21.0	Travel and transportation of persons	2	0	-	-
24.0	Printing and reproduction	-	50	50	50
25.0	Other contractual services	-	2,105	10	10
25.1	Advisory and assistance services	2,431	-	-	-
25.2	Other services from non-Federal sources	-	-	1,978	1,978
25.3	Other goods and services from Federal sources	-	-	434	434
26.0	Supplies and materials	2	1	10	10
	Total, Other Objects	2,435	2,156	2,482	2,482
99.9	Total, new obligations	2,492	2,608	2,829	2,829

Table RD-14. Classification by Objects-Local Agricultural Market Program (thousands of dollars)

Item No.	Item	2019 Actual	2020 Actual	2021 Enacted	2022 Budget
	Personnel Compensation:				
	Washington D.C.	\$ -	\$ -	\$2,689	\$1,435
11.0	Total personnel compensation	-	-	2,689	1,435
	Other Objects:				
21.0	Travel and transportation of persons	-	-	537	-
25.1	Advisory and assistance services	-	-	537	-
25.2	Other services from non-Federal sources	-	90	-	-
31.0	Equipment	-	-	537	-
	Total, Other Objects	0	90	1,610	0
99.9	Total, new obligations	0	90	4,299	1,435

PROJECT STATEMENT

Table RD-15. Project Statement Disaster Assistance Fund (thousands of dollars)

Item	2019	2020	2021	2022	Change
	Actual	Enacted	Enacted	Budget	from 2021 Enacted
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

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: Rural Business Cooperative Service (RBS) which offers programs to help businesses grow as well as job training for people living in rural areas, Rural Housing Service (RHS) which offers a variety of programs to build or improve housing and essential community facilities in rural areas, and Rural Utilities Service (RUS) which provides financing to build or improve infrastructure in rural communities.

Alignment to Strategic Plan

The programs of RD directly support the Secretary’s Strategic Goal 4: Facilitate rural prosperity and economic development.

Objective 4.1: To expand rural business opportunity and rural quality of life with access to capital; improve infrastructure, broadband access and connectivity; and support workforce availability.

RD has four Key Performance Measures within the Department’s Strategic Plan Goal 4, Facilitate Rural Prosperity and Economic Development. The following Key Performance Indicators (KPIs) are measured at the RD mission level by aggregating individual program performance from RBCS, RHS, and RUS. The following table summarizes the results for the two Departmental KPIs for which RD measures at the Mission Area level. The additional two RD KPIs are measured at the agency level, RHS and RUS.

Table RD-16. KPI-Rural Development

Strategic Objective 4.1		FY 18	FY 19	FY 20	FY 21	FY 22
4.1.3. Leverage: Percent of RD commercial/infrastructure investments that leverage non-Federal funding	Results	77	83	62	TBD	TBD
	Target	77	78	79	80	80
	Status	Baseline	Met	Unmet	TBD	TBD

Strategic Objective 4.1		FY 18	FY 19	FY 20	FY 21	FY 22
4.1.4 Distressed Communities: Percent of RD assistance that went to distressed communities	Results	11	11	12.5	TBD	TBD
	Target	11	12	13	14	14
	Status	Baseline	NI	NI	TBD	TBD

Met: within 100 % or more of target	Needs Improvement (NI): within 10% of target	Unmet: Greater than 10%
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Progress Toward the Achievement of Strategic Objectives FY 2020

Accomplishments towards objectives are highlighted within the Status of Programs section contained within the RBCS, RHS, and RUS chapters. Additional information regarding performance can be located within the Annual Performance Report submitted in conjunction with our Congressional Justifications. A high-level summary of progress is provided below:

Beginning in March of FY 2020, RD implemented 100 percent telework status for its employees. RD staff learned to use existing technology for improved communication, pivoted to online outreach, facilitated webinars in place of in-person meetings, and continued to obligate funds. RD quickly implemented several actions to mitigate COVID, including enhanced information and tools, service delivery, and portfolio management.

While obligation activity and loan making performance has been maintained under COVID-19, RD has experienced continued challenges reaching the target for the leverage KPI. As a result of the pandemic, RD saw a significant decrease in non-Federal funds that are usually invested alongside RD funds in projects. This was especially true in RD’s rural infrastructure projects related to water and electric investments.

Despite challenges faced in FY 2020 RD was able to meet its performance target for 4.1.4 Percent of RD assistance that went to distressed communities. RD invested close to \$5 billion in distressed rural communities during a pandemic.

Expected Progress at the 2022 Proposed Resource Level

The economic and social effects of COVID-19 on rural communities remains a concern. Demographic characteristics (a higher share of elderly population) and geographic features (larger distances to access health care centers), coupled with reduced health care staff and facilities, impede the ability of rural communities to respond to the pandemic. In addition, the overall slowdown in aggregate demand has affected some primary sectors, and the expected further slow-down in trade and global demand will hit rural economies severely given their higher reliance on tradable activities, such as mining and tourism.

Unless economic conditions improve there is potential for the continued decrease in non-Federal funds available for investment alongside RD funds.

Distressed Communities were already vulnerable and even more vulnerable under COVID-19. The Innovation Center facilitated a webinar discussion for all RD staff that focused on working with

Distressed Communities. – what works, what are the challenges, and what are new ways to engage and conduct outreach under COVID-19.