

2026 USDA EXPLANATORY NOTES - RURAL UTILITIES SERVICE

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PREFACE

This publication summarizes the fiscal year (FY) 2026 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the "Budget" is in regard to the 2026 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2023 and 2024, Full-Year Continuing Resolution levels for 2025, and the President's Budget request for 2026. Amounts for 2025 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the "2018 Farm Bill" is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2025, as extended by the American Relief Act, 2025 (P.L. 118-158, Division D). Amounts shown in 2025 and 2026 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2023, 2024, 2025 and 2026.

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

AGENCY-WIDE**PURPOSE STATEMENT**

The USDA Rural Utilities Service (RUS) enhances the quality of life and improves economic opportunity in rural communities by providing financing for the basic infrastructure of modern life. Electricity, telecommunications, and water and waste systems are essential services for individuals and businesses alike that assist communities with creating wealth, supporting self-sustaining and repopulating communities, and helping to improve rural economies.

Electric Programs:

Direct Loans — Authorized by section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) and bear interest at the government's cost of money (or the current Treasury rate). The program's purpose is to finance electric distribution, transmission, and generation systems, and for demand side management, energy efficiency and conservation programs, and renewable energy systems to serve rural areas.

Hardship Rate Direct Loans — Authorized by section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) to finance electric system improvements for qualified borrowers that meet thresholds for retail rate disparity and for customer per capita and household incomes, or that have suffered a severe, unavoidable hardship, such as a natural disaster. No private financing is required. Hardship rate loans at a fixed rate of five percent are also offered under section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935).

Municipal Rate Direct Loans — Authorized by section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) to finance the electric system improvements of eligible distribution borrowers. Interest rates are set quarterly based on municipal bond market rates for similar maturities and determined at time of each loan advance. Private financing of 30 percent of the total loan is required for most projects.

Guaranteed Loans — Authorized by section 306 of the Rural Electrification Act of 1936 (7 U.S.C. 936) to finance electric distribution, transmission, and generation systems (including renewable energy), headquarters facilities, and programs for energy efficiency, conservation, and demand side

management. The Federal Financing Bank (FFB) is the primary source of guaranteed loans and have interest rates fixed to the prevailing cost of money to the Treasury, plus an administrative fee of one-eighth of one percent. USDA-guaranteed private loans issued through National Rural Utilities Cooperative Financing Corporation, Co Bank or other private lenders carry an interest rate negotiated between the lender and the borrower.

Guarantees for Bonds and Notes Issued for Utility Infrastructure Loans — Authorized by section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c-1), as amended by the Agriculture Improvement Act of 2018 (P.L. 115-334), to guarantee payments on certain bonds or notes issued by qualified cooperative or other non-profit lenders. The note proceeds must be used for financing of eligible utility infrastructure and must be of investment grade. Notes have been obtained through the FFB with interest rates equal to the Treasury rate for notes of similar maturities plus an annual fee of 30 basis points on any unpaid principal balance.

Energy Efficiency and Conservation Loan Program — Authorized by section 317 of the Rural Electrification Act of 1936 (7 U.S.C. 940g), as amended by the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), to finance facilities that generate electricity from solar, wind, hydropower, biomass, or geothermal source for resale to rural and nonrural residents. The interest rate is set to be equal to the average tax-exempt municipal bond rate of similar maturities. Loans for renewable generation projects serving eligible rural areas are also available under section 306 FFB loan guarantees.

Rural Energy Savings Program — Authorized by section 6407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107) as added by section 6205 of the Agriculture Act of 2014 (P.L. 113-79) to offer zero-interest loans to eligible borrowers for relending to qualified consumers to implement durable cost-effective energy efficiency measures.

High Energy Cost Grants — Authorized by section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a) to fund energy generation, transmission, and distribution facilities, including energy efficiency and conservation programs and renewable energy systems serving rural communities with average home energy costs exceeding 275 percent of the national average. Program funds are also used for RUS grants to the Denali Commission to carry out eligible projects in small remote villages in Alaska and to eligible State entities to establish revolving funds for bulk fuel purchases for certain communities where fuel deliveries by surface transportation is not available year-round.

Empowering Rural America (New ERA) Program – Authorized by the Inflation Reduction Act of 2022 (P.L. 117-169, Subtitle C, Subsection 22004) to assist eligible entities in achieving the greatest reduction in Greenhouse Gas (GHG) emissions while advancing the long-term resiliency, reliability, and affordability of rural electric systems. The program provides loans, grants and loan and grant combinations to member-owned rural electric cooperatives to help rural Americans transition to clean, affordable, and reliable energy. By reducing air and water pollution, New ERA funding improves health outcomes and lowers energy costs for people in rural communities.

Powering Affordable Clean Energy (PACE) Program – Authorized by the Inflation Reduction Act of 2022 (P.L. 117-169, Section 22001) to finance projects that store electricity generated from eligible renewable energy sources listed under Section 317 of the Rural Electrification Act of 1936. This program provides loans for wind, solar, hydropower, geothermal, or biomass renewable energy projects. PACE allocates funding across three categories of applicants that can qualify for up to 60 percent total loan forgiveness for designated energy communities or Tribal populations.

Telecommunications Programs:

Hardship (direct loans) — Authorized by section 305(d)(1) of the Rural Electrification Act of 1936 (7 U.S.C. 935(d)(1)) and bear interest at a fixed rate of five percent per year to furnish and improve telecommunications services, including a wide array of telecommunication related services, in rural areas. The program is intended only for borrowers with extremely high investment costs in terms of

per subscriber service, have a very low number of subscribers for each mile of telecommunications line constructed and cannot typically afford higher interest rate loans. This low subscriber “density” inherently increases the cost to serve the most sparsely populated rural areas.

Direct Loans (or Treasury rate loans) — Authorized by section 305(d)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 935(d)(2)) and bear interest at the government’s cost of money (or the current Treasury rate). The program’s purpose is to furnish and improve telecommunications services, including a wide array of telecommunication related services, in rural areas.

Guaranteed Loans — Authorized by section 306 of the Rural Electrification Act of 1936 (7 U.S.C. 936) and are provided to borrowers of a non-government lender or from the Federal Financing Bank (FFB) to furnish and improve telecommunications services, including a wide array of telecommunication related services, in rural areas. The interest rate charged on FFB loans is the Treasury rate plus an administrative fee of one-eighth of 1 percent. The terms of these loans may vary significantly and allow borrowers more flexibility in meeting their financing needs.

Broadband Loans — Authorized by section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) as added by section 6103 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171), which established a new direct loan and loan guarantee program (Access to Broadband Telecommunications Services in Rural Areas), and which was reauthorized and modified in the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), the Agricultural Act of 2014 (P.L. 113-79), and Agriculture Improvement Act of 2018 (P.L. 115-334). This program provides funding for the cost of constructing, improving, and acquiring facilities and equipment for broadband service in rural communities of 20,000 inhabitants or less. Direct loans are made at the cost of money to the Treasury for the life of the facilities financed.

Community Connect Broadband Grants — Authorized by section 306(a)(20)(E) of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926(a)(20)(E)) to fund eligible entities to provide public access to broadband in otherwise un-served communities. Funds must be used to deploy broadband service and offer free broadband service to critical community facilities for two years.

Distance Learning and Telemedicine Loans and Grants — Authorized by sections 2331 to 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.), as added by section 704 of the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), to assist rural schools and learning centers to gain access to improved educational resources and assist rural hospitals and health care centers to gain access to improved medical resources. Telemedicine projects are providing new and improved health care services and benefits to rural residents, many in medically underserved areas, by linking to urban medical centers for clinical interactive video consultation, distance training of rural health care providers, and access to medical expertise and library resources. Distance learning projects provide funding for Internet-based educational services in schools and libraries and promote confidence in, and understanding of, the Internet and its benefits to students and young entrepreneurs.

Broadband Pilot Loans and Grants (ReConnect) Program — Established by section 779 of the Consolidated Appropriations Act, 2018 (P.L. 115-141) and funded in subsequent years. The program’s purpose is to conduct a new broadband loan and grant pilot program under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) to fund broadband capable infrastructure in rural communities where at least 90 percent of the households to be served are without sufficient access to broadband, defined for this pilot program as 10 Megabits per second (Mbps) downstream, and 1 Mbps upstream, provided that funds shall not be used to overbuild or duplicate broadband expansion efforts of any entity that has received a broadband loan from RUS.

Water and Environmental Programs:

Direct Water and Waste Disposal Loans — Authorized by section 306 of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926). The program’s purpose is to develop water and

wastewater systems, including solid waste disposal and storm drainage, in rural areas and in cities and towns with a population of 10,000 or less. Priority is given to communities with populations of 5,500 or less.

Guaranteed Water and Waste Disposal Loans — Authorized by section 306 of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926) for the same purpose as direct loans. The loans are made and serviced by private lenders, such as banks, and savings and loan associations with the guarantee for up to 90 percent of an eligible loss incurred by the lender. The Agriculture Improvement Act of 2018 (P.L. 115-334) authorized the program to service eligible rural populations up to 50,000 and prioritize communities of 10,000 or less.

Water and Waste Disposal Grants — Authorized by section 306A of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926). The program's purpose is to reduce water and waste disposal costs to a reasonable level for users of the system. Grants may be made, in some instances, up to 75 percent of eligible project costs.

Water and Waste Facility Loans and Grants to alleviate health risks — Authorized by section 306C of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926) to assist low-income rural communities whose residents face significant health risks because they do not have access to water supply systems or waste disposal facilities. The grants are available to provide water or waste services to designated Colonias in Arizona, California, New Mexico, and Texas, and are also available to Native American tribes with the funds specifically intended to be used for eligible projects benefiting members of federally recognized Native American tribes. Grants may be made up to 100 percent of the eligible project cost and be used in conjunction with loan monies.

Water and Waste System Grants for Alaskan Villages (including technical assistance programs) — Authorized by section 306D of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926). The program's purpose is to fund water and waste disposal systems in rural Alaskan Villages. Funds must be used for development and construction of water and wastewater systems to correct dire health and sanitation conditions in those villages.

Special Evaluation Assistance for Rural Communities and Households Program grants (SEARCH) — Authorized by section 306 of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926). The program's purpose is to fund feasibility studies, design assistance, and technical assistance to financially distressed communities in rural areas with populations of 2,500 or fewer inhabitants for water and waste disposal projects.

Grants for the construction, refurbishment and servicing of low- or moderate-income individual household water well systems — Authorized by section 306E of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926). The program's purpose is to provide funds to non-profit organizations to assist them in establishing loan programs from which homeowners may borrow money to construct or repair household water well systems.

Revolving Loan Fund Grants — Authorized by section 306 of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926) to enable qualified state and local government entities, and nonprofits to create a revolving loan fund. The funds can enable applicants to finance certain pre-development costs and short-term capital projects. Loans may be made by the intermediary for up to \$100,000 and a term of 10 years.

Household Water Well System Grants — Authorized by section 306E of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926(e)) to help qualified nonprofits and tribes create a revolving loan fund to increase access to clean, reliable water for households in eligible rural areas who own and occupy a home. The 2018 Farm Bill changed program eligibility to include individually-owned household decentralized wastewater systems and changed income eligibility from 100 percent median non-metropolitan household income of the State to 60 percent.

Solid Waste Management Grants — Authorized by section 310B of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1932) to assist eligible organizations to address solid waste management issues and threats to water resources from solid waste in rural communities. Assistance may be provided to enhance operator skills in operations and maintenance, identify threats to water resources, reduce or eliminate pollution of water resources, improve planning and management of solid waste disposal facilities in rural areas, and reduce the solid waste stream.

Technical Assistance and Training Grants — Authorized by section 306 of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926). The program's purpose is to assist private non-profit organizations to provide technical assistance and training to communities and utility systems on issues relating to delivery of water and waste disposal service. For water and waste disposal facilities, eligible non-profit organizations help identify and evaluate solutions, improve the operation and maintenance of existing facilities, and prepare loan and grant applications.

All RUS loans are based on extensive feasibility studies that determine a borrower's ability to repay the loan. Rural Development (RD) staff monitor loan repayments that are secured through covenants in loan contracts and mortgage documents with RD. The government obtains a priority position on the assets of the borrower.

RD is comprised of three agencies: Rural Housing Service, Rural Utilities Service, and Business-Cooperative Service. RD's headquarters is located in Washington, DC. As of September 30, 2024, there were 4,456 permanent full-time employees, including 150 in the headquarters office and 4,306 in the field offices.

OIG AND GAO REPORTS

Table RUS-1. Closed, Implemented OIG Reports

ID	Date	Title	Result
09601-0001-22	11/01/2023	Administration of Water and Waste Program Grants	OIG found (1) that the processes RUS used to score WWD projects and award grants serving rural areas were reasonable, (2) that RUS scored grant projects appropriately and therefore provided funding to the neediest projects in rural communities, (3) that RUS awarded grants to projects that served a rural area. OIG did not identify any issues that would warrant recommendations; therefore, none were made.
09601-0001-23	03/08/2024	Rural eConnectivity Pilot Program (ReConnect Program) Award Process	Recommendation 1 – OIG found that RUS should implement a process to test any new or updated mapping software to ensure that a mapping software programming error does not exist in new systems. Recommendation 2 – OIG found that RUS should review and confirm that the percentage of households without access to broadband was within the eligibility parameters for approved applications in ReConnect Program Round 1, Round 2, and the

ID	Date	Title	Result
			CARES Act, to ensure that only eligible projects received ReConnect Program funding.
			The corrective actions for all recommendations were implemented and the entire audit closed on 3/8/2024.
09601-0001-24	01/29/2024	Rural Utilities Service's Distance Learning and Telemedicine	OIG determined that RUS' process for awarding fiscal year (FY) 2020 and FY 2021 DLT program funds provided reasonable assurance that the awards were made in compliance with applicable laws and regulations. For FY 2020, RUS awarded 203 DLT grants totaling more than \$114 million. For FY 2021, RUS awarded 110 DLT grants totaling more than \$52.3 million.
			OIG did not identify any issues that would warrant recommendations; therefore, none were made.

Table RUS-2. Closed, Implemented GAO Reports

ID	Date	Title	Result
GAO-24-106157	04/10/2024	Broadband Deployment: Agencies Should Take Steps to Better Meet Deadline for Processing Permits	No recommendations made.
GAO-24-106278	07/22/2024	Tribal Energy: Federal Assistance to Support Microgrid Development	No recommendations made.
GAO-24-106334	09/25/2024	Tracking the Funds: Sample of Fiscal Year 2022 Projects Shows Funds Were Awarded for Intended Purposes but Recipients Experienced Some Challenges	No recommendations made.
GAO-24-106541	06/24/2024	Tribal Broadband: Additional Assistance to Recipients Would Better Support Implementation of \$3 Billion in Federal Grants	No recommendations made.
GAO-24-106744	08/01/2024	Critical Infrastructure Protection: EPA Urgently Needs a Strategy to Address Cybersecurity Risks to Water and Wastewater Systems	No recommendations made.

ID	Date	Title	Result
GAO-18-309	05/15/2018	Drinking Water and Wastewater Infrastructure: Opportunities Exist to Enhance Federal Agency Needs Assessment and Coordination on Tribal Projects	The following five recommendations were closed, implemented: 1) The Assistant to the Secretary of Agriculture for Rural Development should implement a scoring factor that awards points for proposed Native American program grant projects that address health risks from a lack of access to safe drinking water and wastewater disposal, as it does with the Colonias grant program; 2) The Assistant to the Secretary of Agriculture for Rural Development should ensure that all Rural Alaska Village grants are awarded only to recipients authorized by law or seek authority to award grants to municipalities and Alaska Native villages; 3) The Assistant to the Secretary of Agriculture for Rural Development should amend the Rural Alaska Village Grant program regulations so that they are consistent with USDA's authority; 4) The Assistant to the Secretary of Agriculture for Rural Development, in cooperation with other members of the tribal infrastructure task force, should review the 2011 task force report and identify and implement additional actions to help increase the task force's collaboration at the national level; and 5) The Assistant to the Secretary of Agriculture for Rural Development, in cooperation with other members of the tribal infrastructure task force, should direct USDA state offices to identify and pursue additional mechanisms to increase their collaboration.

AVAILABLE FUNDS AND FTEs**Table RUS-3. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2023 Actual	FTE	2024 Actual	FTE	2025 Estimated	FTE	2026 Estimated	FTE
WEP:								
Discretionary Appropriations.....	\$586,404	-	\$588,972	-	\$471,487	-	\$202,488	-
Supplemental Appropriations	325,000	-	-	-	-	-	-	-
RET:								
Discretionary Appropriations.....	45,239	-	42,568	10	38,568	5	33,270	5
DLTB:								
Discretionary Appropriations.....	466,503	-	169,959	10	150,000	3	30,000	3
HECG:								
Discretionary Appropriations.....	10,000	-	8,000	-	8,000	-	-	-
Total Discretionary Appropriations...	1,108,146	-	809,499	20	668,055	8	265,758	8
Total Supplemental Appropriations ..	325,000	-	-	-	-	-	-	-
Total Adjusted Appropriation	1,433,146	-	809,499	20	668,055	8	265,758	8
Balance Available, SOY.....	13,140,092	-	12,242,970	-	9,797,525	-	999,273	-
Balances Interchange.....	-25,517	-	-17,368	-	-	-	-	-
Rescinded Balances	-610	-	-55,891	-	-30,006	-	-115,000	-
Recoveries, Other.....	142,545	-	442,531	-	105,074	-	83,561	-
Total Available	14,689,657	-	13,421,741	20	10,540,648	8	1,233,592	8
Lapsing Balances.....	-377	-	-5,720	-	-	-	-	-
Balance Available, EOY.....	-12,244,889	-	-9,797,525	-	-999,273	-	-321,281	-
Total Obligations	2,444,391	-	3,618,496	20	9,541,375	8	912,311	8
Total Obligations, RUS.....	2,444,391	-	3,618,496	20	9,541,375	8	912,311	8
Total Available, RUS	14,689,657	-	13,421,741	20	10,540,648	8	1,233,592	8

This table assumes a reduced 2026 FTE baseline due to 2025 voluntary staff separations and administrative cost efficiencies.

ACCOUNT 1: RURAL WATER AND WASTE DISPOSAL PROGRAM**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored):

Rural Water and Waste Disposal Program Account (including transfers of funds)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by section 306 and described in section 381E(d)(2) of the Consolidated Farm and Rural Development Act, as follows: \$1,228,739,000 for direct loans; and \$50,000,000 for guaranteed loans.

For the cost of direct loans, loan guarantees and grants, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, for rural water, waste water, waste disposal, and solid waste management programs authorized by sections 306, 306C, and 306D and described in sections 306C(a)(2), 306D, and 381E(d)(2) of the Consolidated Farm and Rural Development Act, \$202,488,000, to remain available until expended, of which \$40,000,000 of the amount appropriated under this heading shall be for loans and grants including water and waste disposal systems grants authorized by section 306D of the Consolidated Farm and Rural Development Act, and Federally Recognized Native American Tribes authorized by 306C(a)(1) of such Act: *Provided*, That, notwithstanding any other provision of this Act, fund appropriated under this paragraph may be transferred pursuant to section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or section 8 of Public Law 89-106 (7 U.S.C. 2263) without written notification to Congress: *Provided further*, That funding provided for section 306D of the Consolidated Farm and Rural Development Act may be provided to a consortium formed pursuant to section 325 of Public Law 105-83: *Provided further*, That not more than 2 percent of the funding provided for section 306D of the Consolidated Farm and Rural Development Act may be used by the State of Alaska for training and technical assistance programs and not more than 2 percent of the funding provided for section 306D of the Consolidated Farm and Rural Development Act may be used by a consortium formed pursuant to section 325 of Public Law 105-83 for training and technical assistance programs: *Provided further*, That not to exceed \$20,000,000 of the amount appropriated under this heading shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That if the Secretary determines that any portion of the amount made available for one percent loans is not needed for such loans, the Secretary may use such amounts for grants authorized by section 306(a)(2) of the Consolidated Farm and Rural Development Act: *Provided further*, That if any funds made available for the direct loan subsidy costs remain unobligated after July 31, 2026, such unobligated balances may be used for grant programs funded under this heading: *Provided further*, That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to the funds made available under this heading.

LEAD-OFF TABULAR STATEMENT

Table RUS-4. Lead-Off Tabular Statement (In dollars)

Item	Grants	Loan Level	Subsidy	Administrative Expenses
Enacted, 2025	\$2,661,000	\$851,499,033	\$88,045,000	\$237,964,000
Change in Appropriation....	-2,661,000	+ 377,240,463	-29,557,000	-153,964,000
Budget Estimate, 2026	-	1,228,739,496	58,488,000	84,000,000

PROJECT STATEMENTS**Table RUS-5. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	2025 Estimated PL	2025 Estimated BA	2026 Estimated PL	2026 Estimated BA	PL Inc. or Dec.	Chg Key	BA Inc. or Dec.	Chg Key
Discretionary Approp:												
Direct Rural Water and Waste Disposal Loans	\$1,400,000	-	\$850,000	\$70,975	\$851,499	\$88,045	\$1,228,739	\$58,488	+\$377,240	(1)	-\$29,557	(4)
Direct Rural Water and Waste Disposal Loans 1%	20,000	\$2,724	10,000	2,695	8,502	2,661	-	-	-8,502	(2)	-2,661	(5)
Guaranteed Rural Water and Waste Disposal Loans	50,000	-	50,000	-	50,000	-	50,000	-	-	-	-	-
Rural Water and Waste Disposal (WWD) Grants	430,000	430,000	255,000	255,000	237,964	237,964	84,000	84,000	-153,964	(3)	-153,964	
Rural Water and Waste Disposal Grants, CPF	-	-	117,485	117,485	-	-	-	-	-	-	-	-
Technical Assistance Grants for Rural Waste Systems...	37,500	37,500	35,000	35,000	35,000	35,000	-	-	-35,000	(3)	-35,000	
Circuit Rider - Technical Assistance Grants for Rural Waste Systems	21,180	21,180	21,817	21,817	21,817	21,817	20,000	20,000	-1,817	(3)	-1,817	
WWD Grants, Set-Asides	70,000	70,000	65,000	65,000	65,000	65,000	40,000	40,000	-25,000	(3)	-25,000	
Water Well System Grants	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-5,000	(3)	-5,000	
Water and Wastewater Revolving Funds	1,000	1,000	1,000	1,000	1,000	1,000	-	-	-1,000	(3)	-1,000	
Solid Waste Management Grants	4,000	4,000	4,000	4,000	4,000	4,000	-	-	-4,000	(3)	-4,000	
Emergency Community Water Assistance Grants, Appropriated	15,000	15,000	10,000	10,000	10,000	10,000	-	-	-10,000	(3)	-10,000	
Section 786: Decentralized Water Grants	-	-	1,000	1,000	1,000	1,000	-	-	-1,000	(3)	-1,000	
Subtotal	2,053,680	586,404	1,425,302	588,972	1,290,782	471,487	1,422,739	202,488	+131,958		-268,999	
Supplemental Approp:												
WWD Grants (Div N)	58,200	58,200	-	-	-	-	-	-	-	-	-	-
WWD Grants (Div N) Admin	1,800	1,800	-	-	-	-	-	-	-	-	-	-
WWD Grants Disaster (Div N)	257,050	257,050	-	-	-	-	-	-	-	-	-	-
WWD Grants Disaster (Div N) Admin	7,950	7,950	-	-	-	-	-	-	-	-	-	-
Disaster Assistance Fund 12x0405	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	325,000	325,000	-	-	-	-	-	-	-	-	-	-
Total Adjusted Approp	2,378,680	911,404	1,425,302	588,972	1,290,782	471,487	1,422,739	202,488	+131,958		-268,999	
Add back:												
Transfers In and Out, Rescissions	10,000	10,000	8,000	8,000	8,000	8,000	-	-	-8,000		-8,000	
Total Appropriation	2,388,680	921,404	1,433,302	596,972	1,298,782	479,487	1,422,739	202,488	+123,958		-276,999	
Transfers Out:												
High Energy Cost Grants	-10,000	-10,000	-8,000	-8,000	-8,000	-8,000	-	-	+8,000		+8,000	
Total Transfers Out	-10,000	-10,000	-8,000	-8,000	-8,000	-8,000	-	-	+8,000		+8,000	
Balances Interchange	-6,122	-6,249	-17,368	-17,368	-	-	-	-	-	-	-	-
Recoveries, Other	83,321	86,885	106,783	87,356	89,207	65,157	115,585	66,575	+26,379		+1,418	
Rescinded Balances	-	-	-	-	-	-	-124,010	-75,000	-124,010		-75,000	
Bal. Available, SOY	89,948	92,248	449,387	386,793	311,257	294,245	208,692	158,975	-102,566		-135,270	
Total Available	2,545,827	1,084,289	1,964,104	1,045,753	1,691,246	830,889	1,623,006	353,038	-68,239	-	-477,851	-
Lapsing Balances	-382,989	-	-43,875	-	-	-	-	-	-	-	-	-
Bal. Available, EOY	-381,055	-386,793	-318,941	-294,245	-180,499	-158,975	-70,339	-70,378	+110,159		+88,597	
Total Obligations	1,781,784	697,496	1,601,288	751,508	1,510,747	671,914	1,552,667	282,660	+41,920		-389,255	

The totals may not add due to rounding.

Table RUS-6. Project Statement on Basis of Obligations (thousands of dollars)

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	2025 Estimated PL	2025 Estimated BA	2026 Estimated PL	2026 Estimated BA	PL Inc. or Dec.	BA Inc. or Dec.
Discretionary Obligations:										
Direct Rural Water and Waste Disposal Loans	\$1,043,108	-	\$912,548	\$76,198	\$873,290	\$90,298	\$1,280,982	\$60,975	+\$407,692	-\$29,323
Direct Rural Water and Waste Disposal Loans 1%	20,000	\$2,724	10,000	2,695	8,502	2,661	-	-	-8,502	-2,661
Guaranteed Rural Water and Waste Disposal Loans ..	23,904	-	6,125	-	50,000	-	50,000	-	-	-
Rural WWD Grants	494,889	494,889	365,452	365,452	311,085	311,085	84,000	84,000	-227,085	-227,085
Rural Water and Waste Disposal Grants, CPF	-	-	11,814	11,814	17,671	17,671	35,000	35,000	+17,329	+17,329
Technical Assistance Grants for Rural Waste Systems Circuit Rider - Technical Assistance Grants for Rural Waste Systems	38,924	38,924	36,649	36,649	35,000	35,000	852	852	-34,148	-34,148
WWD Grants, Set-Asides	22,736	22,736	21,788	21,788	21,846	21,846	20,519	20,519	-1,327	-1,327
Water Well System Grants	71,747	71,747	66,568	66,568	71,079	71,079	47,952	47,952	-23,128	-23,128
Water and Wastewater Revolving Funds	2,557	2,557	3,662	3,662	3,900	3,900	4,000	4,000	+100	+100
Solid Waste Management Grants	1,716	1,716	1,200	1,200	1,000	1,000	165	165	-835	-835
Emergency Community Water Assistance Grants	4,140	4,140	4,295	4,295	4,000	4,000	324	324	-3,676	-3,676
Emergency Community Water Assistance Grants,	822	822	2,376	2,376	-	-	31	31	+31	+31
Appropriated	16,450	16,450	11,672	11,672	10,346	10,346	618	618	-9,728	-9,728
Section 786: Decentralized Water Grants	-	-	1,000	1,000	1,000	1,000	-	-	-1,000	-1,000
Section 783: Water and Waste Grants Pilot Program	-	-	5,150	5,150	-	-	-	-	-	-
Subtotal Disc oblig	1,740,993	656,705	1,460,301	610,520	1,408,718	569,886	1,524,442	254,435	+115,724	-315,451
Mandatory Obligations:										
Rural WWD Grants - Farm Bill Mandatory	-	-	1,579	1,579	1,700	1,700	1,175	1,175	-525	-525
Subtotal Mand Oblig	-	-	1,579	1,579	1,700	1,700	1,175	1,175	-525	-525
Supplemental Obligations:										
Hurricanes HIM Natural Disaster Grants	30,111	30,111	28,869	28,869	142	142	50	50	-92	-92
WWD Grants (Div N)	-	-	10,975	10,975	-	-	-	-	-	-
WWD Grants (Div N) Admin	1,800	1,800	-	-	-	-	-	-	-	-
WWD Grants Disaster (Div N)	930	930	99,565	99,565	100,187	100,187	27,000	27,000	-73,187	-73,187
WWD Grants Disaster (Div N) Admin	7,950	7,950	-	-	-	-	-	-	-	-
Subtotal Supp Oblig	40,791	40,791	139,408	139,408	100,328	100,328	27,050	27,050	-73,279	-73,279
Total Obligations	1,781,784	697,496	1,601,288	751,508	1,510,747	671,914	1,552,667	282,660	+41,920	-389,255
Add back:										
Lapsing Balances	382,989	-	43,875	-	-	-	-	-	-	-
Balances Available, EOY:										
Direct Rural Water and Waste Disposal Loans	-	5,706	26,984	2,253	24,050	2,487	-	-	-24,050	-2,487
Guaranteed Rural Water and Waste Disposal Loans ..	-	32	-	35	-	39	-	39	-	-
Rural Water and Waste Disposal Grants*	19,208	19,208	20,957	20,957	-	-	-	-	-	-
Rural Water and Waste Disposal Grants, CPF	-	-	105,671	105,671	88,000	88,000	53,000	53,000	-35,000	-35,000
Technical Assistance Grants for Rural Waste Systems Circuit Rider - Technical Assistance Grants for Rural Waste Systems	0	0	-	-	852	852	-	-	-852	-852
WWD Grants, Set-Asides	-	-	29	29	519	519	-	-	-519	-519
Water Well System Grants	567	567	10,879	10,879	11,277	11,277	1,831	1,831	-9,445	-9,445
Water and Wastewater Revolving Funds	5,962	5,962	9,211	9,211	10,931	10,931	-	-	-10,931	-10,931
Solid Waste Management Grants	200	200	-	-	165	165	-	-	-165	-165
Emergency Community Water Assistance Grants	39	39	-	-	324	324	-	-	-324	-324
Emergency Community Water Assistance Grants,	43	43	-	-	31	31	-	-	-31	-31
Appropriated	613	613	346	346	618	618	-	-	-618	-618
Section 783: Water and Waste Grants Pilot Program	5,150	5,150	-	-	-	-	-	-	-	-
Hurricanes HIM Natural Disaster Grants	28,869	28,869	142	142	50	50	-	-	-50	-50

2026 USDA EXPLANATORY NOTES - RURAL UTILITIES SERVICE

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	2025 Estimated PL	2025 Estimated BA	2026 Estimated PL	2026 Estimated BA	PL Inc. or Dec.	BA Inc. or Dec.
Rural WWD Grants - Farm Bill Mandatory	1,579	1,579	2,028	2,028	1,175	1,175			-1,175	-1,175
Water and Waste Disposal Grants (Div N)	58,200	58,200	-	-					-	-
Water and Waste Disposal Grants Disaster (Div N)...	256,120	256,120	139,187	139,187	39,000	39,000	12,000	12,000	-27,000	-27,000
Disaster Assistance Fund Grants	-	-	-	-	-	-			-	-
Other	4,505	4,505	3,508	3,508	3,508	3,508	3,508	3,508	-	-
Total Bal. Available, EOY	381,055	386,793	318,941	294,245	180,499	158,975	66,831	70,378	-110,159	-88,597
Total Available	2,545,827	1,084,289	1,964,104	1,045,753	1,691,246	830,889	1,623,006	353,038	-68,239	-477,851
Less:										
Total Transfers Out	10,000	10,000	8,000	8,000	8,000	8,000	-	-	-8,000	-8,000
Balances Interchange	6,122	6,249	17,368	17,368	-	-	-	-	-	-
Recoveries, Other	-83,321	-86,885	-106,783	-87,356	-89,207	-65,157	-115,585	-66,575	-26,379	-1,418
Rescinded Balances	-	-	-	-	-	-	124,010	75,000	+124,010	+75,000
Bal. Available, SOY	-89,948	-92,248	-449,387	-386,793	-311,257	-294,245	-208,692	-158,975	+102,566	+135,270
Total Appropriation	2,388,680	921,404	1,433,302	596,972	1,298,782	479,487	1,422,739	202,488	+123,958	-276,999

The totals may not add due to rounding.

JUSTIFICATION OF CHANGES**Rural Water and Waste Disposal Program**

Rural Utilities Service (RUS) programs support a healthy community and environment with loans and grants to make sure people, kids, and families have clean water and safe sewer systems that prevent pollution and runoff. RUS programs also keep the people of rural America connected with reliable, high-speed internet that brings new and innovative ideas to the rest of our country.

RUS provides much-needed infrastructure or infrastructure improvements to rural communities. These include water and waste treatment, electric power, and telecommunications services. All these services help to expand economic opportunities and improve the quality of life for rural residents.

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

- (1) An increase of \$377,240,000 in program level for the Water and Waste Direct loan program (\$851,499,000 available in 2025).

The Water and Waste Direct Loan program provides low-interest extended term loans to support clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage facilities to households and businesses in eligible rural areas of 10,000 population or less. Often combined with grant funding, the Water and Waste Disposal Direct Loans enable communities to maintain reasonable user costs for rural residences, businesses, and other users.

Adequate and reliable water and waste disposal capacity is critical for supporting quality of life issues, environmental sustainability, and the economic vitality of rural communities. Rural water and waste disposal systems face many unique challenges, including a lack of economies of scale, access to qualified workers, and more. This program helps very small, financially distressed rural communities extend and improve water and waste disposal facilities that serve local households and businesses. The availability of these services can save tax dollars through a reduction in health care costs, improve the natural environment, and help manufacturers and businesses locate or expand operations in rural areas. As the only federal water and waste disposal program solely focused on rural America, this funding is crucial to ensure that rural communities have access to the clean water and waste disposal services they need and deserve.

Applications for this program are accepted year around. Borrowers must have the legal authority to construct, operate and maintain the proposed services or facilities. All facilities receiving federal financing must be used for public purposes. Partnerships with other federal, state, local, private, and nonprofit entities that offer financial assistance are encouraged and the project must be financially sustainable. The loan term is up to a 40-year payback period, based on the useful life of the facilities financed. The interest rates are fixed based on the need for the project and the median household income of the area to be served. The funds may be used to finance the acquisition, construction or improvement of drinking water sourcing, treatment, storage, and distribution; sewer collection, transmission, treatment, and disposal; solid waste collection, transmission, and closure; and storm water collection, transmission and disposal. In some cases, funding may also be available for related activities including, but not limited to, legal and engineering fees, land acquisition, water land rights, and permits and equipment.

During 2024, WEP obligated just over \$912.5 million across 271 loans. From this total, the agency invested more than \$62 million in persistent poverty areas, \$42.5 million in SECD loans, and almost \$2.3 million in EZ/EC loans. In 2024, the agency continued a significant investment in the Midwest region; the three states who received the most funding were Iowa, Colorado, and Kansas. This program made investments across 40 states with 37 of those states receiving at least \$1.7 million in funding.

Projects in Colorado span from repairing wastewater collection systems, updating water distribution systems, as well as improving and modernizing the water treatment facilities in the state. RD awarded a combination loan/grant totaling \$10.9 million to improve the water system for the town of Holly in Southeastern Colorado. The current system is supplied by three wells and is out of compliance for maximum levels of radium in their drinking water. The 100,000-gallon storage tank is undersized, providing inadequate fire flow and less than a day's worth of storage. The distribution system has several dead ends allowing for bacterial growth, utilizes undersized and older asbestos cement and cast-iron mains resulting in water loss and infiltration. This project will construct a new well adjacent to the treatment building to replace two of the older wells. The new water treatment plant is designed to bring the town into compliance and will also be next to a new 450,000-gallon storage tank that can supply a full day's demand as well as provide two hours of fire flow. By replacing the undersized pipes and eliminating dead ends in the system, water loss will be reduced, and water flow will be improved. This RD project will ensure the 837 rural residents of Holly have reliable access to potable water and fire protection that is fully compliant. Several RD projects also address expanding the water systems to more of their residents such as the \$1.2 million awarded to Marble Water Company which serves the town of Marble in the western part of the state. This funding will expand and modernize the water system; currently, the system does not reach all residents in town and the community has expressed interest in moving away from their individual wells. This project will install roughly 3,900 new linear feet of distribution lines, thus allowing up to 40 new connections. It will also install four new fire hydrants, bringing the total to 16 and replace two aging pumps that have reached the end of their useful life. This project will allow the company to serve all 131 rural residents and ensure they have reliable access to potable water.

Right in the heart of the Midwest, RD invested just under \$59 million in multiple projects. A Water only Direct Loan for \$7.9 million will help the city of Solomon replace 33,000 feet of water lines, install new radio read water meters, and upgrade infrastructure related to four water wells. The project includes the implementation of modern equipment controls, installation of a real-time telemetry Supervisory Control and Data Acquisition systems for remote monitoring and adjustment of the water system. Looking to the north side of Wichita, the agency awarded a loan/grant combination to help the city of Belle Plaine replace their remaining distribution system. The project was awarded a \$3.1 million grant and \$8.6 million loan to construct a new 300,000-gallon elevated storage tank and a new ion exchange nitrate removal treatment plant. The project will replace the entire distribution system including main line, service line, meter pit replacements, new telemetry systems, and automated meter reading system.

In 2024, this program experienced increased interest rates, supply and demand challenges, supply chain issues that drove up material costs. Also, the agency implemented the Build America Buy American Act requirements, so WEP is working to maintain affordable user rates for the programs financed. Similar strains are experienced in engineering and other professional industries that support project development.

Moving forward, WEP is working with the RD State Offices to identify, and process shovel ready projects that can afford loan dollars. The agency is focusing on small and underserved communities, where most applicants have a need for the limited funding to maintain affordable user rates.

With the funding requested in 2026, WEP will continue focusing on smaller rural communities. With the 2026 funding request of \$1.23 billion, RD is expected to support approximately 344 loans that will assist rural residents in obtaining decent, safe, and sanitary water and wastewater services.

This program supports infrastructure projects that will increase the capacity of rural areas and the generation of jobs. This program has about \$2.8 billion in unfunded applications in 2024.

- (2) A decrease of \$8,502,000 in program level for the Water and Waste Direct 1 percent interest loan program (\$8,502,000 available in 2025).

No funding is requested for this program. The budget includes funding for water and waste direct and guaranteed loans that can continue supporting small rural communities without sufficient financial resources. In addition, other Federal agencies like the Environmental Protection Agency can provide funding for rural water infrastructure.

- (3) A decrease of \$236,781,000 Water and Waste Disposal grant program (\$379,781,000 available in 2025).

Clean, safe, and reliable water and waste services are fundamental building blocks to any community and critical to the vitality of both residents and businesses alike.

Beyond poverty and aging infrastructure, rural communities face numerous unique obstacles because systems cover large geographical areas, have reduced economies of scale, and experience high operator turnover. Delivered in coordination with the RD network of team members providing hands-on assistance, WEP addresses several of the Administration's priorities. Applying a comprehensive approach to developing water and waste infrastructure, WEP offers a variety of construction and technical assistance programs to ensure that communities receive the support they need.

Most projects require a loan and grant component to the funding package to enable communities to provide quality service and reasonable rates. The increased water and waste direct loan amount will be matched with grant funds to allow for an overall loan to grant ratio approximately of 70/30 and for the agency to continue focusing on underserved and economically challenged communities. Set asides under this program provide grant funds for targeted groups to develop and construct water and waste systems in disadvantaged communities, including programs that address emergencies, alleviate health-risks, and provide vital technical assistance. This funding enables rural communities to build and maintain decent, safe, and sanitary water and waste services.

In 2024, WEP obligated 33 Emergency Community Water Assistance Grants totaling \$14.0 million to support communities affected by recent emergency and disaster events; the majority of the funding and the projects were attributed to appropriated dollars vice the regular program. Additionally, \$70.5 million across 50 grants were awarded through Colonias, Rural Alaskan Village, Hawaiian Homelands, as well as Native American and Tribal grant programs. Overall, in 2024, the two pilot programs and the hurricane natural disaster funding, the Water and Environmental Programs (WEP) obligated \$493.4 million through 360 water and waste disposal grants throughout rural America, including solid waste management grants. From this total \$34.1 million went towards regular grants for persistent poverty communities. While captured above, it is noteworthy that \$31.0 million went towards alleviating health risks in Alaskan Villages and Colonias. The agency obligated \$11.9 million in SECD funding, \$4.3 million in Solid Waste Management grants, and \$3.7 million in Individually-Owned Water Well System grants in 2024. The funding was obligated across 46 states and the Virgin Islands. The five states with the largest total investments in funding account for about 35% of all funds obligated in the program in 2024. The five states with the largest RD investment in WEP grants are: Oklahoma, Colorado, Minnesota, Alaska, and Arizona; this shift shows more of a geographical diversification in investment from 2023. These funds are essential, often in combination with low-interest loans, for providing reasonable user rates and costs for rural residences, rural businesses, and other rural users. Adequate water and wastewater treatment capacity are critical for supporting quality of life issues, environmental sustainability, and economic development in rural America.

These grants fund a variety of projects that improve the livelihood and safety of thousands of rural Americans across the United States by upgrading or expanding wastewater treatment plants as well as updating water distribution systems, replacing sewer treatment plants, repairing wastewater collection systems, in addition to funding water system, wastewater, and storm water improvements. In the north, RD invested just under \$5 million in grant funding combined with \$3.7 million in loan funding to help with a water, wastewater and storm water improvement project in Canton, a rural community of 310 residents in Fillmore County. The facility is in poor condition; therefore, the funding will replace the watermain utilities for most of the city, include a full replacement of the sanitary sewer for the majority of the city, and cure in place pipelining of other sections of the sanitary sewer. In the west, the agency invested approximately \$7.9 million, of which \$4.2 million was in grant funding, to replace and update the city of McCammons current wastewater system as the collection system has several areas with root infiltration. The lift stations are not up to date with code and capacity requirements. Furthermore, parts of the system are undersized for the current population. These efforts will not only help them meet code requirements but provide more efficient services for their customers. Lastly, of the \$13.4 million invested in Hawaii, the agency awarded another combination loan with a \$4.3 million grant to help Kunia Village Development Corporation to make wastewater system improvements. Kunia Village is a small remote village on the Island of Oahu that became a farm worker camp for the Del Monte plantations from the 1920s until the 2000s. The residents are still connected to the land; they are either current farm labor workers or retired. The proposed wastewater system improvement project will upgrade an aged collection and treatment system and produce water at safe levels for reuse, which will be used to supplement the recycled water system within the village and servicing farmers within central Oahu.

As the only federal program solely focused on rural water and waste needs, the funding level proposed for 2026 will allow RUS to continue to address key water and waste needs throughout rural America.

A total funding level of \$144 million in 2026 for WWD grants will support an estimated 87 grants. Within the requested decrease, the budget is requesting the following changes to the set aside programs:

- a. An increase of \$2 million to support Water and Waste Grants to Native American Tribes.
- b. The budget does not provide funding for Colonias and Hawaiian Homelands.
- c. The budget does not request the Emergency Community Water Assistance program. Funding for this program can be provided through the regular water and waste grants.
- d. The budget does not request funding for the Water and Waste Financing Revolving Funds and the Individually Owned Household Water Well Program.
- e. Within the funding request, the 2026 Budget funds the Circuit Rider program at \$20 million.

(4) A decrease of \$29,557,000 in budget authority for the Water and Waste loan programs.

This is the budget authority needed to support the loan level for Water and Waste Direct loans.

(5) A decrease of \$2,661,000 in budget authority for the Water and Waste Direct 1 percent interest loan program (\$2,661,000 available in 2025).

The decrease in subsidy budget authority is required due to the termination of this program.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**Table RUS-7. Geographic Breakdown of Obligations for Rural Water and Waste Direct Loans (thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$22,295	\$2,419	-	-
Alaska	1,961	-	-	-
Arizona	6,111	6,646	-	-
Arkansas.....	14,519	13,246	-	-
California	12,706	-	-	-
Colorado	65,498	62,475	-	-
Delaware	464	-	-	-
Florida	4,840	-	-	-
Georgia.....	3,229	6,134	-	-
Hawaii	2,498	5,910	-	-
Idaho	23,146	23,201	-	-
Illinois	35,284	21,758	-	-
Indiana	56,745	44,419	-	-
Iowa.....	48,284	90,341	-	-
Kansas.....	47,401	58,983	-	-
Kentucky	4,786	8,086	-	-
Louisiana	99	-	-	-
Maine	19,932	1,705	-	-
Maryland.....	7,000	4,111	-	-
Massachusetts	21,491	40,255	-	-
Michigan	43,723	41,165	-	-
Minnesota	60,740	45,172	-	-
Mississippi.....	7,192	4,584	-	-
Missouri	42,477	20,709	-	-
Montana	5,781	5,731	-	-
Nebraska	3,847	10,812	-	-
Nevada	862	-	-	-
New Hampshire	14,999	458	-	-
New Jersey.....	720	7,614	-	-
New Mexico	8,400	-	-	-
New York	83,579	58,731	-	-
North Carolina	46,916	41,965	-	-
North Dakota.....	7,424	4,297	-	-
Ohio	13,103	12,200	-	-
Oklahoma	7,706	31,137	-	-
Oregon	10,815	33,250	-	-
Pennsylvania	4,380	36,292	-	-
Rhode Island	3,072	-	-	-
South Carolina.....	38,941	10,855	-	-
South Dakota	17,565	4,224	-	-
Tennessee.....	28,171	44,977	-	-
Texas	59,398	49,429	-	-
Utah.....	5,707	524	-	-
Vermont	490	299	-	-
Virginia	45,463	4,484	-	-
Washington	20,625	15,706	-	-
West Virginia	12,874	20,413	-	-
Wisconsin.....	45,514	17,831	-	-
Wyoming	4,335	-	-	-
Distribution Unknown	-	-	\$873,290	\$1,280,982
Obligations	1,043,108	912,548	873,290	1,280,982
Lapsing Balances.....	356,892	-	-	-
Bal. Available, EOY.....	-	26,984	24,050	-
Total, Available	1,400,000	939,532	897,340	1,280,982

Table RUS-8. Geographic Breakdown of Obligations for Rural Water and Waste Direct Loans 1 percent (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Illinois	\$3,000	\$7,783	-	-
Iowa.....	-	186	-	-
Maryland.....	-	1,527	-	-
Montana	3,600	350	-	-
Oklahoma	1,830	-	-	-
Pennsylvania	-	154	-	-
Tennessee.....	1,125	-	-	-
Texas	5,910	-	-	-
West Virginia	418	-	-	-
Wyoming	4,117	-	-	-
Distribution Unknown	-	-	\$8,502	-
Obligations	20,000	10,000	8,502	-

Table RUS-9. Geographic Breakdown of Obligations for Rural Water and Waste Guaranteed Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Indiana	\$488	\$928	-	-
North Carolina.....	-	150	-	-
Oklahoma	765	2,935	-	-
South Carolina	-	2,112	-	-
Texas.....	22,651	-	-	-
Distribution Unknown	-	-	\$50,000	\$50,000
Obligations.....	23,904	6,125	50,000	50,000
Lapsing Balances	26,097	43,875	-	-
Total, Available.....	50,000	50,000	50,000	50,000

Table RUS-10. Geographic Breakdown of Obligations for Rural Water and Waste Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$15,241	\$6,586	-	-
Alaska	5,038	2,706	-	-
Arizona	5,562	10,498	-	-
Arkansas.....	13,117	10,793	-	-
California	8,037	299	-	-
Colorado	22,603	40,511	-	-
Delaware	380	-	-	-
Florida	7,712	30	-	-
Georgia.....	5,746	2,852	-	-
Hawaii	125	8,139	-	-
Idaho	16,839	12,094	-	-
Illinois	11,511	4,701	-	-
Indiana	10,371	5,590	-	-
Iowa.....	12,152	16,782	-	-
Kansas.....	12,185	20,303	-	-
Kentucky	767	4,176	-	-
Louisiana	-	339	-	-
Maine	13,100	3,120	-	-
Maryland.....	4,049	10,296	-	-
Massachusetts	5,637	11,659	-	-
Michigan	29,041	14,140	-	-
Minnesota	22,537	34,533	-	-
Mississippi.....	3,315	787	-	-
Missouri	32,037	10,391	-	-
Montana	11,390	8,773	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Nebraska	3,557	3,403	-	-
Nevada	4,180	60	-	-
New Hampshire	6,447	3,874	-	-
New Jersey	7,924	4,474	-	-
New Mexico	2,350	-	-	-
New York	41,829	7,130	-	-
North Carolina	14,347	10,937	-	-
North Dakota	2,510	11,049	-	-
Ohio	11,487	2,600	-	-
Oklahoma	5,968	13,212	-	-
Oregon	7,981	2,000	-	-
Pennsylvania	7,126	750	-	-
Puerto Rico	28	-	-	-
Rhode Island	2,509	-	-	-
South Carolina	279	-	-	-
South Dakota	2,400	2,726	-	-
Tennessee	12,839	12,309	-	-
Texas	38,098	12,607	-	-
Utah	1,604	649	-	-
Vermont	850	1,946	-	-
Virginia	13,654	3,624	-	-
Washington	6,488	14,991	-	-
West Virginia	6,455	7,131	-	-
Wisconsin	10,101	9,853	-	-
Wyoming	4,526	30	-	-
Distribution Unknown	-	-	\$311,085	\$84,000
Obligations	494,889	365,452	311,085	84,000
Bal. Available, EOY	19,208	20,957	-	-
Total, Available	514,097	386,409	311,085	84,000

**Table RUS-11. Geographic Breakdown of Obligations for Rural Water and Waste Grants
Congressional Directed Spending (thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Illinois	-	\$1,200	-	-
Maryland	-	807	-	-
Missouri	-	3,307	-	-
New Jersey	-	4,000	-	-
New York	-	2,500	-	-
Distribution Unknown	-	-	\$17,671	\$35,000
Obligations	-	11,814	17,671	35,000
Bal. Available, EOY	-	105,671	88,000	53,000
Total, Available	-	117,485	105,671	88,000

Table RUS-12. Geographic Breakdown of Obligations for Rural Water and Waste Technical Assistance Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$192	\$601	-	-
Alaska	1,576	874	-	-
Arizona	981	700	-	-
California	1,053	962	-	-
Colorado	835	-	-	-
Hawaii	-	218	-	-
Kansas.....	28	-	-	-
Maryland.....	9,949	9,540	-	-
Massachusetts	500	368	-	-
Nevada	239	217	-	-
New York	138	148	-	-
Oklahoma	22,442	22,331	-	-
Virgin Islands	-	247	-	-
Washington	532	-	-	-
West Virginia	459	443	-	-
Distribution Unknown	-	-	\$35,000	\$852
Obligations	38,924	36,649	35,000	852
Bal. Available, EOY	0	-	852	-
Total, Available	38,924	36,649	35,852	852

Table RUS-13. Geographic Breakdown of Obligations for Rural Water and Waste Circuit Rider Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Oklahoma	\$22,736	\$21,788	-	-
Distribution Unknown	-	-	\$21,846	\$20,519
Obligations	22,736	21,788	21,846	20,519
Bal. Available, EOY	-	29	519	-
Total, Available	22,736	21,817	22,365	20,519

Table RUS-14. Geographic Breakdown of Obligations for Rural Water and Waste Set-Asides Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	\$20,682	\$20,438	-	-
Arizona	7,648	13,955	-	-
California	1,500	2,912	-	-
Hawaii	-	5,000	-	-
Maine	-	454	-	-
Montana	4,674	3,286	-	-
Nevada	772	-	-	-
New Mexico	11,367	5,574	-	-
North Dakota.....	6,560	784	-	-
Oklahoma	10,941	8,000	-	-
South Dakota	2,634	3,052	-	-
Texas	4,969	59	-	-
Utah.....	-	3,054	-	-
Distribution Unknown	-	-	\$71,079	\$47,952
Obligations	71,747	66,568	71,079	47,952
Bal. Available, EOY	567	10,879	11,277	1,831
Total, Available	72,314	77,447	82,356	49,783

Table RUS-15. Geographic Breakdown of Obligations for Rural Water and Waste Well Systems Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Arkansas.....	\$400	\$400	-	-
Georgia.....	348	539	-	-
North Carolina	1,750	2,000	-	-
Utah.....	59	-	-	-
Virginia.....	-	400	-	-
Wisconsin.....	-	323	-	-
Distribution Unknown	-	-	\$3,900	\$4,000
Obligations	2,557	3,662	3,900	4,000
Bal. Available, EOY.....	5,962	9,211	10,931	-
Total, Available	8,519	12,873	14,831	4,000

Table RUS-16. Geographic Breakdown of Obligations for Rural Water and Waste Revolving Funds Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Arkansas.....	\$858	\$600	-	-
Oklahoma	858	600	-	-
Distribution Unknown	-	-	\$1,000	\$165
Obligations	1,716	1,200	1,000	165
Bal. Available, EOY.....	200	-	165	-
Total, Available	1,916	1,200	1,165	165

Table RUS-17. Geographic Breakdown of Obligations for Rural Water and Waste Solid Waste Management Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$403	-	-	-
Alaska	565	\$823	-	-
California	161	138	-	-
Idaho	-	162	-	-
Iowa.....	-	83	-	-
Maine	-	152	-	-
Maryland.....	886	830	-	-
Massachusetts	332	251	-	-
Mississippi.....	-	139	-	-
N. Mariana Islands	161	-	-	-
New Hampshire	399	125	-	-
New York	-	284	-	-
North Carolina	-	81	-	-
Ohio.....	78	112	-	-
Oklahoma	81	85	-	-
Texas	-	238	-	-
Utah.....	803	468	-	-
Vermont	139	-	-	-
Virginia.....	132	-	-	-
Washington	-	323	-	-
Distribution Unknown	-	-	\$4,000	\$324
Obligations	4,140	4,295	4,000	324
Bal. Available, EOY.....	39	-	324	-
Total, Available	4,179	4,295	4,324	324

Table RUS-18. Geographic Breakdown of Obligations for Rural Water and Waste Emergency Community Water Assistance Grants (thousands of dollars)

State/Territory/Country	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Tennessee	-	\$822	-	-
Distribution Unknown	-	-	\$85	\$38
Obligations	-	822	85	38
Bal. Available, EOY	-	43	-	-
Total, Available	-	865	85	38

Table RUS-19. Geographic Breakdown of Obligations for Rural Water and Waste Emergency Community Water Assistance Appropriations Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	-	\$1,126	-	-
Alaska	\$200	2,198	-	-
Florida	983	-	-	-
Idaho	1,000	-	-	-
Illinois	129	368	-	-
Iowa	1,000	-	-	-
Kansas	-	250	-	-
Minnesota	699	-	-	-
Montana	-	1,928	-	-
Nevada	-	150	-	-
New Jersey	-	1,000	-	-
Oklahoma	2,017	599	-	-
Oregon	615	1,032	-	-
Puerto Rico	3,655	-	-	-
Rhode Island	286	-	-	-
South Dakota	-	1,000	-	-
Tennessee	-	920	-	-
Texas	3,494	999	-	-
Utah	1,946	102	-	-
Vermont	426	-	-	-
Distribution Unknown	-	-	\$10,346	\$618
Obligations	16,450	11,672	10,346	618
Bal. Available, EOY	613	346	618	-
Total, Available	17,063	12,018	10,963	618

Table RUS-20. Geographic Breakdown of Obligations for Rural Water and Waste Section 786 Decentralized Water Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
North Carolina	-	\$1,000	-	-
Distribution Unknown	-	-	\$1,000	-
Obligations	-	1,000	1,000	-

Table RUS-21. Geographic Breakdown of Obligations for Rural Water and Waste Pilot Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	-	\$5,150	-	-
Obligations	-	5,150	-	-
Bal. Available, EOY	\$5,150	-	-	-
Total, Available	5,150	5,150	-	-

Table RUS-22. Geographic Breakdown of Obligations for Rural Water and Waste Mandatory Farm Bill Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Minnesota	-	\$1,579	-	-
Distribution Unknown	-	-	\$1,700	\$1,175
Obligations	-	1,579	1,700	1,175
Bal. Available, EOY	1,579	2,028	1,175	-
Total, Available	1,579	3,608	2,875	1,175

Table RUS-23. Geographic Breakdown of Obligations for Rural Water and Waste Hurricanes Harvey, Irma and Maria Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Puerto Rico.....	\$30,111	\$28,869	-	-
Distribution Unknown	-	-	\$142	\$50
Obligations	30,111	28,869	142	50
Bal. Available, EOY	28,869	142	50	-
Total, Available	58,980	29,010	191	50

Table RUS-24. Geographic Breakdown of Obligations for Rural Water and Waste Division N Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Kansas.....	-	\$1,116	-	-
Minnesota	-	578	-	-
Nebraska	-	410	-	-
New York	-	2,450	-	-
Oklahoma	-	876	-	-
Texas	-	5,545	-	-
Obligations	-	10,975	-	-
Bal. Available, EOY	\$58,200	-	-	-
Total, Available	58,200	10,975	-	-

Table RUS-25. Geographic Breakdown of Obligations for Rural Water and Waste Division N Administrative Expenses (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	\$1,800	-	-	-
Obligations	1,800	-	-	-

Table RUS-26. Geographic Breakdown of Obligations for Rural Water and Waste Division N Disasters Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	-	\$570	-	-
California	-	1,090	-	-
Colorado	-	1,974	-	-
Florida	-	22,275	-	-
Maryland.....	-	3,430	-	-
Minnesota	-	3,149	-	-
Montana	-	162	-	-
New York	-	8,323	-	-
North Dakota.....	-	1,618	-	-
Oklahoma	-	9,064	-	-
Puerto Rico.....	-	33,826	-	-
South Carolina.....	-	4,000	-	-
Tennessee.....	-	5,407	-	-
Texas	\$930	4,677	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Distribution Unknown	-	-	\$100,187	\$27,000
Obligations	930	99,565	100,187	27,000
Bal. Available, EOY	256,120	139,187	39,000	12,000
Total, Available	257,050	238,752	139,187	39,000

Table RUS-27. Geographic Breakdown of Obligations for Rural Water and Waste Division N Disasters Administrative Expenses (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	\$7,950	-	-	-
Obligations	7,950	-	-	-

CLASSIFICATION BY OBJECTS

Table RUS-28. Classification by Objects Discretionary (thousands of dollars)

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
25.3	Other goods and services from Federal sources	\$9,750	-	-	-
41.0	Grants, subsidies, and contributions	687,746	\$749,929	\$670,214	\$281,485
	Total, Other Objects	697,496	749,929	670,214	281,485
99.9	Total, new obligations	697,496	749,929	670,214	281,485

Table RUS-29. Classification by Objects Mandatory (thousands of dollars)

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Other Objects:					
41.0	Grants, subsidies, and contributions	-	\$1,579	\$1,700	\$1,175
	Total, Other Objects	-	1,579	1,700	1,175
99.9	Total, new obligations	-	1,579	1,700	1,175

ACCOUNT 2: RURAL ELECTRIFICATION AND TELECOMMUNICATION PROGRAM**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored):

Rural Electrification and Telecommunications Loans Program Account (including transfer of funds)

The principal amount of loans and loan guarantees as authorized by sections 4, 305, 306, 313A, and 317 of the Rural Electrification Act of 1936 (7 U.S.C. 904, 935, 936, 940c-1, and 940g) shall be made as follows: guaranteed rural electric loans made pursuant to section 306 of that Act, \$2,667,000,000; cost of money direct loans made pursuant to sections 4, notwithstanding the one-eighth of one percent in 4(c)(2), and 317, notwithstanding 317(c), of that Act, \$4,333,000,000; and rural telecommunication loans made pursuant to section 306 of the Act, \$200,000,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$33,270,000, which shall be paid to the appropriation for "Rural Development, Salaries and Expenses".

LEAD-OFF TABULAR STATEMENT**Table RUS-30. Lead-Off Tabular Statement (In dollars)**

Items	Loan Level	Subsidy	Administrative Expenses
Enacted, 2025	\$7,572,702,971	\$5,298,000	\$33,270,000
Change in Appropriation	-372,702,971	-5,298,000	-
Budget Estimate, 2026.....	7,200,000,000	-	33,270,000

PROJECT STATEMENTS**Table RUS-31. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)**

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	FTE	2025 Est. PL	2025 Est. BA	FTE	2026 Est. PL	2026 Est. BA	FTE	PL Inc. or Dec.	Ch g Ke y	BA Inc. or Dec.	Chg Key
Discretionary Approp:															
Electric Direct, FFB	\$2,167,000	-	\$2,708,750	-	-	\$2,167,000	-	-	\$2,667,000	-	-	+\$500,000 (1)	-	-	-
Electric Direct, Treasury Rate	4,333,000	-	5,416,250	-	-	4,333,000	-	-	4,333,000	-	-	- (2)	-	-	-
Electric Underwriting Loans	900,000	-	900,000	-	-	900,000	-	-	-	-	-	-900,000 (3)	-	-	-
Telecom. Direct, Treasury Rate	86,852	\$469	550,000	\$5,720	-	154,955	\$1,720	-	-	-	-	-154,955 (4)	-	-1,720 (7)	-
Telecommunications Direct, FFB.....	-	-	-	-	-	-	-	-	200,000	-	-	+200,000 (5)	-	-	-
Rural Energy Savings Program (RESP)...	110,897	11,500	20,000	3,578	-	17,748	3,578	-	-	-	-	-17,748 (6)	-	-3,578 (7)	-
Administrative Expenses	-	33,270	-	33,270	10	-	33,270	5	-	\$33,270	5	-	-	-	-
Subtotal	7,597,749	45,239	9,595,000	42,568	10	7,572,703	38,568	5	7,200,000	33,270	5	-372,703	-	-5,298	-
Total Adjusted Approp	7,597,749	45,239	9,595,000	42,568	10	7,572,703	38,568	5	7,200,000	33,270	5	-372,703	-	-5,298	-
Add back:															
Transfers In and Out, Rescissions	603,148	3,257	-	-	-	360,360	4,000	-	-	-	-	-360,360	-	-4,000	-
Total Appropriation	8,200,897	48,496	9,595,000	42,568	10	7,933,063	42,568	5	7,200,000	33,270	5	-733,063	-	-9,298	-
Transfers Out:															
Working Capital Funds	-603,148	-3,257	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Facilities 12x1951 (GP 1206)	-	-	-	-	-	-360,360	-4,000	-	-	-	-	+360,360	-	+4,000	-
Total Transfers Out.....	-603,148	-3,257	-	-	-	-360,360	-4,000	-	-	-	-	+360,360	-	+4,000	-
Balances Interchange	-19,025	-2,750	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoveries, Other	-	-	-	1,891	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY	95,002,900	10,728,869	47,753,702	10,698,559	-	16,472,144	8,562,890	-	1,150,889	539,647	-	-15,321,256	-	-8,023,243	-
Total Available	102,581,624	10,771,358	57,348,702	10,743,018	10	24,044,847	8,601,458	5	8,350,889	572,917	5	-15,693,959	-	-8,028,541	-
Lapsing Balances	-915,520	-377	-2,244,330	-5,720	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, EOY	-94,770,957	-10,700,478	-45,016,252	-8,562,890	-	-1,122,820	-539,647	-	-402,910	-150,662	-	+719,910	-	+388,985	-
Total Obligations	6,895,147	70,504	10,088,120	2,174,408	10	22,922,028	8,061,811	5	7,947,979	422,255	5	-14,974,049	-	-7,639,556	-

Total may not add due to rounding

Table RUS-32. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	FTE	2025 Estimated PL	2025 Estimated BA	FTE	2026 Estimated PL	2026 Estimated BA	FTE	PL Inc. or Dec.	BA Inc. or Dec.
Discretionary Obligations:													
Electric Direct, FFB	\$1,745,665	-	\$2,370,591	-	-	\$2,167,000	-	-	\$2,667,000	-	-	+\$500,000	-
Electric Direct, Treasury Rate	3,908,578	-	4,060,079	-	-	4,333,000	-	-	4,333,000	-	-	-	-
Electric Underwriting Loans	900,000	-	900,000	-	-	900,000	-	-	-	-	-	-900,000	-
Telecommunications Direct, Treasury Rate....	17,089	\$92	-	-	-	154,955	\$1,720	-	-	-	-	-154,955	-1,720
Telecommunications Direct, FFB.....	-	-	-	-	-	-	-	-	200,000	-	-	+200,000	-
Rural Energy Savings Program (RESP)	201,050	20,849	107,000	\$19,142	-	21,219	4,278	-	-	-	-	-21,219	-4,278
Electric Direct, FFB Operating Loans	122,765	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Expenses (Exp Trfr to S&E)	-	33,270	-	33,270	-	-	33,270	-	-	-	-	-	-
Subtotal Disc oblig.....	6,895,147	54,211	7,437,670	52,412	-	7,576,174	39,268	-	7,200,000	33,270	-	-376,174	-5,998
Supplemental Obligations:													
IRA Electric Program Grants Admin	-	16,292	-	12,610	10	-	13,120	5	-	1,456	5	-	-11,664
IRA Electric Renewable Energy Loans	-	-	609,598	227,197	-	1,127,919	425,000	-	544,514	200,000	-	-583,405	-225,000

2026 USDA EXPLANATORY NOTES - RURAL UTILITIES SERVICE

Item	2023	2023	2024	2024	FTE	2025	2025	FTE	2026	2026	FTE	PL Inc. or Dec.	BA Inc. or Dec.
	Actual PL	Actual BA	Actual PL	Actual BA		Estimated PL	Estimated BA		Estimated PL	Estimated BA			
IRA Electric Program Zero Percent Loans	-	-	241,424	82,760	-	2,584,038	974,182	-	15,771	5,058	-	-2,568,267	-969,125
IRA Electric Program Two Percent Loans	-	-	-	-	-	5,688,307	992,041	-	5,765	684	-	-5,682,541	-991,356
IRA Electric Program Grants	-	-	1,799,428	1,799,428	-	5,614,927	5,614,927	-	181,785	181,785	-	-5,433,142	-5,433,142
IRA New Era Treasury Minus 1/8th Loans	-	-	-	-	-	330,663	3,274	-	144	1	-	-330,519	-3,272
Subtotal Supp Oblig	-	16,292	2,650,450	2,121,996	10	15,345,854	8,022,543	5	747,979	388,985	5	-14,597,875	-7,633,558
Total Obligations	6,895,147	70,504	10,088,120	2,174,408	10	22,922,028	8,061,811	5	7,947,979	422,255	5	-14,974,049	-7,639,556
Add back:													
Lapsing Balances	915,520	377	2,244,330	5,720	-	-	-	-	-	-	-	-	-
Balances Available, EOY:													
Pilot Program for Refinancing Electric Loans	88	88	88	88		88	88		88	88		-	-
Rural Energy Savings Program (RESP)	156,837	16,264	3,911	700		-	-		-	-		-	-
Electric Treasury Rate, Recovery Operating Loans	419	419	419	419		419	419		419	419		-	-
Electric Direct, FFB Operating Loans	352,235	-	-	-		-	-		-	-		-	-
IRA Electric Renewable Energy Loans	2,808,200	1,000,000	2,073,525	772,803	-	923,044	347,803	-	402,404	147,803	-	-520,640	-200,000
IRA Electric Program Zero Percent Loans	3,923,259	1,160,500	5,417,853	1,857,240	-	13,415	5,058	-	-	-	-	-13,415	-5,058
IRA Electric Program Two Percent Loans	83,121,212	4,114,500	4,856,938	679,000	-	3,924	684	-	-	-	-	-3,924	-684
IRA Electric Program Grants	4,408,708	4,408,708	4,949,232	4,949,232	-	181,785	181,785	-	-	-	-	-181,785	-181,785
IRA New Era Treasury Minus 1/8th Loans	-	-	27,714,286	291,000		145	1		-	-		-145	-1
IRA Electric Program Grants Admin	-	-	-	12,409	-	-	3,809	-	-	2,353	-	-	-1,456
Total Bal. Available, EOY	94,770,957	10,700,478	45,016,252	8,562,890	-	1,122,820	539,647	-	402,910	150,662	-	-719,910	-388,985
Total Available	102,581,624	10,771,358	57,348,702	10,743,018	10	24,044,847	8,601,458	5	8,350,889	572,917	5	-15,693,959	-8,028,541
Less:													
Total Transfers Out	603,148	3,257	-	-	-	360,360	4,000	-	-	-	-	-360,360	-4,000
Balances Interchange	19,025	2,750	-	-	-	-	-	-	-	-	-	-	-
Recoveries, Other	-	-	-	-1,891	-	-	-	-	-	-	-	-	-
Bal. Available, SOY	-95,002,900	-10,728,869	-47,753,702	-10,698,559	-	-16,472,144	-8,562,890	-	-1,150,889	-539,647	-	+15,321,256	+8,023,243
Total Appropriation	8,200,897	48,496	9,595,000	42,568	10	7,933,063	42,568	5	7,200,000	33,270	5	-733,063	-9,298

Totals may not add due to rounding

JUSTIFICATION OF CHANGES

Rural Electrification and Telecommunication Program

Rural Utilities Service (RUS) programs support a healthy community and environment with loans and grants to make sure people, kids, and families have clean water and safe sewer systems that prevent pollution and runoff. RUS programs also keep the people of rural America connected with reliable, high-speed internet that brings new and innovative ideas to the rest of our country.

RUS provides much-needed infrastructure or infrastructure improvements to rural communities. These include water and waste treatment, electric power, and telecommunications services. All these services help to expand economic opportunities and improve the quality of life for rural residents.

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

- (1) An increase of \$500,000,000 in program level for the Federal Financing Bank (FFB) Electric Loans (\$2,167,000,000 available in 2025).

Eligible borrowers will have access to direct financing for rural electrification at a lower interest rate and the proposal will not affect overall capital available for rural electrification investments. The request continues promoting bifurcation of the funding between FFB and Direct Treasury rate loans. In alignment with the Direct Electric Treasury Rate Loan program, the FFBs program also will contribute to advancing EO 14541: Unleashing American Energy.

Providing reliable, affordable electricity is essential to the economic well-being and quality of life for the Nation's rural residents. The electric programs provide leadership and capital to upgrade, expand, maintain, or replace America's vast rural electric infrastructure.

In 2024, the agency obligated nearly \$2.4 billion across 18 loans with \$172.6 million aligned in persistent poverty funding. Obligations for the Electric FFB program increased by \$500 million from 2023 to 2024. Over the past five years, the three states who benefited with the largest funding investments in the South and include Florida, Georgia, and Arkansas.

The agency's largest single investment in 2024 was a \$750 million loan in Florida that will be used to finance the construction and operation of natural gas-fired 575- megawatt natural gas combined cycle (NGCC) generation facility and transmission facilities and its associated 230-kV interconnection tie-line. The new NGCC plant will be located in Pasco, Florida. Seminole nine-member distribution electric cooperatives provide electric services to portions of 42 counties in the state. Its electric cooperative members serve approximately to 763,000-member retail meters throughout north, central and south regions of Florida.

In Arkansas, the agency made an investment of \$553.6 million across two infrastructure projects that have positive effects in multiple states. A loan totaling over \$432 million will be used to connect 10,322 consumers and build and improve 885 miles of line; it includes \$10.8 million in smart grid technologies including 59 miles of backbone fiber. The borrower, Carroll Electric, is headquartered in Berryville, Arkansas, and serves approximately 115,762 consumers over 19,761 miles of line throughout a total of eleven counties, seven in northwest Arkansas, and four in Missouri. While a \$121.4 million loan will be used to connect 2,680 consumers and build and improve 286 miles of line. Southwest, the borrower, is headquartered in Texarkana, Arkansas and serves 29,090 consumers over 5,110 miles of line in nine counties in Arkansas, one county in Oklahoma, and two counties in Texas.

The Electric Program continues its effort to improve customer service and experience by streamlining procedures and regulations that impose burdensome requirements on borrowers and applicants. On March 11, 2024, the program published a Final Rule with request for comment by June 10, 2024 (88 FR 17271) in the Federal Register that that will provide more flexibility for borrowers. The goal of this final rule was to increase flexibility in (1) completing emergency repairs while maintaining the ability to receive RUS financing, (2) selecting

construction procurement methods that better support their needs in awarding construction contracts, and (3) delete unnecessary and outdated requirements imposed on electric borrowers and applications. RUS expects that these actions will enhance RUS and customer efficiency to improve customer experience and service while allowing RUS to better focus on feasibility and security issues while lessening the burdens on the RUS Electric Program borrowers.

A funding request of \$2.7 billion in 2026 will support 19 loans that invest in the infrastructure needs of America's farmers, ranchers, and producers.

(2) No change requested in program level for the Direct Electric Treasury Rate Loan program (\$4,333,000,000 available in 2025).

This program provides electric financing loans at the government's cost of money (or the current Treasury rate) under section 4 of the Rural Electrification Act (RE Act) as amended in the Budget to reduce borrower's interest costs while maintaining a sustainable program level. These loans support improvements and additions to rural electric distribution, transmission, and generating facilities, and the implementation demand side management to service rural areas. The long-term, low-interest rate financing helps non-profit electric borrowers provide reliable, affordable electric service for rural homes and businesses, while creating good paying jobs. This program is one of the ways the Administration is continuing to invest resources supporting the success of rural America and its hardworking people.

In 2024, the agency obligated nearly \$4.1 billion across nearly 84 loans, this reflects about \$151 million in growth from 2023 obligations. From this total, \$431 million was aligned to persistent poverty. The 2024 funding was obligated across 25 states with Georgia receiving just over \$1 billion in funding. Other states, such as South Carolina, Minnesota, Texas, and Kentucky, in addition to the obligations in Georgia, account for 58% of the obligations in this program.

The \$1 billion in Georgia went towards nine projects in the state and those investments ranged from just under \$369 million to about \$24 million. The largest of the investments will be used to connect 22,000 consumers and build and improve 1,597 miles of line. The loan includes \$105 million in smart grid technologies. Sawnee Electric, the borrower, is headquartered in Cumming, Georgia, serving an average of 197,515 members over 12,224 miles of line in seven counties in Georgia. Another project, supported by a \$113.3 million loan, will be used to connect 8,441 consumers and build and improve 702 miles of line. The borrower, Amicalola Electric, is headquartered in Jasper, Georgia, and serves 55,000 consumers through 6,092 miles of line in ten counties at the foothills of the Appalachian Trail.

Looking at the infrastructure investments in Kentucky, five projects resulted in a \$256 million loan investment. A \$54 million loan will be used by Kenergy to connect 2,499 consumers and build and improve 180 miles of line. This loan includes about \$2.4 million in smart grid technologies. Kenergy is headquartered in Henderson, Kentucky; it serves 59,307 consumers over 7,239 miles of line in fourteen counties in the state. On the eastern side of the state, Fleming-Mason, headquartered in Flemingsburg, Kentucky, an entity that serves 25,700 consumers over 3,678 miles of line in Kentucky, will use \$40 million to connect 1,812 consumers as well as build and improve 281 miles of line. This project includes approximately \$3.6 million in smart grid technologies.

Funding from this program support's the Administration's priorities as identified in Executive Order 14154: Unleashing American Energy. The funding request of \$4.3 million will support 84 loans that will benefit approximately 182,000 customers.

(3) A decrease of \$900,000,000 in program level for Guaranteed Electric Underwriting for Bonds and Notes (\$900,000,000 available in 2025).

Funding for this program is not being requested in 2026. The reduction in funding requested for the guaranteed underwriting program can be offset by continued access by most of the lenders' eligible borrowers to direct financing for rural electrification and telecommunications under the Direct Treasury Rate Electric Loans, Electric FFB loans, and Telecommunications Direct Treasury Loans.

- (4) A decrease of \$154,955,000 in program level for the Telecommunications Direct Treasury Loan program (\$154,955,000 available in 2025).

This program provides telecommunication loans to finance the improvement or extension of telecommunications services in rural areas. All telecommunications facilities financed must be broadband capable. This program enhances rural prosperity through access to capital that often is not available from the private sector. Program funding provides for broadband infrastructure deployment projects at reasonable rates and terms so that rural communities are affordable places to live, expand private sector businesses, and farm. Broadband service improves the quality of life and helps reduce outmigration, ensures continuity of growth in the agriculture and business sectors, and attracts people to live and invest in rural places.

The Budget is not requesting funding for this program. The budget is requesting funding in the Direct Telecommunications Direct FFB program that can serve the borrowers of the regular Telecommunications Direct Treasury Loan program.

- (5) An increase of \$200,000,000 in program level for the Telecommunications Direct FFB program (\$0 available in 2025).

Direct FFB loans are authorized by section 306 of the Rural Electrification Act of 1936 (7 U.S.C. 936) and are provided to borrowers of a non-government lender or from the Federal Financing Bank (FFB) to furnish and improve telecommunications services, including a wide array of telecommunication related services, in rural areas. The interest rate charged on FFB loans is the Treasury rate plus an administrative fee of one-eighth of 1 percent. The terms of these loans may vary significantly and allow borrowers more flexibility in meeting their financing needs.

The budget requests funding for this program to support the same borrowers that will be requesting funding from the Telecommunication Direct Treasury rate.

With the funding requested, RD would be able to provide 35 loans.

- (6) A decrease of \$17,748,000 in program level for the Rural Energy Savings program (\$17,748,000 available in 2025).

The Rural Energy Savings Program (RESP) was created by the 2014 Farm Bill and provides subsidized zero interest loans to local utilities or other entities to then relend funds at very low interest rates directly to rural consumers for installation of energy efficiency measures. The program also supports the development of measurement and verification systems to help rural entities manage their energy savings loan programs. RESP projects, if in alignment with the current Administration's priorities, can compete for funding through the regular FFB program since both programs served similar constituencies; therefore, no funding is requested for RESP.

- (7) A decrease of \$5,298,000 in budget authority for the Rural Telecommunications program and Rural Energy Savings program (\$5,298,000 available in 2025).

These programs are not requested in the budget.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**Table RUS-33. Geographic Breakdown of Obligations for Rural Electric Federal Financing Bank Loans (thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	-	\$377,509	-	-
Alaska	-	13,695	-	-
Arkansas.....	\$49,735	553,616	-	-
Florida	-	750,000	-	-
Georgia.....	755,208	105,458	-	-
Iowa.....	3,500	-	-	-
Kansas.....	21,000	4,875	-	-
Mississippi.....	492,659	-	-	-
Missouri	375,021	19,767	-	-
Oklahoma	-	172,382	-	-
Texas	48,542	-	-	-
Virginia	-	373,289	-	-
Distribution Unknown	-	-	\$2,167,000	\$2,667,000
Obligations	1,745,665	2,370,591	2,167,000	2,667,000
Lapsing Balances.....	421,335	338,159	-	-
Total, Available	2,167,000	2,708,750	2,167,000	2,667,000

Table RUS-34. Geographic Breakdown of Obligations for Rural Electric Direct Treasury Rate Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$78,757	\$41,500	-	-
Arkansas.....	58,888	-	-	-
Colorado	-	68,069	-	-
Florida	317,400	123,186	-	-
Georgia.....	1,146,615	1,005,062	-	-
Hawaii	-	153,219	-	-
Indiana	64,145	114,428	-	-
Iowa.....	17,000	24,000	-	-
Kansas.....	13,654	-	-	-
Kentucky	110,496	256,000	-	-
Maine	-	14,491	-	-
Michigan	55,273	-	-	-
Minnesota	242,924	321,994	-	-
Missouri	264,489	27,218	-	-
Montana	9,307	19,013	-	-
Nebraska	12,008	30,424	-	-
New Mexico	124,457	16,272	-	-
North Carolina	149,181	246,966	-	-
North Dakota.....	109,307	4,446	-	-
Ohio	117,008	15,000	-	-
Oklahoma	33,907	-	-	-
South Carolina.....	187,428	465,771	-	-
South Dakota	380,155	216,553	-	-
Tennessee.....	-	235,229	-	-
Texas	298,355	311,435	-	-
Utah.....	76,500	31,000	-	-
Vermont	-	11,195	-	-
Virginia	-	110,285	-	-
Washington	41,324	-	-	-
Wisconsin.....	-	197,323	-	-
Distribution Unknown	-	-	\$4,333,000	\$4,333,000
Obligations	3,908,578	4,060,079	4,333,000	4,333,000
Lapsing Balances.....	424,422	1,356,171	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Total, Available	4,333,000	5,416,250	4,333,000	4,333,000

Table RUS-35. Geographic Breakdown of Obligations for Rural Electric Underwriter for Bonds and Notes Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Colorado	\$450,000	\$450,000	-	-
Virginia	450,000	450,000	-	-
Distribution Unknown	-	-	\$900,000	-
Obligations	900,000	900,000	900,000	-
Total, Available	900,000	900,000	900,000	-

Table RUS-36. Geographic Breakdown of Obligations for Rural Telecommunications Direct Treasury Rate Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Arizona	\$13,280	-	-	-
Washington	3,809	-	-	-
Distribution Unknown	-	-	\$154,955	-
Obligations	17,089	-	154,955	-
Lapsing Balances.....	69,763	\$550,000	-	-
Total, Available	86,852	550,000	154,955	-

Table RUS-37. Geographic Breakdown of Obligations for Rural Telecommunications Federal Financing Bank Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Distribution Unknown	-	-	-	\$200,000
Obligations	-	-	-	200,000
Total, Available	-	-	-	200,000

Table RUS-38. Geographic Breakdown of Obligations for Rural Electric Savings Program Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	-	\$1,000	-	-
Arizona	-	10,000	-	-
Arkansas.....	\$46,500	-	-	-
California	250	-	-	-
Colorado	75,000	20,000	-	-
Connecticut	-	10,000	-	-
Maryland.....	4,900	-	-	-
Massachusetts	4,900	5,000	-	-
Ohio	-	20,000	-	-
Oklahoma	12,000	24,000	-	-
Oregon	12,500	-	-	-
South Carolina.....	-	7,000	-	-
Vermont	40,000	10,000	-	-
Washington	5,000	-	-	-
Distribution Unknown	-	-	\$21,219	-
Obligations	201,050	107,000	21,219	-
Bal. Available, EOY	156,837	3,911	-	-
Total, Available	357,887	110,911	21,219	-

Table RUS-39. Geographic Breakdown of Obligations for Rural Electric Federal Financing Bank Operating Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Kentucky	\$122,765	-	-	-
Obligations	122,765	-	-	-
Bal. Available, EOY	352,235	-	-	-
Total, Available	475,000	-	-	-

Table RUS-40. Geographic Breakdown of Obligations for Salaries and Expenses Transfer (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Distribution Unknown	-	-	\$33,270	\$33,270
Obligations	33,270	33,270	33,270	33,270
Total, Available	33,270	33,270	33,270	33,270

Table RUS-41. Geographic Breakdown of Obligations for Inflation Reduction Act Renewable Energy Grants Administrative Expenses (thousands of dollars, FTEs)

State/Territory/Country	2023 Actual	2024 Actual	FTE	2025 Estimated	FTE	2026 Estimated	FTE
California	-	\$255	1	\$338	2	\$338	2
District of Columbia	\$16,292	\$11,904	6	12,275	-	611	-
Maryland	-	152	1	169	1	169	1
Minnesota	-	196	1	169	1	169	1
South Carolina	-	133	1	169	1	169	1
Obligations	16,292	12,610	10	13,120	5	1,456	5
Bal. Available, EOY	-	12,409	-	3,809	-	2,353	-
Total, Available	16,292	25,019	10	16,929	5	3,809	5

Table RUS-42. Geographic Breakdown of Obligations for Inflation Reduction Act Renewable Energy Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	-	\$200,000	-	-
Arizona	-	138,745	-	-
Colorado	-	22,416	-	-
Hawaii	-	24,375	-	-
Kentucky	-	34,271	-	-
Nebraska	-	17,913	-	-
Nevada	-	80,283	-	-
Wisconsin	-	91,595	-	-
Distribution Unknown	-	-	\$1,127,919	\$544,514
Obligations	-	609,598	1,127,919	544,514
Bal. Available, EOY	\$2,808,200	2,073,525	923,044	402,404
Total, Available	2,808,200	2,683,123	2,050,963	946,918

Table RUS-43. Geographic Breakdown of Obligations for Inflation Reduction Act Electric Program Zero Percent Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Wisconsin	-	\$241,424	-	-
Distribution Unknown	-	-	\$2,584,038	\$15,771
Obligations	-	241,424	2,584,038	15,771
Bal. Available, EOY	\$3,923,259	5,417,853	13,415	-
Total, Available	3,923,259	5,659,277	2,597,453	15,771

Table RUS-44. Geographic Breakdown of Obligations for Inflation Reduction Act Electric Program Two Percent Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Distribution Unknown	-	-	\$5,688,307	\$5,765
Obligations	-	-	5,688,307	5,765
Bal. Available, EOY	\$83,121,212	\$4,856,938	3,924	-
Total, Available	83,121,212	4,856,938	5,692,231	5,765

Table RUS-45. Geographic Breakdown of Obligations for Inflation Reduction Act Electric Program Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Indiana	-	\$676,796	-	-
Michigan	-	651,624	-	-
Wisconsin.....	-	471,008	-	-
Distribution Unknown	-	-	\$5,614,927	\$181,785
Obligations	-	1,799,428	5,614,927	181,785
Bal. Available, EOY	\$4,408,708	4,949,232	181,785	-
Total, Available	4,408,708	6,748,661	5,796,712	181,785

Table RUS-46. Geographic Breakdown of Obligations for Inflation Reduction Act Electric Program Treasury Minus 1/8th Loans (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Distribution Unknown	-	-	\$330,663	\$144
Obligations	-	-	330,663	144
Bal. Available, EOY	-	\$27,714,286	145	-
Total, Available	-	27,714,286	330,808	144

CLASSIFICATION BY OBJECTS**Table RUS-47. Classification by Objects Discretionary (thousands of dollars)**

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Other Objects:					
25.3	Other goods and services from Federal sources	\$33,270	\$33,270	\$33,270	\$33,270
41.0	Grants, subsidies, and contributions.....	20,941	19,142	5,998	-
	Total, Other Objects	54,211	52,412	39,268	33,270
99.9	Total, new obligations	54,211	52,412	39,268	33,270

Table RUS-48. Classification by Objects Supplemental (thousands of dollars)

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Personnel Compensation:					
	Personnel Compensation, Field	-	\$1,122	\$605	\$605
11	Total personnel compensation	-	1,122	605	605
12	Personal benefits	-	447	240	240
13.0	Benefits for former personnel.....	-	-	-	-
	Total, personnel comp. and benefits ...	-	1,570	845	845
Other Objects:					
25.1	Advisory and assistance services	-	11,068	11,707	611
25.2	Other services from non-Federal sources	-	-27	-	-
	Other goods and services from Federal sources.....	\$16,292	-	567	-
41.0	Grants, subsidies, and contributions.....	0	2,109,386	8,009,424	387,529
	Total, Other Objects	16,292	2,120,426	8,021,698	388,140
99.9	Total, new obligations	16,292	2,121,996	8,022,543	388,985

This table assumes a reduced 2026 FTE baseline due to 2025 voluntary staff separations and administrative cost efficiencies.

ACCOUNT 3: DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored):

Distance Learning, Telemedicine, and Broadband Program

For grants for telemedicine and distance learning services in rural areas, as authorized by 7 U.S.C. 950aaa et seq., \$30,000,000 to remain available until expended: *Provided*, That \$3,000,000 shall be made available for grants authorized by section 379G of the Consolidated Farm and Rural Development Act: *Provided further*, That funding provided under this heading for grants under section 379G of the Consolidated Farm and Rural Development Act may only be provided to entities that meet all of the eligibility criteria for a consortium as established by this section.

Table RUS-49. Lead-Off Tabular Statement (In dollars)

Item	Grants	Loan Level	Subsidy
Enacted, 2025	\$150,000,430	-	-
Change in Appropriation	-120,000,430	-	-
Budget Estimate, 2026.....	30,000,000	-	-

PROJECT STATEMENTS**Table RUS-50. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)**

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	FTE	2025 Estimated PL	2025 Estimated BA	FTE	2026 Estimated PL	2026 Estimated BA	FTE	PL Inc. or Dec.	Chg Key	BA Inc. or Dec.	Chg Key	FTE Inc. or Dec.
Discretionary Approp:																
Distance Learning and Telemed.																
(DLT) Grants	\$57,000	\$57,000	\$37,000	\$37,000	-	\$37,000	\$37,000	-	\$27,000	\$27,000	-	-\$10,000	(1)	-\$10,000	(4)	-
DLT Delta Healthcare Services																
Grants	3,000	3,000	3,000	3,000	-	3,000	3,000	-	3,000	3,000	-	-		-		-
Broadband Direct Treasury Rate																
Loans	14,674	2,000	-	-	-	-	-	-	-	-	-	-		-		-
Broadband Middle Mile Direct Loans	7,289	1,000	-	-	-	-	-	-	-	-	-	-		-		-
Broadband Grants	35,000	35,000	20,000	20,000	-	20,000	20,000	-	-	-	-	-20,000	(2)	-20,000	(4)	-
ReConnect BB 100% Grants	213,440	213,440	24,000	24,000	-	41,850	41,850	-	-	-	-	-41,850	(3)	-41,850	(4)	-
ReConnect BB 100% Loans	89,443	12,200	43,073	9,700	-	-	-	-	-	-	-	-		-		-
ReConnect BB 50% Loans	89,109	9,000	109,170	10,000	-	-	-	-	-	-	-	-		-		-
ReConnect BB 50% Grant	89,000	89,000	40,000	40,000	-	41,850	41,850	-	-	-	-	-41,850	(3)	-41,850	(4)	-
ReConnect BB TA	10,440	10,440	2,700	2,700	-	2,700	2,700	-	-	-	-	-2,700	(3)	-2,700	(4)	-
ReConnect BB Admin	13,920	13,920	3,600	3,600	10	3,600	3,600	3	-	-	3	-3,600	(3)	-3,600	(4)	-
Congressionally Direct Spending																
DLT Grants	4,991	4,991	9,574	9,574	-	-	-	-	-	-	-	-		-		-
Congressionally Direct Spending																
ReConnect Grants	15,512	15,512	10,385	10,385	-	-	-	-	-	-	-	-		-		-
Total Appropriation	642,817	466,503	302,502	169,959	10	150,000	150,000	3	30,000	30,000	3	-120,000		-120,000		-
Balances Interchange	-50,251	-16,518	-	-	-	-	-	-	-	-	-	-		-		-
Recoveries, Other	174,390	55,624	409,924	353,106	-	39,815	39,815	-	16,866	16,866	-	-22,949		-22,949		-
Rescinded Balances	-610	-610	-55,891	-55,891	-	-32,207	-30,006	-	-40,000	-40,000	-	-7,793		-9,994		-
Bal. Available, SOY	3,858,336	2,315,238	1,955,990	1,145,401	-	1,715,557	927,306	-	432,073	287,277	-	-1,283,484		-640,028		-
Total Available	4,624,683	2,820,237	2,612,524	1,612,575	10	1,873,166	1,087,115	3	438,939	294,144	3	-1,434,227	-	-792,971	-	-
Bal. Available, EOY	-2,511,298	-1,145,401	-1,766,003	-927,306	-	-432,073	-287,277	-	-100,241	-100,241	-	+331,832		+187,036		-
Total Obligations	2,113,385	1,674,837	846,521	685,270	10	1,441,093	799,838	3	338,698	193,903	3	-1,102,395		-605,935		-

Total may not add due to rounding

Table RUS-51. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	FTE	2025 Estimated PL	2025 Estimated d BA	FTE	2026 Estimated PL	2026 Estimated d BA	FTE	PL Inc. or Dec.	BA Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:														
Distance Learning and Telemed. (DLT)														
Grants.....	\$77,722	\$77,722	\$81,076	\$81,076	-	\$41,800	\$41,800	-	\$36,000	\$36,000	-	-\$5,800	-\$5,800	-
DLT Delta Healthcare Services Grants.....	4,616	4,616	3,351	3,351	-	3,300	3,300	-	3,200	3,200	-	-100	-100	-
Broadband Grants.....	1,802	1,802	66,678	66,678	-	17,000	17,000	-	4,246	4,246	-	-12,754	-12,754	-
ReConnect BB 100% Grant.....	228,689	228,689	266,533	266,533	-	289,000	289,000	-	43,807	43,807	-	-245,193	-245,193	-
ReConnect BB 100% Loans.....	-	-	133,414	30,045	-	124,272	32,000	-	111,855	24,977	-	-12,417	-7,023	-
ReConnect BB 50% Loans.....	-	-	63,719	5,837	-	133,929	12,000	-	64,075	6,158	-	-69,854	-5,842	-
ReConnect BB 50% Grant.....	-	-	48,822	48,822	-	169,000	169,000	-	65,499	65,499	-	-103,501	-103,501	-
ReConnect BB TA (Exp Trfr to S&E).....	3,775	3,775	-	-	-	28,898	28,898	-	-	-	-	-28,898	-28,898	-
ReConnect BB Admin (Exp Trfr to S&E).....	9,357	9,357	6,786	6,786	-	2,376	2,376	-	1,015	1,015	-	-1,361	-1,361	-
Broadband Sec.6207 Admin (Exp Trfr to S&E).....	2,758	2,758	-	-	-	-	-	-	-	-	-	-	-	-
Congressionally Direct Spending DLT Grants.....	4,991	4,991	-	-	-	9,687	9,687	-	-	-	-	-9,687	-9,687	-
Congressionally Direct Spending ReConnect Grants.....	3,109	3,109	11,252	11,252	-	48,141	48,141	-	-	-	-	-48,141	-48,141	-
GP 775 and 761: DLT Opioid Epidemic.....	5,596	5,596	2,266	2,266	-	751	751	-	-	-	-	-751	-751	-
Subtotal Disc oblig.....	342,416	342,416	683,898	522,646	-	868,155	653,954	-	329,698	184,903	-	-538,457	-469,052	-
Supplemental Obligations:														
Bipartisan Infrastructure Law:														
ReConnect BB 100% Grant BIL.....	1,051,252	1,051,252	128,962	128,962	-	12,602	12,602	-	-	-	-	-12,602	-12,602	-
ReConnect BB 100% Loan BIL.....	309,210	42,176	-	-	-	-	-	-	-	-	-	-	-	-
ReConnect BB 50% Loan BIL.....	190,784	19,269	-	-	-	8,556	767	-	-	-	-	-8,556	-767	-
ReConnect BB 50% Grant BIL.....	211,143	211,143	-	-	-	7,590	7,590	-	-	-	-	-7,590	-7,590	-
ReConnect BB TA BIL.....	550	550	17,575	17,575	-	41,875	41,875	-	-	-	-	-41,875	-41,875	-
ReConnect BB Admin BIL (Exp Trfr to S&E)	8,030	8,030	16,086	16,086	10	14,230	14,230	3	9,000	9,000	3	-5,230	-5,230	-
Broadband Direct BIL.....	-	-	-	-	-	488,085	68,820	-	-	-	-	-488,085	-68,820	-
Subtotal Supp Oblig.....	1,770,969	1,332,421	162,624	162,624	10	572,938	145,884	3	9,000	9,000	3	-563,938	-136,884	-
Total Obligations.....	2,113,385	1,674,837	846,521	685,270	10	1,441,093	799,838	3	338,698	193,903	3	-1,102,395	-605,935	-
Add back:														
Balances Available, EOY:														
Distance Learning and Telemed. (DLT)														
Grants.....	56,181	56,181	2,790	2,790	-	4,693	4,693	-	385	385	-	-4,308	-4,308	-
DLT Delta Healthcare Services Grants.....	0	0	66	66	-	58	58	-	63	63	-	+4	+4	-
Broadband Direct Treasury Rate Loans.....	41,393	5,745	2,201	310	-	-	-	-	-	-	-	-	-	-
Broadband Middle Mile Direct Loans.....	11,128	1,500	-	-	-	-	-	-	-	-	-	-	-	-
Broadband Grants.....	78,933	78,933	6,110	6,110	-	4,246	4,246	-	-	-	-	-4,246	-4,246	-
ReConnect BB 100% Grant.....	206,889	206,889	331,004	331,004	-	78,767	78,767	-	-	-	-	-78,767	-78,767	-
ReConnect BB 100% Loans.....	733,274	165,133	221,271	56,977	-	111,855	24,977	-	-	-	-	-111,855	-24,977	-
ReConnect BB 50% Loans.....	358,300	32,820	269,616	24,158	-	64,075	6,158	-	-	-	-	-64,075	-6,158	-
ReConnect BB 50% Grant.....	255,683	255,683	175,819	175,819	-	58,569	58,569	-	-	-	-	-58,569	-58,569	-
ReConnect BB TA (Exp Trfr to S&E).....	48,098	48,098	59,540	59,540	-	33,342	33,342	-	33,342	33,342	-	-	-	-
ReConnect BB Admin (Exp Trfr to S&E).....	39,528	39,528	27,599	27,599	-	28,823	28,823	-	27,808	27,808	-	-1,015	-1,015	-
Broadband Sec.6207 Admin (Exp Trfr to S&E).....	2,823	2,823	3,423	3,423	-	600	600	-	600	600	-	-	-	-
Congressionally Direct Spending DLT Grants.....	114	114	9,687	9,687	-	-	-	-	-	-	-	-	-	-

2026 USDA EXPLANATORY NOTES - RURAL UTILITIES SERVICE

Item	2023 Actual PL	2023 Actual BA	2024 Actual PL	2024 Actual BA	FTE	2025 Estimated PL	2025 Estimate d BA	FTE	2026 Estimated PL	2026 Estimate d BA	FTE	PL Inc. or Dec.	BA Inc. or Dec.	FTE Inc. or Dec.
Congressionally Direct Spending														
ReConnect Grants	49,008	49,008	48,141	48,141	-	-	-	-	-	-	-	-	-	-
GP 775 and 761: DLT Opioid Epidemic	1,352	1,352	751	751	-	-	-	-	-	-	-	-	-	-
ReConnect BB 100% Grant BIL	327	327	0	0	-	-	-	-	-	-	-	-	-	-
ReConnect BB 100% Loan BIL	0	0	-	-	-	-	-	-	-	-	-	-	-	-
ReConnect BB 50% Loan BIL	0	0	8,556	767	-	-	-	-	-	-	-	-	-	-
ReConnect BB 50% Grant BIL	-	-	7,590	7,590	-	-	-	-	-	-	-	-	-	-
ReConnect BB TA BIL	59,450	59,450	41,875	41,875	-	-	-	-	-	-	-	-	-	-
ReConnect BB Admin BIL (Exp Trfr to S&E)	71,970	71,970	55,884	55,884	-	41,654	41,654	-	32,654	32,654	-	-9,000	-9,000	-
Broadband Direct BIL	495,821	68,820	488,085	68,820	-	-	-	-	-	-	-	-	-	-
CARES Act - DLT Grants	424	424	5,390	5,390	-	5,390	5,390	-	5,390	5,390	-	-	-	-
Public Broadcasting System Grants	604	604	604	604	-	-	-	-	-	-	-	-	-	-
DLT Modification Broadband Direct Financing Account	0	0	0	0	-	0	0	-	0	0	-	-	-	-
Total Bal. Available, EOY	2,511,298	1,145,401	1,766,003	927,306	-	432,073	287,277	-	100,241	100,241	-	-331,832	-187,036	-
Total Available	4,624,683	2,820,237	2,612,524	1,612,575	10	1,873,166	1,087,115	3	438,939	294,144	3	-1,434,227	-792,971	-
Less:														
Balances Interchange	50,251	16,518	-	-	-	-	-	-	-	-	-	-	-	-
Recoveries, Other	-174,390	-55,624	-409,924	-353,106	-	-39,815	-39,815	-	-16,866	-16,866	-	+22,949	+22,949	-
Rescinded Balances	610	610	55,891	55,891	-	32,207	30,006	-	40,000	40,000	-	+7,793	+9,994	-
Bal. Available, SOY	-3,858,336	-2,315,238	-1,955,990	-1,145,401	-	-1,715,557	-927,306	-	-432,073	-287,277	-	+1,283,484	+640,028	-
Total Appropriation	642,817	466,503	302,502	169,959	10	150,000	150,000	3	30,000	30,000	3	-120,000	-120,000	

Totals may not add due to rounding.

JUSTIFICATION OF CHANGES**Distance Learning, Telemedicine, and Broadband Program**

Rural Utilities Service (RUS) programs support a healthy community and environment with loans and grants to make sure people, kids, and families have clean water and safe sewer systems that prevent pollution and runoff. RUS programs also keep the people of rural America connected with reliable, high-speed internet that brings new and innovative ideas to the rest of our country.

RUS provides much-needed infrastructure or infrastructure improvements to rural communities. These include water and waste treatment, electric power, and telecommunications services. All these services help to expand economic opportunities and improve the quality of life for rural residents.

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

- (1) A decrease of \$10,000,000 for Distance Learning and Telemedicine Grants (\$40,000,000 available in 2025).

The DLT Program supports rural schools and learning centers gaining access to improved educational resources. Distance learning projects provide funding for Internet-based educational services in schools and libraries and promote confidence in, and understanding of, the Internet and its benefits to students and young entrepreneurs.

Grants through this program are also being used to address the nation's need for additional science, technology, engineering, and mathematics (STEM) educational resources.

This program is designed specifically to meet the educational and health care needs of rural America by providing grants for advanced telecommunications technologies that provide enhanced learning and health care opportunities for rural residents.

Telemedicine can help hospitals meet operational and financial challenges by helping to increase volume, improve quality, and save on staffing costs. Even small rural hospitals can expand to provide highly specialized health services and expertise without the tremendous costs of incentivizing and relocating specialty physicians.

Millions of Americans in rural areas have limited access to healthcare and educational services and very few private sector providers would likely consider working in the rural sector. For many small communities that are currently underserved, lower-income and extremely rural, RUS represents the primary financial assistance available. If the program was not funded, the ability of rural Americans to access critical telemedicine and distance learning services would diminish.

In 2024, the program obligated \$83.3 million through 134 grants. The agency had seven grants totaling \$3.8 million for persistent poverty, and five grants totaling just under \$2.3 million for programs addressing the Opioid Epidemic and 23 grants totaling \$13.6 million for Substance Use Disorders. In 2024, the agency continued obligating in alignment with that of 2023, which was the highest total obligations over the prior six years. In 2024, the agency obligated over \$7 million in Oklahoma and over \$5 million individually to Kentucky, Ohio, and Alabama. In fact, 25 states received an investment of at least \$1 million in 2024.

The agency's \$7 million dollar investment in Oklahoma went towards ten different projects addressing both distance learning and telemedicine benefiting thousands of students and adults. One of the largest investments in Oklahoma was a \$961,554 grant that will be used to equip ten hub/end-user sites throughout Washita, Custer, Beckham and Kiowa counties in the southwestern part of the state with distance learning equipment that features "people plus content" dedicated classrooms, mobile classrooms and small setting huddle rooms. This project will enable sharing courses between hub/end-user sites as well as increase access to academic opportunities such as Advanced Placement and dual credit courses, to include adult education and workforce development across ten locations benefiting 3,721 students and adults. Also, in

the western part of the state, RD awarded a \$571,537 grant that will be used to equip eight hub/end-user sites throughout Custer, Beckham, Roger Mills and Dewey counties with distance learning and telehealth equipment that feature people plus content dedicated classrooms, mobile classrooms and small setting huddle rooms. The hub/end-user sites will also share educational opportunities with each other to alleviate the challenges small rural districts experience in delivering a full curriculum and the effects of teacher shortages and to expand educational opportunities for students. This project will include colleges that will provide dual credit courses and mental health and substance abuse prevention providers who will provide preventive education. The project will benefit 1,642 students and 130 adults.

Whereas in Ohio, the \$5.4 million invested in the state will go towards improving the quality of services and expand opportunities for thousands of students, teachers, staff, and rural residents. One such project is a \$918,724 investment that will equip three hub sites and three end-user sites throughout Portage and Lake counties in northeast Ohio with telecommunication devices including computers, microphones, cameras, speakers and interactive screens. Instructors at the hub/end-user sites in Crestwood Local Schools in Portage County will deliver distance learning events, such as virtual field trips, guest speakers and remote learning opportunities and courses to three locations, benefiting 1,350 students and 120 teachers.

Funding for DLT grants helps rural communities use the unique capabilities of telecommunications to connect to each other and to the world, overcoming the effects of remoteness, low population density, and persistent poverty. The agency sets aside funding for projects that seek to reduce the morbidity and mortality associated with substance use disorder, including opioid misuse, in rural communities by strengthening the capacity to address prevention, treatment and/or recovery at the community level.

The agency furthers the success of the DLT program by making sure we continue to nurture that communication link with our customers, such as by scheduling a series of webinars to review the program requirements with potential applicants and interested parties. RUS held virtual listening sessions on both June 11 and June 18 in 2024. In addition to the webinars, the Telecommunications Program's General Field Representatives attend different industry events throughout the year for outreach purposes and to advertise the program. GFRs also meet one-to-one with prospective applicants that request a meeting. All webinars and meetings are open to the public.

The agency published a document in the Federal Register (90 FR 13580) on March 25, 2025, to adjust a multitude of RD funding notices. This notice corrected the prior funding announcement to align it with the current Administration's priorities and the Executive Order: Ending Radical and Wasteful Government DEI Programs and Preferencing.

The funding request of \$27 million for 2026 is projected to provide distance learning and telemedicine services through approximately 40 that will provide healthcare and educational access in unserved or underserved rural communities. The requested funding will enable the agency to finance telemedicine projects to help address the Nation's opioid epidemic and finance distance learning projects that help address the additional STEM educational resources. By statute, 20 percent of the funding for this program will be set aside for projects related to opioids.

This program provides grant funds for developing health care services, health care cooperatives, health education programs, and public health-related facilities in the Delta Region. This program helps improve the quality of life in rural America by enhancing the ability of rural businesses to succeed by providing access to enhanced healthcare. These grants are targeted to a consortium of regional institutions of higher education, academic health and research institutes, and economic development entities in the region that have experience in addressing health care issues. The budget is requesting \$3 million for the health care services grant program.

This program provides funding to support the deployment of broadband, and it is essential for health and education.

- (2) A decrease of \$20,000,000 for the Community Connect Grants Program (\$20,000,000 available in 2025).

The agency is not requesting funding for Broadband Community Connect program in 2026. Funding for this program can be provided by other Federal agencies.

- (3) A decrease of \$90,000,000 for Program Level for the ReConnect Program (\$110,000,000 available in 2025).

The agency is not requesting Reconnect program funding in 2026. Funding for this program can be provided by other Federal agencies.

- (4) A decrease of \$120,000,000 budget authority for the Distance Learning, Telemedicine and Broadband Program account (\$110,000,000 available in 2025).

These programs are not requested in the budget.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table RUS-52. Distance Learning and Telecommunications Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$2,300	\$5,291	-	-
Alaska	2,880	2,601	-	-
Arizona	584	817	-	-
Arkansas	265	304	-	-
California	1,648	2,336	-	-
Colorado	2,043	-	-	-
Delaware	-	184	-	-
Florida	166	1,962	-	-
Georgia	2,658	2,975	-	-
Guam	-	315	-	-
Idaho	2,811	1,023	-	-
Illinois	3,374	957	-	-
Indiana	403	931	-	-
Iowa	122	1,823	-	-
Kansas	683	926	-	-
Kentucky	3,102	5,661	-	-
Louisiana	1,490	1,182	-	-
Maine	1,597	1,074	-	-
Michigan	970	1,634	-	-
Minnesota	1,024	-	-	-
Mississippi	2,605	2,013	-	-
Missouri	2,638	4,334	-	-
Montana	185	-	-	-
Nebraska	907	973	-	-
Nevada	488	983	-	-
New Hampshire	130	-	-	-
New Jersey	232	231	-	-
New Mexico	475	218	-	-
New York	1,934	2,884	-	-
North Carolina	2,912	4,020	-	-
Ohio	5,923	5,378	-	-
Oklahoma	8,042	7,024	-	-
Oregon	1,784	2,107	-	-
Pennsylvania	3,753	2,519	-	-
South Carolina	3,065	1,368	-	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
South Dakota	-	828	-	-
Tennessee	3,425	3,996	-	-
Texas	304	2,510	-	-
Utah	1,720	538	-	-
Vermont	635	-	-	-
Virgin Islands	185	-	-	-
Virginia	2,484	4,383	-	-
Washington	2,280	319	-	-
West Virginia	2,340	1,592	-	-
Wisconsin.....	1,066	-	-	-
Wyoming	89	862	-	-
Distribution Unknown	-	-	\$41,800	\$36,000
Obligations	77,722	81,076	41,800	36,000
Bal. Available, EOY	56,181	2,790	4,693	385
Total, Available	133,902	83,866	46,493	36,385

**Table RUS-53. Distance Learning and Telemedicine Delta Health Service Grants
Geographic Breakdown of Obligations (thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	\$845	-	-	-
Arkansas.....	-	\$1,000	-	-
Illinois	-	351	-	-
Kentucky	1,000	1,000	-	-
Mississippi.....	1,999	1,000	-	-
Tennessee	772	-	-	-
Distribution Unknown	-	-	\$3,300	\$3,200
Obligations	4,616	3,351	3,300	3,200
Bal. Available, EOY	0	66	58	63
Total, Available	4,616	3,417	3,358	3,263

**Table RUS-54. Broadband Telecommunications Grants Geographic Breakdown of
Obligations (thousands of dollars)**

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	-	\$5,000	-	-
Arizona	\$1,802	-	-	-
Arkansas.....	-	3,287	-	-
Colorado	-	1,448	-	-
Idaho	-	4,288	-	-
Kentucky	-	4,298	-	-
Louisiana	-	4,005	-	-
Maine	-	3,647	-	-
Missouri	-	3,506	-	-
Texas	-	4,505	-	-
Vermont	-	2,847	-	-
Virginia	-	9,460	-	-
Washington	-	11,698	-	-
Wisconsin.....	-	8,690	-	-
Distribution Unknown	-	-	\$17,000	\$4,246
Obligations	1,802	66,678	17,000	4,246
Bal. Available, EOY	78,933	6,110	4,246	-
Total, Available	80,735	72,788	21,246	4,246

Table RUS-55. Broadband Pilot 100 percent Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$4,613	-	-	-
Alaska	11,735	\$71,011	-	-
Arizona	3,581	-	-	-
Arkansas.....	4,135	-	-	-
California	-	17,623	-	-
Colorado	1,466	-	-	-
Florida	-	38,857	-	-
Georgia.....	11,385	-	-	-
Idaho	7,458	-	-	-
Illinois	12,805	-	-	-
Iowa.....	6,601	-	-	-
Kansas.....	500	-	-	-
Kentucky	6,594	-	-	-
Louisiana	5,710	-	-	-
Maine	60	-	-	-
Maryland.....	2,667	-	-	-
Michigan	13,338	34,417	-	-
Minnesota	1,655	-	-	-
Mississippi.....	665	-	-	-
Missouri	29,529	-	-	-
Montana	8,352	-	-	-
Nebraska	2,061	-	-	-
Nevada	1,731	-	-	-
New Mexico	10,520	-	-	-
New York	9,643	-	-	-
North Carolina	5,884	5,062	-	-
North Dakota.....	1,052	-	-	-
Oklahoma	15,698	54,044	-	-
Oregon	3,436	-	-	-
South Carolina.....	2,963	975	-	-
South Dakota	7,036	34,748	-	-
Tennessee.....	7,685	-	-	-
Texas	3,920	-	-	-
Utah	8,580	-	-	-
Virginia	9,930	-	-	-
West Virginia	4,131	-	-	-
Wisconsin.....	244	-	-	-
Wyoming	1,327	-	-	-
Marshall Islands.....	-	9,796	-	-
Distribution Unknown	-	-	\$289,000	\$43,807
Obligations	228,689	266,533	289,000	43,807
Bal. Available, EOY	206,889	331,004	78,767	-
Total, Available	435,578	597,537	367,767	43,807

Table RUS-56. Broadband Pilot 100 percent Loans Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Arizona	-	\$3,960	-	-
Arkansas.....	-	25,281	-	-
Idaho	-	10,583	-	-
Kansas.....	-	6,631	-	-
New Mexico	-	74,077	-	-
Oregon	-	2,820	-	-
Virginia	-	10,063	-	-
Distribution Unknown	-	-	\$124,272	\$111,855

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Obligations	-	133,414	124,272	111,855
Bal. Available, EOY	\$733,274	221,271	111,855	-
Total, Available	733,274	354,685	236,127	111,855

Table RUS-57. Broadband Pilot 50 percent Loans Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
California	-	\$6,466	-	-
Iowa.....	-	12,557	-	-
Missouri	-	14,897	-	-
Montana	-	5,576	-	-
New Mexico	-	5,825	-	-
Oklahoma	-	8,135	-	-
Oregon	-	10,264	-	-
Distribution Unknown	-	-	\$133,929	\$64,075
Obligations	-	63,719	133,929	64,075
Bal. Available, EOY	\$358,300	269,616	64,075	-
Total, Available	358,300	333,336	198,004	64,075

Table RUS-58. Broadband Pilot 50 percent Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
California	-	\$6,466	-	-
Iowa.....	-	12,557	-	-
Montana	-	5,576	-	-
New Mexico	-	5,825	-	-
Oklahoma	-	8,135	-	-
Oregon	-	10,264	-	-
Distribution Unknown	-	-	\$169,000	\$65,499
Obligations	-	48,822	169,000	65,499
Bal. Available, EOY	\$255,683	175,819	58,569	-
Total, Available	255,683	224,642	227,569	65,499

Table RUS-59. Broadband Pilot Technical Assistance Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	\$3,775	-	\$28,898	-
Obligations	3,775	-	28,898	-
Bal. Available, EOY	48,098	\$59,540	33,342	\$33,342
Total, Available	51,873	59,540	62,240	33,342

Table RUS-60. Broadband Pilot Administrative Expenses Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	\$9,357	\$6,786	\$1,793	\$432
Missouri	-	-	389	389
Wisconsin.....	-	-	194	194
Obligations	9,357	6,786	2,376	1,015
Bal. Available, EOY	39,528	27,599	28,823	27,808
Total, Available	48,885	34,385	31,199	28,823

Table RUS-61. Broadband Sec.6207 Administrative Expenses Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Expenditure Transfer to S&E.....	\$2,758	-	-	-
Obligations	2,758	-	-	-
Bal. Available, EOY	2,823	\$3,423	\$600	\$600
Total, Available	5,581	3,423	600	600

Table RUS-62. Distance Learning and Telemedicine Community Project Funding Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Illinois	\$1,091	-	-	-
Louisiana	400	-	-	-
Mississippi.....	3,000	-	-	-
New Mexico	500	-	-	-
Distribution Unknown	-	-	\$9,687	-
Obligations	4,991	-	9,687	-
Bal. Available, EOY	114	\$9,687	-	-
Total, Available	5,105	9,687	9,687	-

Table RUS-63. Broadband ReConnect Community Project Funding Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	-	\$1,704	-	-
Maryland.....	\$884	-	-	-
Minnesota	-	5,576	-	-
Missouri	364	-	-	-
New Hampshire	1,650	-	-	-
New York	212	-	-	-
Texas	-	2,850	-	-
Virginia	-	196	-	-
West Virginia	-	925	-	-
Distribution Unknown	-	-	\$48,141	-
Obligations	3,109	11,252	48,141	-
Bal. Available, EOY	49,008	48,141	-	-
Total, Available	52,117	59,393	48,141	-

Table RUS-64. Opioid Epidemic Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$118	-	-	-
Georgia.....	-	\$400	-	-
Illinois	1,798	-	-	-
Kentucky	280	-	-	-
Louisiana	1,110	-	-	-
Missouri	553	-	-	-
North Carolina	636	-	-	-
Ohio	112	-	-	-
Oregon	-	414	-	-
Pennsylvania	990	-	-	-
South Dakota	-	884	-	-
Vermont	-	84	-	-
West Virginia	-	484	-	-
Distribution Unknown	-	-	\$751	-
Obligations	5,596	2,266	751	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Bal. Available, EOY	1,352	751	-	-
Total, Available	6,948	3,018	751	-

Table RUS-65. Broadband Pilot 100 percent BIL Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alabama	\$260,351	-	-	-
Alaska	-	\$30,323	-	-
Arizona	25,000	-	-	-
California	24,998	-	-	-
Florida	-	3,187	-	-
Georgia	9,473	-	-	-
Illinois	46,736	-	-	-
Kentucky	24,963	-	-	-
Michigan	16,456	-	-	-
Minnesota	29,231	12,602	-	-
Mississippi	20,411	-	-	-
Missouri	33,641	23,007	-	-
Montana	47,095	-	-	-
Nevada	596	-	-	-
New Mexico	120,713	59,842	-	-
North Carolina	24,914	-	-	-
Oklahoma	116,980	-	-	-
Oregon	25,702	-	-	-
South Carolina	24,000	-	-	-
Texas	74,645	-	-	-
Utah	3,486	-	-	-
Vermont	17,464	-	-	-
Virginia	25,000	-	-	-
Washington	54,396	-	-	-
Marshall Islands	25,000	-	-	-
Distribution Unknown	-	-	\$12,602	-
Obligations	1,051,252	128,962	12,602	-
Bal. Available, EOY	327	0	-	-
Total, Available	1,051,578	128,962	12,602	-

Table RUS-66. Broadband Pilot 100 percent BIL Loans Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Arizona	\$16,866	-	-	-
California	15,278	-	-	-
Kansas.....	49,955	-	-	-
Mississippi.....	15,838	-	-	-
Missouri	102,287	-	-	-
Ohio	26,349	-	-	-
Oregon	30,554	-	-	-
Texas	21,102	-	-	-
Washington	2,981	-	-	-
Wisconsin.....	28,000	-	-	-
Distribution Unknown	-	-	-	-
Obligations	309,210	-	-	-
Bal. Available, EOY	0	-	-	-
Total, Available	309,210	-	-	-

Table RUS-67. Broadband Pilot 50 percent BIL Loans Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
California	\$28,050	-	-	-
Illinois	643	-	-	-
Iowa.....	1,994	-	-	-
Kansas.....	496	-	-	-
Kentucky	9,408	-	-	-
Minnesota	20,479	-	-	-
Missouri	34,626	-	-	-
Oklahoma	43,130	-	-	-
Oregon	43,692	-	-	-
Texas	1,452	-	-	-
Utah.....	2,214	-	-	-
Washington	4,601	-	-	-
Distribution Unknown	-	-	\$8,556	-
Obligations	190,784	-	8,556	-
Bal. Available, EOY	0	\$8,556	-	-
Total, Available	190,784	8,556	8,556	-

Table RUS-68. Broadband Pilot 50 percent BIL Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
California	\$28,050	-	-	-
Illinois	643	-	-	-
Iowa.....	1,994	-	-	-
Kansas.....	496	-	-	-
Kentucky	9,408	-	-	-
Minnesota	28,443	-	-	-
Missouri	34,626	-	-	-
Oklahoma	43,130	-	-	-
Oregon	43,692	-	-	-
South Carolina.....	6,208	-	-	-
Tennessee.....	1,587	-	-	-
Texas	1,452	-	-	-
Utah	2,214	-	-	-
Washington	9,202	-	-	-
Distribution Unknown	-	-	\$7,590	-

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Obligations	211,143	-	7,590	-
Bal. Available, EOY	-	\$7,590	-	-
Total, Available	211,143	7,590	7,590	-

Table RUS-69. Broadband Pilot Technical Assistance BIL Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
District of Columbia	\$550	\$17,575	\$41,875	-
Obligations	550	17,575	41,875	-
Bal. Available, EOY	59,450	41,875	-	-
Total, Available	60,000	59,450	41,875	-

Table RUS-70. Broadband Pilot Administrative Expenses BIL Grants Geographic Breakdown of Obligations (thousands of dollars, FTEs)

State/Territory/Country	2023 Actual	2024 Actual	FTE	2025 Estimated	FTE	2026 Estimated	FTE
District of Columbia	\$8,030	\$16,086	10	\$14,230	3	\$9,000	3
Obligations	8,030	16,086	10	14,230	3	9,000	3
Bal. Available, EOY	71,970	55,884	-	41,654	-	32,654	-
Total, Available	80,000	71,970	10	55,884	3	41,654	3

Table RUS-71. Direct Broadband Telecommunications Treasury Rate Loans BIL Grants Geographic Breakdown of Obligations (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Distribution Unknown	-	-	\$488,085	-
Obligations	-	-	488,085	-
Bal. Available, EOY	\$495,821	\$488,085	-	-
Total, Available	495,821	488,085	488,085	-

CLASSIFICATION BY OBJECTS

Table RUS-72. Classification by Objects (thousands of dollars)

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Personnel Compensation:					
	Washington D.C.	-	-	\$14	\$14
	Personnel Compensation, Field.....	-	\$1,050	423	423
11	Total personnel compensation.....	-	1,050	437	437
12	Personal benefits.....	-	410	146	146
	Total, personnel comp. and benefits	-	1,460	583	583
Other Objects:					
21.0	Travel and transportation of persons	-	61	69	68
23.3	Communications, utilities, and misc. charges	-	17	14,554	325
25.1	Advisory and assistance services.....	-	14,519	39	9,039
25.2	Other services from non-Federal sources.....	-	-	0	0
25.3	Other goods and services from Federal sources...	\$20,145	6,782	72,134	-
31.0	Equipment	-	25	0	0
41.0	Grants, subsidies, and contributions	1,654,691	662,397	712,459	183,887
	Total, Other Objects	1,674,837	683,809	799,255	193,320
99.9	Total, new obligations	1,674,837	685,270	799,838	193,903

This table assumes a reduced 2026 FTE baseline due to 2025 voluntary staff separations and administrative cost efficiencies.

ACCOUNT 4: HIGH ENERGY COST GRANTS**LEAD-OFF TABULAR STATEMENT****Table RUS-73. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Enacted, 2025	\$8,000,000
Change in Appropriation	-8,000,000
Budget Estimate, 2026.....	-

PROJECT STATEMENTS**Table RUS-74. Project Statement on Basis of Appropriations (thousands of dollars)**

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	Inc. or Dec.	Chg Key
Discretionary Approp:						
High Energy Cost Grants.....	\$10,000	\$8,000	\$8,000	-	-\$8,000	(1)
Total Adjusted Approp.....	10,000	8,000	8,000	-	-8,000	
Add back:						
Transfers In and Out, Rescissions	-10,000	-8,000	-8,000	-	+8,000	
Total Appropriation	-	-	-	-	-	
Transfers In:						
Water and Waste Disposal Program						
Account	10,000	8,000	8,000	-	-8,000	
Total Transfers In	10,000	8,000	8,000	-	-8,000	
Recoveries, Other	36	177	102	\$119	+17	
Bal. Available, SOY.....	3,737	12,218	13,084	13,374	+290	
Total Available	13,772	20,394	21,186	13,493	-7,693	
Bal. Available, EOY.....	-12,218	-13,084	-13,374	-	+13,374	
Total Obligations	1,555	7,310	7,812	13,493	+5,682	

Table RUS-75. Project Statement on Basis of Obligations (thousands of dollars)

Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	Inc. or Dec.
Discretionary Obligations:					
High Energy Cost Grants.....	\$1,555	\$7,310	\$7,812	\$13,493	+\$5,682
Total Obligations	1,555	7,310	7,812	13,493	+5,682
Add back:					
Balances Available, EOY:					
High Energy Cost Grants.....	12,218	13,084	13,374	-	-13,374
Total Bal. Available, EOY	12,218	13,084	13,374	-	-13,374
Total Available	13,772	20,394	21,186	13,493	-7,693
Less:					
Total Transfers In	-10,000	-8,000	-8,000	-	+8,000
Recoveries, Other	-36	-177	-102	-119	-17
Bal. Available, SOY.....	-3,737	-12,218	-13,084	-13,374	-290
Total Appropriation	-	-	-	-	-

JUSTIFICATION OF CHANGES**High Energy Cost Grants**

(1) A decrease of \$8,000,000 for High Energy Cost Grants (\$8,000,000 available in 2025).

The High Energy cost grant program provides financial assistance for energy generation, transmission, and distribution facilities for rural communities with extremely high energy costs. Eligible communities have average home energy costs that are at least 275 percent of the national average. High Energy Cost grants are statutorily focused on the most remote, poorest areas with the highest energy costs (typically Alaska, the Pacific Islands or tribal areas).

RUS-financed electrical systems provide service to more than 90 percent of the Nation's counties that are identified as suffering from persistent poverty, out-migration, or other economic hardships. The Electric Program also provides financial assistance through High Energy Cost Grants to rural communities with extremely high energy costs to acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities.

This program is not requested in the budget. Funding for these purposes can be provided by other Federal agencies.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RUS-76. Geographic Breakdown of Obligations for High Energy Cost Grants (thousands of dollars)

State/Territory/Country	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Alaska	\$1,555	\$5,474	-	-
Micronesia.....	-	1,836	-	-
Distribution Unknown	-	-	\$7,812	\$13,493
Obligations	1,555	7,310	7,812	13,493
Bal. Available, EOY	12,218	13,084	13,374	-
Total, Available	13,772	20,394	21,186	13,493

CLASSIFICATION BY OBJECTS

Table RUS-77. Classification by Objects (thousands of dollars)

Item No.	Item	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated
Other Objects:					
41.0	Grants, subsidies, and contributions	\$1,555	\$7,310	\$7,812	\$13,493
	Total, Other Objects	1,555	7,310	7,812	13,493
99.9	Total, new obligations	1,555	7,310	7,812	13,493

STATUS OF PROGRAMS

The Rural Utilities Service (RUS) provides much-needed infrastructure or infrastructure improvements to rural communities, including water and waste treatment, electric power, and telecommunications services. These services help to expand economic opportunities and improve the quality of life for rural residents.

Water and Environmental Programs

The Water and Environmental Programs (WEP) provides rural communities with technical assistance and financing to develop and support modern, affordable water and waste disposal (WWD) services. WEP provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas with populations of 10,000 or less. With a focus on underserved communities, WEP directs its technical and financial resources to rural communities with the greatest need, including rural water and waste systems in areas that are poverty-stricken and face health or sanitary issues, or have other obstacles hindering their ability to provide safe and reliable services. These communities may be impoverished because of out-migration, economic factors, or even natural disasters, but can help sustain economic development and improve the quality of life for their residents by providing dependable water and waste services. This program provides funding for these communities using a three-tier approach, poverty, intermediary and market rate. In 2024, WEP funded 276 direct loans with 147 at the poverty rate (53.3%), 101 at the intermediate rate (36.3%), and 28 at the market rate (10.1%). Safe drinking water and sanitary waste disposal systems are vital not only to public health, but also to the economic vitality of rural America.

WEP works with communities to replace and repair damaged water systems to ensure safe water is available for rural residents. Of the \$44.9 million in direct loan funding going to the state of Tennessee, the funding is going towards: completing wastewater collections systems, installing new water mains, adding raw water wells, and constructing new water treatment plants to replace those that are inoperable. The Town of Stanton will use \$8 million in funding to increase water service along SR222 by Blue Oval City, Tennessee. The project will install a 12-inch water line to support infrastructure, including the city's fire station and large-scale daycare center for employees' children plus the Tennessee College of Applied Technology. Funds will also be used to expand the town of Stanton's sewer collection system and increase efficiency at the wastewater treatment plant. The collection system expansion will consist of 14,000 linear feet of new sewer line and the wastewater plant construction will consist of new plant headworks and treatment process. The project will benefit the more than 700 residents in the town of Stanton service area.

Of the \$62.4 million going to the state of Colorado for water and waste disposal loans, the city of Del Norte in southern Colorado received a \$12 million loan to update the water distribution and collections system. The town's current system is served by approximately 71,000 linear feet of mostly undersized piping that is beyond its material lifespan. This piping has several dead ends that allow for sediment accumulation in the pipes and the potential for bacterial growth. Water is treated at the two well sites but does not provide adequate chlorine contact time. This project will replace approximately 62,000 linear feet of undersized and failing water piping along with approximately 8,700 linear feet to extend and loop existing dead ends. Additionally, a total of 51 fire hydrants will be installed (43 replacements, eight new) to extend firefighting coverage. Each well will have additional piping installed to allow for adequate chlorine contact time. Finally, the road base will be replaced on roads disturbed as part of the project. When completed, this project will ensure the 1,458 rural residents of the town have access to safe drinking water that meets all Colorado Department of Public Health and Environment (CDPHE) requirements.

Current Activities:

In 2024, RUS invested \$1.6 billion to modernize rural drinking water and wastewater infrastructure through the Water and Waste Disposal Loan and Grant Program. Funding was obligated in almost all

50 states and included Puerto Rico. The states with the highest funding were Iowa, Colorado, Oklahoma, and Minnesota. The 351 WEP construction projects funded in 2024 will help improve rural water and waste disposal infrastructure for approximately 1.65 million residents. Of these projects, 268 of them, or 76.4 percent, alleviated health or sanitary issues. Significantly, \$141 million of this funding has been provided to support 34 projects in persistent poverty communities.

RD invested \$21.5 million in direct loans and \$4.7 million in grant WEP funds across six investments in Iowa to provide clean, safe water and promote economic growth in rural communities. These projects will replace aged distribution piping, services, and meters to increase water treatment system's reliability and pressure, bringing the systems into compliance with water-quality standards. Construction of reverse osmosis treatments facilities and replacement of asbestos cement pipes will bring the aged distribution systems to modern standards. These investments will provide new wells, construction of new well houses, installation of new raw water mains to connect the new wells to the existing distribution piping and install new electrical conduits in the well field. Once completed, these projects will mitigate imminent health and sanitation hazards, enable cities to meet wastewater standards, and promote the health of residents of rural Iowa. The state of Colorado received \$60.7 million in WEP loans and grants to fund 10 projects in rural and Tribal communities to expand access to safe drinking water. These investments will install new distribution lines, fire hydrants, water pumps, and replace problematic and failing sections of existing water systems. Decommission and reconstruction of existing aging treatment and distribution plants and pond evaporation systems will expand and provide new redundant treatment trains including pretreatment, filtration and disinfection, new chlorine storage that allows for significantly reduced chlorine deliveries, new more robust pH adjustment systems, and new finished water pumps to increase capacity and conveyance. When complete, these projects will address the most critical needs for hundreds of thousands of rural Colorado residents and ensure they have reliable access to safe drinking water, fire protection, and wastewater treatment with a lower risk to the environment for years to come

Table RUS-78. 2024 Financial and Performance Data for WEP Programs (thousands of dollars):

Program	Total Obligated (Dollars in Million)	Total No. Loans or Grants
Direct Water and Waste Disposal Loans	\$912.60	271
Guaranteed Water and Waste Disposal Loans.....	6.1	6
1 percent Direct Loan – Water Only.....	10	5
Water and Waste Disposal Grants	364.04	185
Water and Waste Search Grants	1.4	36
Technical Assistance Grants for Rural Waste Systems.....	36.6	27
Circuit Rider – Technical Assistance Grants for Rural Water Systems	21.8	1
Division N WWD Grants	11	8
Division N WWD Disaster Grants.....	99.6	35
Water and Waste Disposal Community Project Funding	11.8	6
Water and Waste Disposal Grants Alaskan Villages.....	20.4	33
Water and Waste Disposal Grants Native American Tribes ..	18.6	9
Water and Waste Disposal Grants Colonias	22.5	18
Individually Owned Water Well System Grants	3.7	6
Grants for Water and Wastewater Revolving Funds	1.2	2
Solid Waste Management Grants	4.3	22
Emergency and Imminent Community Water Asst. Grants Appropriated	11.7	23
Hurricane Natural Disaster Grants	28.9	5
WWD Hawaiian Homeland Grants	5	1
High Energy Cost Grants.....	7.3	6
Total.....	\$1,598.54	705

Rural Electrification and Telecommunications Loan Programs

In 2024 the Electric and Telecommunications loan and grant program provided almost \$10.1 billion in program level that supported 318 projects, of which 177 were grants and 141 were loans.

The rural electric direct loan and loan guarantee programs provide financing for electric generation, transmission, and distribution facilities, and for energy efficiency and conservation projects to improve service in rural areas. Loans are made to corporations, States, territories, local government subdivisions, municipalities, utility districts, and to other eligible entities, including cooperatives, tribal utilities, nonprofits, and limited-dividend or mutual associations that provide retail electric service needs to rural areas or power supply needs of distribution borrowers in rural areas.

Table RUS-79. 2024 Financial and Performance Data for RET Programs (thousands of dollars):

Program	Total Obligated (Dollars in Millions)	Total No. Loans or Grants
Direct Electric Loans.....	\$2,370.59	18
Treasury Rate Electric Loans	4,060.08	84
IRA New ERA Loans.....	241.42	1
IRA New ERA Grants	1,799.43	3
IRA PACE Direct Electric Loans	609.6	18
Total.....	\$10,088.12	136

Inflation Reduction Act Programs

In 2022, the Inflation Reduction Act (IRA) provided \$10.7 billion in loan and grant budget authority to support the implementation of two new renewables in the Electric program: the Empowering Rural America (New ERA) Program and the Powering Affordable Clean Energy (PACE) program. In 2024 the agency obligated \$609.6 million through 18 loans for the PACE program and just over \$2 billion through three grants and one loan for New ERA program.

The New ERA program provides financial assistance to electric cooperatives, electric cooperatives serving predominantly rural areas, and wholly or jointly owned subsidiaries of such electric cooperatives to achieve the greatest reduction in greenhouse gas emissions while advancing the long-term resiliency, reliability, and affordability of rural electric system. The Dairyland Power Cooperative in Westby, Wisconsin was awarded \$241.4 million in grant funding in FY 2024 to accelerate the clean energy transition. These funds will develop projects totaling 1,020 megawatts of power purchase agreements for solar and wind energy installations in Iowa, Illinois, Minnesota, North Dakota, and Wisconsin. Funding will be used to develop projects totaling 1,080 megawatts, including eight power purchase agreements, four solar installations, and four wind power installations across Dairyland's service territory to include 593 MW of wind, 427 MW of solar, and 60 MW of energy storage. The New ERA funding will accelerate Dairyland's carbon profile goals, resulting in a 3.3 million metric tons carbon reduction for over 70% decrease in carbon emissions.

The PACE program provides loans to finance power generation for Projects for Renewable Energy Resource (RER) systems or Energy Storage Systems (ESS) that support RER Projects. In 2024, two recipients in Alaska were awarded \$100 million each in loan funding to build clean energy systems in rural communities in Alaska. Golden Valley Electric Association (GVEA) will use \$100 million in funding through the PACE program to build a 46-megawatt battery energy storage system (BESS). The BESS energy storage is essential to provide rural Alaskans with reliable clean energy. This is a critical part of the people of Alaska's efforts to create a transformative clean energy economy that protects their natural environment while providing reliable, affordable energy to their communities. Another recipient of the PACE program is the Alaska Electric and Energy Cooperative Inc. that received \$100 million to install a 45-megawatt four-hour battery energy storage system adjacent to its Soldotna Substation. The cooperative is a wholly owned subsidiary of Homer Electric Association a distribution

electric utility serving over 24,330 members across more than 3,000 square miles in Alaska's western and southern Kenai Peninsula. PACE invested \$139 million in five projects to serve disadvantaged and Tribal communities in Arizona, Colorado, Hawaii and Nebraska in FY 2024. These projects will reduce electricity costs for hardworking families and small business owners and prevent power outages in the face of extreme weather. Below are a few examples of the impact this investment will have on disadvantaged rural communities:

- Trico Electric Cooperative Inc. in Arizona will use \$83.5 million loan to expand its battery energy storage system capacity and provide reliable electricity to the growing number of people living in the surrounding areas of Tucson and the Pascua Yaqui Reservation. This funding will help the cooperative reach its goal to cut its carbon emissions in half by 2032, impacting over 51,849 consumers.
- La Plata Electric Association in Colorado received \$13.4 million loan to finance the construction of new generation facilities that will consist of a solar photovoltaic (PV) electric generation facility with a nameplate of 5 MW-ac and a battery energy storage system (BESS) with a nameplate capacity of 5 MW capable of storing up to 20 MWh of energy on demand. This investment will save more than half a million dollars in annual energy costs and deliver affordable clean solar energy to its over 36,000 member owners including people living in distressed, disadvantaged and energy communities. It also includes people living on the Ute Mountain Ute and Southern Ute Tribal reservations.
- Kauai Island Utility Cooperative in Hawaii is utilizing \$24.4 million loan to expand solar energy production and to reduce its reliance on fossil fuels during peak evening hours in Anahola, Koloa and Port Allen. This project will create jobs for people in the community, strengthen the local electric grid, increase resilience in the face of climate change, and further the cooperative's goal of providing 100% renewable energy by 2033. This investment will benefit over 39,000 consumers utilizing over 1,531 miles of line on the Island of Kauai.
- Midwest Electric Cooperative Corporation, in Nebraska, received nearly \$17 million loan to finance solar renewable energy resource facilities and energy storage systems for communities in Wallace, Grant, Paxton and Lakeview. The investment will be used to finance the construction of four generation projects that will have a total of 3.5 MWAC of photovoltaic (PV) solar generation and 15.6 MWh of Battery Energy Storage Systems (BESS) serving more than 6,600 consumers over 2,972 miles of lines in five counties in southwest Nebraska.

Electric Programs

Providing reliable, affordable electricity is essential to the economic well-being and quality of life for the Nation's rural residents. The electric programs provide leadership and capital to upgrade, expand, maintain, or replace America's vast rural electric infrastructure, including investment in renewable electricity and energy efficiency and conservation. Some electric program loans are specifically targeted to spur economic development in areas where poverty rates have been stubbornly high for decades.

USDA's Electric Loan Program helps finance wind, solar and natural gas plants, and finances improvements to produce clean energy from coal-fired plants. Local utilities also use the loans to invest in infrastructure to deliver affordable power to millions of residential, commercial, and agricultural consumers. In 2024, the Electric Program obligated just over \$7.4 billion through 114 loans and six grants in 33 states. These loans improved electrical services for 2 million existing customer accounts and 110,316 new customer accounts. Of the total funding, approximately \$628 million of this funding went to 18 loans impacting 76 persistent poverty communities.

Specifically Addressed Areas

The state of Georgia received the most funding with \$1.1 billion awarded to help finance improvements to meet existing and expanding power supply needs while producing clean energy. Georgia's Swanee Electric Membership Corporation received a \$161 million loan guarantee to build or

improve more than 800 miles of transmission and distribution line. More than \$6 million will fund smart grid projects.

RD invested \$472.7 million in South Carolina to provide reliable, affordable electricity to rural residents. Blue Ridge Electric Cooperative (BREC) was awarded \$155 million in loan funding to improve electric infrastructure, smart-grid technologies and renewable energy systems. This investment will be used to connect 8,480 consumers and build and improve 586 miles of line. This loan also includes \$51,871,000 in smart grid technologies including the installation of 978 miles of fiber cable. These critical investments will help create seamless smart grid electric networks and will help to increase economic opportunities for people living and working in rural communities. This investment is essential to sustaining the economic well-being and quality of life for rural residents.

Telecommunications Program

The telecommunications loan program provides direct loans and loan guarantees for broadband capable construction, expansion, and upgrades of telecommunications facilities.

Specifically Addressed Areas

Specific areas being addressed by the telecommunications program include financing projects to improve telecommunications service in rural areas. The program priorities are to ensure that rural communities have access to advanced telecommunications services, such as high-speed Internet services; and advanced communications services such as distance learning and telemedicine. Access to high-speed Internet and other quality telecommunications services is essential for a healthy and growing rural economy. The infrastructure increases educational opportunities, improves availability of healthcare, job creation and retention, and enhances continued economic growth. Program outreach efforts are focused on identifying rural areas that do not have access to these services.

Current Activities:

Distance Learning and Telemedicine (DLT) Program

The DLT program helps rural communities use the unique capabilities of telecommunications to connect to each other and to the world, overcoming the effects of remoteness and low population density. The DLT Program assists rural schools and learning centers to gain access to improved educational resources. Distance learning projects provide funding for Internet-based educational services in schools and libraries and promote confidence in and understanding of the Internet and its benefits to students and young entrepreneurs. Grants through this program are also being used to address the Nation's need for additional science, technology, engineering, and mathematics (STEM) educational resources. In 2024, RUS funded over \$83.3 million for 134 projects through the DLT grant program.

Current Activities:

Of the total 134 DLT projects in 2024, 28 projects are specifically in response to the opioid pandemic and substance use disorder. The program helps health care and education institutions buy the equipment and software necessary to deploy distance-learning and telemedicine services to rural residents. The states with the highest funding in 2024 were West Virginia, Ohio, and Virginia. Of the almost \$2.1 million going to West Virginia, 4 projects be able to equip 19 hub/end-user sites and 30 locations with telemedicine equipment. Medical professionals, mental health professionals, and instructors will be able to deliver mental health preventive education, counseling, pain medication management and education, telehealth services, substance abuse prevention education, and treatment and recovery care for Opioid/Substance Use Disorder diagnosis. These investments will benefit more than 30,514 rural residents.

Selected Examples of Recent Progress

Oklahoma received \$7 million in funding to provide 10 projects with telecommunications equipment. These projects will be used to equip 89 hub/end-user sites and 105 locations in rural and tribal areas with telemedicine and distance learning equipment including but not limited to; telehealth carts including peripherals, fixed wall mounted telehealth devices, and tablets all connected through a telehealth platform for telemedicine, fixed audio and visual classroom equipment, and mobile classrooms. The resources will allow delivery of STEM courses, and numerous medical, mental health, and substance abuse prevention services to over 68,150 rural residents.

Eight organizations in Kentucky received \$5.5 million in funding to provide residents with access to remote education and health care resources. The funding will equip 34 educational and medical facilities with real time, interactive distance learning and telemedicine services in rural areas to increase the education, training and health care resources that are otherwise limited or unavailable. These investments will allow multiple medical and educational facilities to deliver remote healthcare services including family practice, pediatrics, diabetes management, behavioral health and nutritional health, and women's health. These services will benefit over 39,958 students and residents in Kentucky.

Six medical and education facilities in Missouri were awarded over \$4.3 million in grants to provide distance learning and telemedical services for rural residents. The funding will provide telemedical equipment, audio visual and network resources needed to facilitate the delivery of healthcare services, education, and professional development opportunities to rural communities. This equipment will allow medical professionals to deliver cardiac and infectious disease monitoring as well as assessment and treatment recommendations at multiple locations. This investment will benefit over 40,656 rural residents.

RUS-80. 2024 Financial and Performance Data for All Other Distance Learning, Telemedicine and Broadband Programs (thousands of dollars):

Program	Total Obligated (Dollars in Million)	Total No. Loans or Grants
Distance Learning and Telemedicine (DLT) Grants.....	\$83.3	134
DLT Delta Health Care Services Grants	3.3	5
Broadband ReConnect Community Project Funding	11.3	5
Broadband Telecommunications Grants	66.7	19
Broadband Telecommunication Loans and Grants	351.2	36
Reconnect Grants – 100 percent IIJA.....	129	6
Total	\$644.8	205