2027 USDA EXPLANATORY NOTES - RURAL UTILITIES SERVICE

Table of Contents

Preface 3
Agency-Wide 3
Purpose Statement 3
Available Funds and FTEs 7
Account 1: Rural Water and Waste Disposal Program 9
Appropriations Language 9
Lead-Off Tabular Statement 11
Project Statements 12
Justification of Changes 15
Legislative Proposal 17
Geographic Breakdown of Obligations 21
Object Classification 29
Account 2: Rural Electrification and Telecommunication Program 31
Appropriations Language 31
Lead-Off Tabular Statement 31
Project Statements 32
Justification of Changes 34
Geographic Breakdown of Obligations 36
Object Classification 42
Account 3: Distance Learning, Telemedicine, and Broadband Program 43
Appropriations Language 43
Lead-Off Tabular Statement 44
Project Statements 45
Justification of Changes 47
Geographic Breakdown of Obligations 48
Object Classification 55
Account 4: High Energy Cost Grants 57
Lead-Off Tabular Statement 57
Project Statements 57
Justification of Changes 58
Geographic Breakdown of Obligations 58
Object Classification 58
Status of Program 59

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PREFACE

This publication summarizes the fiscal year (FY) 2027 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the "Budget" is in regard to the 2027 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 2024 and 2025; Working Families Tax Cut Act; Agriculture, Rural Development, Food and Drug Administration, and Related Agency Appropriations Act, 2026; and the President's Budget request for 2027. Amounts for 2026 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 Working Families Tax Cut Act is used to refer to the Public Law 119-21.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2024, 2025, 2026 and 2027.

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 small non-zero amounts that do not round up to one (1). Due to rounding, some tables may not sum exactly.

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, as amended, (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, as amended, (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, as amended, (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, as amended, (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 fixes interest rates 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, as amended, (7 U.S.C. 940c-1), 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 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, as amended, (7 U.S.C. 940g) to finance facilities that generate electricity from solar, wind, hydropower, biomass, or geothermal source for resale to rural and nonrural residents. Annual appropriations acts have included a provision to exempt the interest rate requirement for this program. USDA administers the program under the Direct Loan FFB authority under Section 306 of the Rural Electrification Act of 1936, as amended, (7 U.S.C. 936).

Rural Energy Savings Program — Authorized by section 6407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107), as amended, 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 Section 22004 of the Inflation Reduction Act of 2022 (P.L. 117-169) 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 Section 22001 of the Inflation Reduction Act of 2022 (P.L. 117-169) 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, as amended, (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, has 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, as amended, (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, as amended, (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 one 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, as amended, (7 U.S.C. 950bb). 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, as amended, (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 amended, 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, as amended, (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, as amended (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, as amended, (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, as amended, (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, as amended, (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, as amended, (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, as amended, (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, as amended, (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, as amended, (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, as amended, (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, as amended, (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, 2025, there were 4,450 permanent full-time employees, including 245 in the headquarters office and 4,205 across 461 field offices.

RD activities contribute to the success of USDA's overall mission to provide leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on public policy, the best available science, and effective management. USDA is currently developing the FY 2026 – 2030 Strategic Plan. A detailed FY 2027 performance plan, including Key Performance Indicators, can be found at https://www.usda.gov/our-agency/about-usda/performance.

AVAILABLE FUNDS AND FTES

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

Item	2024 Actual	FTE	2025 Actual	FTE	2026 Estimated	FTE	2027 Estimated	FTE
WEP:								
Discretionary Appropriations ...	$588,972	-	$471,487	-	$437,865	-	$202,488	-
Supplemental Appropriations ..	-	-	179,582	-	-	-	-	-
RET:								
Discretionary Appropriations ...	42,568	10	38,568	8	44,040	-	33,270	-
DLTB:								
Discretionary Appropriations ...	169,959	10	150,000	33	108,517	-	30,000	-
HECG:								
Discretionary Appropriations ...	8,000	-	8,000	-	8,000	-	-	-
Total Discretionary Appropriations	809,499	20	668,055	33	598,422	-	265,758	-
Total Supplemental Appropriations	-	-	193,018	-	-	-	-	-
Total Adjusted Appropriation...	809,499	20	861,073	41	598,422	-	265,758	-
Balance Available, SOY	12,242,970	-	9,797,525	-	1,310,576	-	493,156	-
Balances Interchange	-17,368	-	-39,480	-	-	-	-	-
Rescinded Balances	-55,891	-	-30,006	-	-20,000	-	-40,000	-
Recoveries, Other.....	442,531	-	108,700	-	85,974	-	79,223	-
Total Available	13,421,741	20	10,697,813	41	1,974,971	-	798,137	-
Lapsing Balances.....	-5,720	-	-368	-	-	-	-	-
Balance Available, EOY	-9,797,525	-	-1,310,576	-	-493,156	-	-287,341	-
Total Obligations	3,618,496	20	9,386,869	41	1,481,815	-	510,796	-
Total Obligations, RUS	3,618,496	20	9,386,869	41	1,481,815	-	510,796	-
Total Available, RUS	13,421,741	20	10,697,813	41	1,974,971	-	798,137	-

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ACCOUNT 1: RURAL WATER AND WASTE DISPOSAL PROGRAM

APPROPRIATIONS LANGUAGE

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

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: [$1,015,000,000]$816,872,000 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,[306A,] 306C, 306D, and 310B[, 306E] and described in sections 306C(a)(2), 306D,[306E,] and 381E(d)(2) of the Consolidated Farm and Rural Development Act, [$445,864,564]$202,488,000 to remain available until expended: *Provided,* That [$51,476,000]$58,488,000 of the amount appropriated under this heading shall be available for direct loans[, of which no less than $3,876,000 shall be available for water and waste direct one percent loans for distressed communities as the Secretary deems appropriate: *Provided further,* That $1,000,000 shall be available for the rural utilities program described in section 306(a)(2)(B) of such Act: *Provided further,* That $5,000,000 of the amount appropriated under this heading shall be available for the rural utilities program described in section 306E of such Act, of which $1,000,000 shall be to provide subgrants to eligible individuals for the construction, refurbishing, and servicing of individually owned household decentralized waste water systems: *Provided further,* That $7,000,000 of the amount appropriated under this heading shall be for grants authorized by section 306A(i)(2) of the Consolidated Farm and Rural Development Act in addition to funding authorized by section 306A(i)(1) of such Act:] *Provided further,* That [$60,000,000]$20,000,000 of the amount appropriated under this heading shall be for loans and grants including water and waste disposal systems grants authorized by[section 306C(a)(2)(B) and] section 306D of the Consolidated Farm and Rural Development Act, and Federally Recognized Native American Tribes authorized by 306C(a)(1) of such Act[, and the Department of Hawaiian Home Lands (of the State of Hawaii)]: *Provided further*, That, notwithstanding any other provision of this Act, funds 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 $35,000,000 of the amount appropriated under this heading shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act, unless the Secretary makes a determination of extreme need, of which $10,000,000 shall be made available for a grant to a qualified nonprofit multi-State regional technical assistance organization, with experience in working with small communities on water and waste water problems, the principal purpose of such grant shall be to assist rural communities with populations of 3,300 or less, in improving the planning, financing, development, operation, and management of water and waste water systems, and of which not less than $800,000 shall be for a qualified national Native American organization to provide technical assistance for rural water systems for tribal communities:] *Provided further,* That [$23,900,000]$24,000,000 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 $4,000,000 of the amounts made available under this heading shall be for solid waste management grants: *Provided*

48 *further,* That $250,488,564 of the amounts made available under this heading shall be for grants
49 pursuant to section 306(a)(2)(a) of the Consolidated Farm and Rural Development Act, of which
50 $110,488,564 shall be for the purposes, and in the amounts, specified for this account in the table
51 titled "Community Project Funding/Congressionally Directed Spending" in the explanatory statement
52 described in section 4 (in the matter preceding division A of this consolidated Act): *Provided further,*
53 That $8,000,000 of the amount appropriated under this heading shall be transferred to, and merged
54 with, the Rural Utilities Service, High Energy Cost Grants Account to provide grants authorized under
55 section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a):] *Provided further,* That if any funds
56 made available for the direct loan subsidy costs [under this heading] remain unobligated after July 31,
57 [2026]2027, such unobligated balances may be used for grant programs funded under this heading:[
58 *Provided further,* That any unobligated balances from prior year appropriations under this heading for
59 the cost of direct loans, loan guarantees and grants, including amounts deobligated or cancelled, may
60 be made available to cover the subsidy costs for direct loans, loan guarantees and or grants under this
61 heading in this fiscal year: *Provided further,* That no amounts may be made available pursuant to the
62 two preceding provisos from amounts that were designated by the Congress as an emergency
63 requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and
64 Emergency Deficit Control Act of 1985, or that are specified for this account in the table titled
65 "Community Project Funding/Congressionally Directed Spending" in the explanatory statement
66 described in section 4 (in the matter preceding division A of this consolidated Act):] *Provided further,*
67 That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act are not
68 applicable to the funds made available under this heading.

Change Description

The first change (lines 7 and 8 of paragraph 2) deletes language on 306Aand 306E; the budget is not requesting funding for these purposes.

The second change (line 11 to 20 of paragraph 2) deletes language that provides funding for water and waste direct one percent loans for distressed communities, water well system grants, and emergency community water assistance grants. The budget is not requesting funding for this purpose.

The third change (line 22 of paragraph 2) eliminates language for Colonias. The set-aside is not requested in the budget.

The fourth change (line 24 of paragraph 2) eliminates language "and the Department of Hawaiian Home Lands (of the State of Hawaii)" for water and waste loans and grants.

The fourth change (line 25 to 28 of paragraph 2) adds language allowing transfers without written notification to Congress.

The fifth change (line 35 to 44 of paragraph 2) deletes language that provides funding for technical assistance grants for rural water and waste systems. The budget is not requesting funding for this purpose.

The sixth change (line 46 to 55 of paragraph 2) deletes language that provides funding for solid waste management grants and community project funding grants. It also removes authorization for High Energy Cost Grants transfer. The budget is not requesting funding for this purpose.

The seventh change (line 56 of paragraph 2) eliminates language "under this heading" for direct loan subsidy costs.

The eighth change (line 58 to 66 of paragraph 2) deletes language allowing unobligated balances from prior year to cover the subsidy costs for direct loans, guaranteed loans, and grants.

LEAD-OFF TABULAR STATEMENT

Table RUS-2. Lead-Off Tabular Statement (in dollars)

Item	Grants	Loan Level	Subsidy	Administrative Expenses
Estimate, 2026	$114,364,564	$1,000,000,000	$47,600,000	$140,000,000
Change in Appropriation...	-114,364,564	-183,128,492	+ 10,888,000	-40,000,000
Budget Estimate, 2027	-	816,871,508	58,488,000	100,000,000

PROJECT STATEMENTS

Table RUS-3. Project Statement on Basis of Appropriations (thousands of dollars)

Item	2024 Actual PL	2024 Actual BA	2025 Actual PL	2025 Actual BA	2026 Estimated PL	2026 Estimated BA	2027 Estimated PL	2027 Estimated BA	PL Inc. or Dec.	Chg Key	BA Inc. or Dec.	Chg Key
Discretionary Approp:												
Direct Rural Water and Waste Disposal Loans	$850,000	$70,975	$851,499	$88,045	$1,000,000	$47,600	$816,872	$58,488	-$183,128	(1)	+$10,888	(4)
Direct Rural Water and Waste Disposal Loans 1%	10,000	2,695	8,502	2,661	15,000	3,876	-	-	-15,000	(2)	-3,876	(5)
Guaranteed Rural Water and Waste Disposal Loans	50,000	-	50,000	-	50,000	-	50,000	-	-		-	
Rural Water and Waste Disposal Grants	255,000	255,000	237,964	237,964	140,000	140,000	100,000	100,000	-40,000	(3)	-40,000	
Rural Water and Waste Disposal Grants, Congressionally Directed	117,485	117,485	-	-	110,489	110,489	-	-	-110,489	(3)	-110,489	
Technical Assistance Grants for Rural Waste Systems	35,000	35,000	35,000	35,000	35,000	35,000	-	-	-35,000	(3)	-35,000	
Circuit Rider - Technical Assistance Grants for Rural Waste Systems	21,817	21,817	21,817	21,817	23,900	23,900	24,000	24,000	+100	(3)	+100	
WWD Grants, Set-Asides	65,000	65,000	65,000	65,000	60,000	60,000	20,000	20,000	-40,000	(3)	-40,000	
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	10,000	10,000	10,000	10,000	7,000	7,000	-	-	-7,000	(3)	-7,000	
Section 786: Decentralized Water Grants	1,000	1,000	1,000	1,000	-	-	-	-	-		-	
Subtotal	1,425,302	588,972	1,290,782	471,487	1,451,389	437,865	1,010,872	202,488	-440,517		-235,377	
Supplemental Approp:												
Disaster Assistance Fund Grants	-	-	179,582	179,582	-	-	-	-	-		-	
Subtotal	-	-	179,582	179,582	-	-	-	-	-		-	
Total Adjusted Approp	1,425,302	588,972	1,470,363	651,069	1,451,389	437,865	1,010,872	202,488	-440,517		-235,377	
Add back:												
Transfers In and Out, Rescissions	8,000	8,000	8,000	8,000	8,000	8,000	-	-	-8,000		-8,000	
Total Appropriation	1,433,302	596,972	1,478,363	659,069	1,459,389	445,865	1,010,872	202,488	-448,517		-243,377	
Transfers Out:												
High Energy Cost Grants	-8,000	-8,000	-8,000	-8,000	-8,000	-8,000	-	-	+8,000		+8,000	
Total Transfers Out	-8,000	-8,000	-8,000	-8,000	-8,000	-8,000	-	-	+8,000		+8,000	
Balances Interchange	-17,368	-17,368	-	-	-	-	-	-	-		-	
Recoveries, Other	106,783	87,356	84,650	64,677	111,454	65,971	88,155	63,019	-23,299		-2,952	
Bal. Available, SOY	449,387	386,793	311,257	294,245	295,689	287,880	368,961	337,247	+73,272		+49,366	
Total Available	1,964,104	1,045,753	1,866,270	1,009,991	1,858,532	791,716	1,467,987	602,754	-390,545		-188,963	
Lapsing Balances	-43,875	-	-47,183	-	-34,235	-	-	-	+34,235		-	
Bal. Available, EOY	-318,941	-294,245	-291,280	-287,880	-386,214	-337,247	-201,340	-169,633	+184,874		+167,614	
Total Obligations	1,601,288	751,508	1,527,807	722,110	1,438,083	454,470	1,266,647	433,121	-171,436		-21,349	

Table RUS-4. Project Statement on Basis of Obligations (thousands of dollars)

Item	2024 Actual PL	2024 Actual BA	2025 Actual PL	2025 Actual BA	2026 Estimated PL	2026 Estimated BA	2027 Estimated PL	2027 Estimated BA	PL Inc. or Dec.	BA Inc. or Dec.
Discretionary Obligations:										
Direct Rural Water and Waste Disposal Loans...	$912,548	$76,198	$888,959	$91,918	$1,004,540	$47,816	$843,953	$60,427	-$160,587	+$12,611
Direct Rural Water and Waste Disposal Loans 1%	10,000	2,695	8,500	2,661	15,000	3,876	-	-	-15,000	-3,876
Guaranteed Rural Water and Waste Disposal Loans	6,125	-	2,817	-	15,765	-	50,000	-	+34,235	-
Rural Water and Waste Disposal Grants	365,452	365,452	311,913	311,913	141,000	141,000	162,710	162,710	+21,710	+21,710
Rural Water and Waste Disposal Grants, Congressionally Directed	11,814	11,814	31,119	31,119	40,040	40,040	45,000	45,000	+4,960	+4,960
Technical Assistance Grants for Rural Waste Systems	36,649	36,649	35,270	35,270	35,000	35,000	656	656	-34,344	-34,344
Circuit Rider - Technical Assistance Grants for Rural Waste Systems	21,788	21,788	21,817	21,817	23,947	23,947	24,429	24,429	+482	+482
WWD Grants, Set-Asides	66,568	66,568	68,811	68,811	60,036	60,036	26,178	26,178	-33,858	-33,858
Water Well System Grants	3,662	3,662	3,935	3,935	4,100	4,100	11,257	11,257	+7,157	+7,157
Water and Wastewater Revolving Funds	1,200	1,200	1,000	1,000	1,000	1,000	165	165	-835	-835
Solid Waste Management Grants	4,295	4,295	4,116	4,116	4,000	4,000	332	332	-3,668	-3,668
Emergency Community Water Assistance Grants	2,376	2,376	-	-	6	6	33	33	+27	+27
Emergency Community Water Assistance Grants, Appropriated	11,672	11,672	10,522	10,522	7,284	7,284	633	633	-6,651	-6,651
Section 786: Decentralized Water Grants	1,000	1,000	-	-	200	200	240	240	+40	+40
Section 783: Water and Waste Grants Pilot Program	5,150	5,150	-	-	-	-	-	-	-	-
Subtotal Disc oblig	1,460,301	610,520	1,388,778	583,081	1,351,919	368,306	1,165,586	332,060	-186,333	-36,246
Mandatory Obligations:										
Rural Water and Waste Disposal Grants - Farm Bill Mandatory	1,579	1,579	-	-	316	316	379	379	+63	+63
Subtotal Mand Oblig	1,579	1,579	-	-	316	316	379	379	+63	+63
Supplemental Obligations:										
Hurricanes HIM Natural Disaster Grants	28,869	28,869	315	315	15	15	173	173	+158	+158
Hurricanes HIM Natural Disaster Contracts	-	-	654	654	-	-	-	-	-	-
Water and Waste Disposal Grants (Div N)	10,975	10,975	-	-	-	-	-	-	-	-
Water and Waste Disposal Grants Disaster (Div N)	99,565	99,565	135,760	135,760	6,251	6,251	94	94	-6,157	-6,157
Water and Waste Disposal Grants Disaster (Div N) Admin	-	-	2,300	2,300	-	-	414	414	+414	+414
Disaster Assistance Fund 12x0405	-	-	-	-	78,482	78,482	100,000	100,000	+21,519	+21,519
Disaster DEWW Planning Grants – DAF	-	-	-	-	1,100	1,100	-	-	-1,100	-1,100
Subtotal Supp Oblig	139,408	139,408	139,029	139,029	85,848	85,848	100,682	100,682	+14,834	+14,834
Total Obligations	1,601,288	751,508	1,527,807	722,110	1,438,083	454,470	1,266,647	433,121	-171,436	-21,349
Add back:										
Lapsing Balances	43,875	-	47,183	-	34,235	-	-	-	-34,235	-

Item	2024 Actual PL	2024 Actual BA	2025 Actual PL	2025 Actual BA	2026 Estimated PL	2026 Estimated BA	2027 Estimated PL	2027 Estimated BA	PL Inc. or Dec.	BA Inc. or Dec.
Balances Available, EOY:										
Direct Rural Water and Waste Disposal Loans...	26,984	2,253	3,792	392	51,473	2,450	34,219	2,450	-17,254	-
Guaranteed Rural Water and Waste Disposal Loans.....	-	35	35	35	-	55	-	62	-	+7
Rural Water and Waste Disposal Grants	20,957	20,957	9,260	9,260	62,710	62,710	52,011	52,011	-10,699	-10,699
Rural Water and Waste Disposal Grants, Congressionally Directed	105,671	105,671	74,551	74,551	145,000	145,000	100,000	100,000	-45,000	-45,000
Technical Assistance Grants for Rural Waste Systems	-	-	-	-	656	656	699	699	+43	+43
Circuit Rider - Technical Assistance Grants for Rural Waste Systems.....	29	29	47	47	429	429	263	263	-167	-167
WWD Grants, Set-Asides	10,879	10,879	1,219	1,219	6,178	6,178	5,502	5,502	-676	-676
Water Well System Grants.....	9,211	9,211	9,776	9,776	11,257	11,257	615	615	-10,642	-10,642
Water and Wastewater Revolving Funds.....	-	-	-	-	165	165	195	195	+30	+30
Solid Waste Management Grants	-	-	-	-	332	332	388	388	+55	+55
Emergency Community Water Assistance Grants	-	-	-	-	33	33	18	18	-15	-15
Emergency Community Water Assistance Grants, Appropriated	346	346	308	308	633	633	670	670	+37	+37
Section 786: Decentralized Water Grants	-	-	1,000	1,000	800	800	560	560	-240	-240
Hurricanes HIM Natural Disaster Grants	142	142	15	15	173	173	112	112	-61	-61
Rural Water and Waste Disposal Grants - Farm Bill Mandatory	2,028	2,028	2,028	2,028	2,452	2,452	2,073	2,073	-379	-379
Water and Waste Disposal Grants (Div N) – Admin.....	-	-	-	-	414	414	489	489	+75	+75
Water and Waste Disposal Grants Disaster (Div N)	139,187	139,187	6,251	6,251	94	94	111	111	+17	+17
Disaster Assistance Fund Grants	-	-	178,482	178,482	100,000	100,000	-	-	-100,000	-100,000
Disaster DEWW Planning Grants – DAF			1,100	1,100	-	-	-	-	-	-
Other.....	3,508	3,508	3,415	3,415	3,415	3,415	3,415	3,415	-	-
Total Bal. Available, EOY	318,941	294,245	291,280	287,880	386,214	337,247	201,340	169,633	-184,874	-167,614
Total Available	1,964,104	1,045,753	1,866,270	1,009,991	1,858,532	791,716	1,467,987	602,754	-290,545	-88,963
Less:										
Total Transfers Out.....	8,000	8,000	8,000	8,000	8,000	8,000	-	-	-8,000	-8,000
Balances Interchange	17,368	17,368	-	-	-	-	-	-	-	-
Recoveries, Other	-106,783	-87,356	-84,650	-64,677	-111,454	-65,971	-88,155	-63,019	+23,299	+2,952
Bal. Available, SOY.....	-449,387	-386,793	-311,257	-294,245	-295,689	-287,880	-368,961	-337,247	-73,272	-49,366
Total Appropriation	1,433,302	596,972	1,478,363	659,069	1,459,389	445,865	1,010,872	202,488	-448,517	-243,377

JUSTIFICATION OF CHANGES

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 and 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 $183,128,000 for the Water and Waste Disposal loan program ($1,000,000,000 available in 2026).

   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 a population of 10,000 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 throughout the year. 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.

   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.

   The agency has obligated approximately $889 million in the Water and Waste Direct loan portfolio in 2025. From this total, $40 million of funding went towards persistent poverty areas and just over $1 million went towards Empowerment Zones and Enterprise Communities loans. The Water and Waste Direct loan program has funding invested in most states, but the five

states who have received the largest investment from the agency are Iowa, Oklahoma, Arizona, Michigan, and Idaho.

RUS has awarded nearly $47 million in direct loans in Michigan for several projects completing sewer system improvements, upgrading drinking water system transmission lines, installing water meters, replacing public lead service lines, and reducing iron infiltration into the drinking water just to name a few ways this Administration is making real and positive improvements in rural America. Work completed as a part of this portfolio benefit residents and communities by taking proactive actions such as a $1.7 million project in Michigan that will replace undersized watermains to improve the flow for fire prevention and reduce watermain breaks as well as meeting the maximum day and peak hour demands for the city. This investment will benefit 1,956 residents, increasing the city's capability to keep the community safe from wildfires and drought.

With the funding requested in 2027, WEP will continue focusing on smaller rural communities. With the 2027 funding request of $817 million, RD is expected to support approximately 344 loans that will assist rural residents in obtaining decent, safe, and sanitary water and wastewater services.

2. A decrease of $15,000,000 in program level for the Water and Waste Direct 1 percent interest loan program ($15,000,000 available in 2026).

   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 $242,389,000 in the Water and Waste Disposal grant program ($386,389,000 available in 2026).

   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.

   Looking at 2025, RUS has obligated over $385 million in the water and waste disposal regular grants program with an additional $41.9 million going towards persistent poverty. To highlight a few of the ongoing work in the grant portfolio, the agency obligated over $35.2 million in Technical Assistance Grants as well as just over $9.7 million in programs in the portfolios working to alleviate health risks for Native Americans and the Colonias. The states with the portfolio's largest investments are California, Texas, and Arizona.

These grants fund a variety of projects that improve the livelihood and safety of thousands of rural Americans across the country 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. 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.

As the only federal program solely focused on rural water and waste needs, the funding level proposed for 2027 will allow RUS to continue to address key water and waste needs throughout rural America. A total funding level of $144 million in 2027 for WWD grants will support an estimated 87 grants. The breakout of the agency's grant request is as follows:

a. Maintains a $10 million request for Water and Waste Grants to Alaskan Villages and $10 million request 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 Technical Assistance for Rural Waste Grants, Water and Waste Financing Revolving Funds, the Individually Owned Household Water Well Program, Solid Waste Management Grants, or High Energy Cost Grants.

e. Within the funding request, the 2027 Budget funds the Circuit Rider program at $24 million.

LEGISLATIVE PROPOSAL

Environmental Compliance: Wetlands Conversion

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Water and Waste Disposal Program.

Current Legislative Authority to be Amended: Farm Bill

Proposal: This change is needed as many water and waste disposal projects are located near bodies of water which usually include wetlands. Cost of projects are driven up due to having to design projects around wetlands rather than the agency being able to mediate the wetlands as available under the National Environmental Protection Act.

Rationale: Expands exemptions from the prohibition regarding wetlands for water and waste disposal projects covered under sections 306, 306A, 306C and 306D. This change is needed as many water and waste disposal projects are located near bodies of water which usually include wetlands. The cost of projects is driven up due to having to design projects around wetlands rather than the agency being able to mediate the wetlands as available under the National Environmental Protection Act. Projects would still maintain compliance with all established statutes and Executive Orders while providing greater flexibility with design alternatives. This is a Farm Bill proposal. Additionally, this will update the verbiage to the correct citation for "wetlands" in the U.S.C.

Goal: This is a cost neutral proposal that will provide greater flexibility with design alternatives for those water and waste disposal projects in the wetlands.

Legislative Change: Modify 7 U.S.C. 2006e, PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES, as follows:

The Secretary shall not approve any loan under this chapter to drain, dredge, fill, level, or otherwise manipulate a wetland (as defined in section 3801(a)(27) of title 16, or to engage in any activity that results in impairing or reducing the flow, circulation, or reach of water, except in the case of activity related to the maintenance of previously converted wetlands, or in the case of such activity that is already commenced before November 28, 1990. This section shall not apply to a loan made or guaranteed under this chapter for a utility line or to projects funded under section 306, 306A, 306C and 306D.

Environmental Compliance: National Historic Preservation Act "eligible for inclusion"

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Water and Waste Disposal Program.

Current Legislative Authority to be Amended: National Historic Preservation Act

Proposal: Current implementation of these sections put an undue burden on Federal Agencies to undergo research, field survey and often dissertation level analysis of area of potential effects to determine the potential presence of a property that may meet the criteria. This level of effort is not commensurate with the potential risk posed on impacting these yet to be discovered properties.

Rationale: As in other environmental regulatory processes the responsibility should be put on the regulator to identify the protected resource. If these resources are so precious as to be protected and curated, then why have they not been identified, evaluated and initiated the process to be placed on the Register by the Tribes, State Historic Preservation Offices, local preservation groups, stakeholders and other interested parties.

Goal: This is a cost neutral proposal that will balance the cost and risk levels associated with implementing the associated regulatory processes.

Legislative Change: Modify section 7 USC §2204b. (b) Rural development policy as follows:

(X) – For the purposes of compliance with the National Historic Preservation Act, and in an effort to further the policy implementation of Rural Development, the definition of historic property shall only include any prehistoric or historic district, site, building, structure, or object included on the National Register. Properties that have been submitted to the keeper of the register for inclusion are the only projects to be considered eligible for inclusion.

Environmental Compliance: Advisory Council on Historic Preservation "good faith"

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Water and Waste Disposal Program.

Current Legislative Authority to be Amended: National Historic Preservation Act

Proposal: Section 106 of the National Historic Preservation Act requires to consult with the Advisory Council on Historic Preservation Act to provide a reasonable opportunity to comment with regard any Federal Assistance on historic properties. It is requesting that timeframes for consultation be limited. Requests the definition of an Undertaking be revised to exempt placement and upgrading of linear utility infrastructure in existing rights of way.

Rationale: Request to improve the regulations regarding this process so they are well defined, clear and provide a clear timeline. Request to provide clarity on the terms and alleviates unnecessary burden when implementing WEP programs.

Goal: This is a cost neutral proposal to limit consultation timeframes with the Advisory Council on the Historic Preservation Act and to provide clarity on usage of the term "undertaking" when implementing the Water and Waste Disposal program.

Legislative Update: Modify section 7 USC §2204b. ((b) Rural development policy as follows:

(X) – For the purposes of compliance with the National Historic Preservation Act, and in an effort to further the policy implementation of Rural Development shall consider the reasonable opportunity to comment on the Effect of undertakings on historic property to be no longer than 30 days. At the end of a 30-day comment period the agency may implement its undertaking notwithstanding comments submitted to the agency by interested parties. If the Agency receives a comment it deems to be made in good faith the Agency may extend the timeline by no more than 60 days to accommodate a good faith effort to resolve the comment and potential impacts to historic properties.

Decentralized Water System Grant Thresholds

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Water and Waste Disposal Program.

Current Legislative Authority to be Amended: Consolidated Farm and Rural Development Act, as amended.

Proposal: To provide language modifications for 7 USC 1926(e) by creating separate and revised income standards for revolving loan funds and sub-grants.

Rationale: Prior to the 2018 Farm Bill, the Decentralized Water System (DWS) Grant program was previously called the Household Water Well Systems (HWWS) Grant program. The HWWS program allowed for grants to non-profits that could then establish revolving loan funds to support household water well systems. Eligible households could have an income of up to 100 percent of the state non-metro median household income (SNMHI). During the 2018 Farm Bill, the program name was changed and expanded to allow for decentralized wastewater systems and to allow nonprofits to establish revolving loan funds and to issue sub-grants. The expanded programmatic authority was countered through a reduction of the household income requirement down to 60 percent of the SNMHI. This is a significant decrease that causes challenges for the nonprofit organizations to provide assistance to the individual households.

Goal: This is a cost neutral proposal that will address the concerns of stakeholders in implementing the program and remove barriers for the rural community to access this program.

Legislative Update: Modify section 7 USC 1926e(a) as follows:

[In] For the purposes of loans made with grant funds under this section, the term "eligible individual" means an individual who is a member of a household the members of which have a combined income (for the most recent 12-month period for which the information is available) that is not more than 120 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States. For the purposes of subgrants made with grant funds under this section, the term "eligible individual" means an individual who is a member of a household the members of which have a combined income (for the most recent 12-month period for which the information is available) that is not more than 80 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

Amends Section 306C, Per Capita And Unemployment Thresholds

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Water and Waste Disposal Program.

Current Legislative Authority to be Amended: Consolidated Farm and Rural Development Act, as amended

Proposal: The requirements set forth within 7 USC 1926c mandate that funding only be provided to support areas that have a per capita income of not more than 70 percent of the national average, as directed by the Department of Commerce. Also, the area must have an unemployment rate of not less than 125 percent of the national average, as dictated by the Bureau of Labor Statistics.

Rationale: Expands the exemption within Section 306(a)(2)(B) to include at least Tribal customers. Currently, there is a waiver in place through 7 USC 1926c(a)(2)(B) for Colonias. As it stands, the requirements set forth within 7 USC 1926c mandate that funding only be provided to support areas that have a per capita income of not more than 70 percent of the national average, as directed by the Department of Commerce. Also, the area must have an unemployment rate of not less than 125 percent of the national average, as dictated by the Bureau of Labor Statistics. Currently Section 306 C exempts Colonias for this requirement. RD is requesting to include tribe borrowers to be exempted from this requirement.

Goal: This is a cost neutral proposal that will expand exemption requirements from including only Colonias to adding Native American Tribes to expand access for the program.

Legislative Update: Modify 7 USC 1926c(a)(2) as follows to allow for an exception to Tribal nations:

(2) CERTAIN AREAS TARGETED.—
(A) IN GENERAL.—Loans and grants under paragraph (1) shall be made only if the loan or grant funds will be used primarily to provide water or waste services, or both, to residents of a county—
(i) the per capita income of the residents of which is not more than 70 percent of the national average per capita income, as determined by the Department of Commerce; and
(ii) the unemployment rate of the residents of which is not less than 125 percent of the national average unemployment rate, as determined by the Bureau of Labor Statistics.
(B) EXCEPTION.—Notwithstanding subparagraph (A), loans and grants under paragraph (1) may also be made if the loan or grant funds will be used primarily to provide water or waste services, or both, to residents of a rural area that was recognized as a colonia as of October 1, 1989, or to Indian tribes on Federal and State reservations and other federally recognized Indian tribes.

Rural Electrification and Telecommunications Program

Reestablish the Cushion of Credit Account

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Electric Program.

Current Legislative Authority to be Amended: Rural Electrification Act, as amended

Proposal: This is a cost neutral proposal that will reduce risk to the federal government and enhance repayment and program compliance, by using the Cushion of Credit Account to disburse the payments associated with RUS obligations for power purchase agreements to rural electric cooperatives. These deposits into the account will not earn interest, recipients may not make deposits

into their Cushion of Credit accounts, and the recipients will only use the deposits in their accounts to make payments on future energy purchases.

Rationale: Reestablish the Cushion of Credit Account for IRA purposes by amending 313(a)(1)(B) of the Rural Electrification Act. This proposal allows the government to meet statutory IRA disbursement deadline of 2031 but affords more control over future payments.

Goal: This is a cost neutral proposal that will reduce the risk to the Federal government as well as enhance program compliance and repayments.

Legislative Update: Amend 313(a)(1)(B) of the Rural Electrification Act with the following amendment: "Effective on December 20, 2018, no deposits may be made under subparagraph (A) unless made by agreement with RUS and an RUS borrower or awardee for the purpose of paying for future energy purchases."

Rural Electrification and Telecommunications Program *Amend Section 317(c)*

Administrative/Appropriation/Authorizing: Authorizing

Funding/Language/Both: Language

Program: Electric Program.

Current Legislative Authority to be Amended: Rural Electrification Act, as amended

Proposal: Allowing the agency to use any loan funds available for 317(c) of the Rural Electrification Act (REA) purposes rather than seeking an annual "notwithstanding" provision in appropriations. Also include battery storage as an eligible purpose.

Rationale: Over the past several years, Congress has amended this section through appropriations language to uncouple the requirement of using municipal rate financing. This fix would eliminate the annual need to do that. Including battery store as an eligible purpose would further bolster utilization of "stored" renewable energy generation, thereby supporting the goal of energy independence and the EO declaring a national energy emergency.

Goal: This is a cost neutral proposal that codify language captured annually in the appropriations bill and align the program with the Administration's goals. Greater flexibility in terms of access to financing for increased energy production and storage.

Legislative Update: Amend SEC. 317 (ELECTRIC LOANS FOR RENEWABLE ENERGY) of the Rural Electrification Act by striking paragraph (c):

(c) RATE. —The rate of a loan under this section shall be equal to the average tax-exempt municipal bond rate of similar maturities.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RUS-5. Geographic Breakdown of Obligations for Water and Waste Direct Loans (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$2,419	$3,392	-	-
Alaska	-	1,531	-	-
Arizona	6,646	63,902	-	-
Arkansas	13,246	3,059	-	-
California	-	48,904	-	-
Colorado	62,475	37,224	-	-
Georgia	6,134	1,845	-	-
Hawaii	5,910	6,905	-	-
Idaho	23,201	64,760	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Illinois	21,758	10,675	-	-
Indiana	44,419	34,179	-	-
Iowa	90,341	101,787	-	-
Kansas	58,983	19,645	-	-
Kentucky	8,086	20,733	-	-
Louisiana	-	249	-	-
Maine	1,705	10,221	-	-
Maryland	4,111	1,377	-	-
Massachusetts	40,255	5,420	-	-
Michigan	41,165	73,468	-	-
Minnesota	45,172	20,021	-	-
Mississippi	4,584	3,376	-	-
Missouri	20,709	33,534	-	-
Montana	5,731	13,656	-	-
Nebraska	10,812	6,615	-	-
Nevada	-	1,331	-	-
New Hampshire	458	112	-	-
New Jersey	7,614	-	-	-
New Mexico	-	1,566	-	-
New York	58,731	38,188	-	-
North Carolina	41,965	10,874	-	-
North Dakota	4,297	6,157	-	-
Ohio	12,200	7,195	-	-
Oklahoma	31,137	55,507	-	-
Oregon	33,250	250	-	-
Pennsylvania	36,292	5,104	-	-
Puerto Rico	-	11,017	-	-
Rhode Island	-	942	-	-
South Carolina	10,855	3,762	-	-
South Dakota	4,224	3,211	-	-
Tennessee	44,977	52,316	-	-
Texas	49,429	36,987	-	-
Utah	524	4,757	-	-
Vermont	299	7,553	-	-
Virginia	4,484	6,394	-	-
Washington	15,706	13,469	-	-
West Virginia	20,413	548	-	-
Wisconsin	17,831	30,835	-	-
Wyoming	-	4,406	-	-
Distribution Unknown	-	-	$1,004,540	$843,953
Obligations	912,548	888,959	1,004,540	843,953
Bal. Available, EOY	26,984	3,792	51,473	34,219
Total, Available	939,532	892,750	1,056,013	878,172

Table RUS-6. Geographic Breakdown of Obligations for Water and Waste Direct Loans one percent (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Illinois	$7,783	$501	-	-
Iowa	186	-	-	-
Maryland	1,527	-	-	-
Montana	350	-	-	-
Oklahoma	-	3,931	-	-
Pennsylvania	154	-	-	-
South Dakota	-	4,068	-	-
Distribution Unknown	-	-	$15,000	-
Obligations	10,000	8,500	15,000	-

Table RUS-7. Geographic Breakdown of Obligations for Water and Waste Direct Guaranteed Loans (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Indiana	$928	-	-	-
North Carolina	150	-	-	-
Oklahoma	2,935	$2,817	-	-
South Carolina	2,112	-	-	-
Distribution Unknown	-	-	$15,765	$50,000
Obligations	6,125	2,817	15,765	50,000
Lapsing Balances	43,875	47,183	34,235	-
Total, Available	50,000	50,000	50,000	50,000

Table RUS-8. Geographic Breakdown of Obligations for Water and Waste Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$6,586	-	-	-
Alaska	2,706	-	-	-
Arizona	10,498	-	-	-
Arkansas	10,793	-	-	-
California	299	-	-	-
Colorado	40,511	-	-	-
Florida	30	-	-	-
Georgia	2,852	-	-	-
Hawaii	8,139	-	-	-
Idaho	12,094	-	-	-
Illinois	4,701	-	-	-
Indiana	5,590	-	-	-
Iowa	16,782	-	-	-
Kansas	20,303	-	-	-
Kentucky	4,176	-	-	-
Louisiana	339	-	-	-
Maine	3,120	-	-	-
Maryland	10,296	-	-	-
Massachusetts	11,659	-	-	-
Michigan	14,140	-	-	-
Minnesota	34,533	-	-	-
Mississippi	787	-	-	-
Missouri	10,391	-	-	-
Montana	8,773	-	-	-
Nebraska	3,403	-	-	-
Nevada	60	-	-	-
New Hampshire	3,874	-	-	-
New Jersey	4,474	-	-	-
New York	7,130	-	-	-
North Carolina	10,937	-	-	-
North Dakota	11,049	-	-	-
Ohio	2,600	-	-	-
Oklahoma	13,212	-	-	-
Oregon	2,000	-	-	-
Pennsylvania	750	-	-	-
South Dakota	2,726	-	-	-
Tennessee	12,309	-	-	-
Texas	12,607	-	-	-
Utah	649	-	-	-
Vermont	1,946	-	-	-
Virginia	3,624	-	-	-
Washington	14,991	-	-	-
West Virginia	7,131	-	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Wisconsin	9,853	-	-	-
Wyoming	30	-	-	-
Distribution Unknown	-	$311,913	$141,000	$162,710
Obligations	365,452	311,913	141,000	162,710
Bal. Available, EOY	20,957	9,260	62,710	52,011
Total, Available	386,409	321,172	203,710	214,721

Table RUS-9. Geographic Breakdown of Obligations for Water and Waste Grants Congressionally Directed Spending (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	-	$332	-	-
Arizona	-	274	-	-
Colorado	-	5,000	-	-
Illinois	$1,200	1,369	-	-
Iowa	-	5,500	-	-
Louisiana	-	1,500	-	-
Maryland	807	3,826	-	-
Michigan	-	1,000	-	-
Minnesota	-	1,574	-	-
Missouri	3,307	90	-	-
New Jersey	4,000	-	-	-
New York	2,500	641	-	-
North Carolina	-	5,263	-	-
Ohio	-	500	-	-
Vermont	-	500	-	-
Distribution Unknown	-	-	$40,040	$45,000
Obligations	11,814	31,119	40,040	45,000
Bal. Available, EOY	105,671	74,551	145,000	100,000
Total, Available	117,485	105,671	185,040	145,000

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$601	-	-	-
Alaska	874	$215	-	-
Arizona	700	867	-	-
California	962	400	-	-
Hawaii	218	-	-	-
Massachusetts	368	306	-	-
Nevada	217	-	-	-
New York	148	172	-	-
Oklahoma	22,331	22,994	-	-
Virgin Islands	247	-	-	-
West Virginia	443	429	-	-
Distribution Unknown	-	-	$35,000	$656
Obligations	36,649	35,270	35,000	656
Bal. Available, EOY	-	-	656	699
Total, Available	36,649	35,270	35,656	1,356

Table RUS-11. Geographic Breakdown of Obligations for Circuit Rider (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Oklahoma	$21,788	$21,817	-	-
Distribution Unknown	-	-	$23,947	$24,429

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Obligations	21,788	21,817	23,947	24,429
Bal. Available, EOY	29	47	429	263
Total, Available	21,817	21,864	24,376	24,692

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	$20,438	-	-	-
Arizona	13,955	-	-	-
California	2,912	-	-	-
Hawaii	5,000	-	-	-
Maine	454	-	-	-
Montana	3,286	-	-	-
New Mexico	5,574	-	-	-
North Dakota	784	-	-	-
Oklahoma	8,000	-	-	-
South Dakota	3,052	-	-	-
Texas	59	-	-	-
Utah	3,054	-	-	-
Distribution Unknown	-	$68,811	$60,036	$26,178
Obligations	66,568	68,811	60,036	26,178
Bal. Available, EOY	10,879	1,219	6,178	5,502
Total, Available	77,447	70,031	66,214	31,680

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Arkansas	$400	-	-	-
California	-	$500	-	-
Georgia	539	503	-	-
North Carolina	2,000	2,000	-	-
Utah	-	108	-	-
Virginia	400	500	-	-
Wisconsin	323	323	-	-
Distribution Unknown	-	-	$4,100	$11,257
Obligations	3,662	3,935	4,100	11,257
Bal. Available, EOY	9,211	9,776	11,257	615
Total, Available	12,873	13,711	15,357	11,872

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	-	$200	-	-
Arkansas	$600	320	-	-
Oklahoma	600	400	-	-
Washington	-	80	-	-
Distribution Unknown	-	-	$1,000	$165
Obligations	1,200	1,000	1,000	165
Bal. Available, EOY	-	-	165	195
Total, Available	1,200	1,000	1,165	359

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	$823	-	-	-
California	138	-	-	-
Idaho	162	-	-	-
Iowa	83	-	-	-
Maine	152	-	-	-
Maryland	830	-	-	-
Massachusetts	251	-	-	-
Mississippi	139	-	-	-
New Hampshire	125	-	-	-
New York	284	-	-	-
North Carolina	81	-	-	-
Ohio	112	-	-	-
Oklahoma	85	-	-	-
Texas	238	-	-	-
Utah	468	-	-	-
Washington	323	-	-	-
Distribution Unknown	-	$4,116	$4,000	$332
Obligations	4,295	4,116	4,000	332
Bal. Available, EOY	-	-	332	388
Total, Available	4,295	4,116	4,332	720

Table RUS-16. Geographic Breakdown of Obligations for Rural Water and Waste Emergency Community Waster Assistance Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	$92	-	-	-
Arkansas	34	-	-	-
Idaho	850	-	-	-
Illinois	140	-	-	-
Missouri	1,000	-	-	-
South Dakota	150	-	-	-
Texas	110	-	-	-
Distribution Unknown	-	-	$6	$33
Obligations	2,376	-	6	33
Bal. Available, EOY	-	-	33	18
Total, Available	2,376	-	38	51

Table RUS-17. Geographic Breakdown of Obligations for Rural Water and Waste Emergency Community Waster Assistance Appropriations Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$1,126	$150	-	-
Alaska	2,198	1,230	-	-
Illinois	368	392	-	-
Iowa	-	3,081	-	-
Kansas	250	-	-	-
Massachusetts	-	150	-	-
Montana	1,928	594	-	-
Nebraska	-	225	-	-
Nevada	150	-	-	-
New Jersey	1,000	-	-	-
New Mexico	-	656	-	-
New York	-	1,050	-	-
North Dakota	-	300	-	-
Oklahoma	599	565	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Oregon	1,032	925	-	-
Puerto Rico	-	52	-	-
South Dakota	1,000	152	-	-
Tennessee	920	-	-	-
Texas	999	-	-	-
Utah	102	-	-	-
West Virginia	-	1,000	-	-
Distribution Unknown	-	-	$7,284	$633
Obligations	11,672	10,522	7,284	633
Bal. Available, EOY	346	308	633	670
Total, Available	12,018	10,830	7,917	1,303

Table RUS-18. Geographic Breakdown of Obligations for Rural Water and Waste Section 786 Decentralized Water Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
North Carolina	$1,000	-	-	-
Distribution Unknown	-	-	$200	$240
Obligations	1,000	-	200	240
Bal. Available, EOY	-	$1,000	800	560
Total, Available	1,000	1,000	1,000	800

Table RUS-19. Geographic Breakdown of Obligations for Rural Water and Waste Pilot Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$5,150	-	-	-
Obligations	5,150	-	-	-

Table RUS-20. Geographic Breakdown of Obligations for Rural Water and Waste Mandatory Farm Bill Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Minnesota	$1,579	-	-	-
Distribution Unknown	-	-	$316	$379
Obligations	1,579	-	316	379
Bal. Available, EOY	2,028	$2,028	2,452	2,073
Total, Available	3,608	2,028	2,768	2,452

Table RUS-21. Geographic Breakdown of Obligations for Rural Water and Waste Hurricanes Harvey, Irma, and Maria Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Puerto Rico	$28,869	$315	-	-
Obligations	28,869	315	$15	$173
Bal. Available, EOY	142	15	173	112
Total, Available	29,010	330	189	286

Table RUS-22. Geographic Breakdown of Obligations for Rural Water and Waste Hurricanes Harvey, Irma, and Maria Contracts (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	$654	-	-
Obligations	-	654	-	-

Table RUS-23. Geographic Breakdown of Obligations for Rural Water and Waste Division N Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Kansas	$1,116	-	-	-
Minnesota	578	-	-	-
Nebraska	410	-	-	-
New York	2,450	-	-	-
Oklahoma	876	-	-	-
Texas	5,545	-	-	-
Obligations	10,975	-	-	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	$2,300	-	$414
Obligations	-	2,300	-	414
Bal. Available, EOY	-	-	$414	489
Total, Available	-	2,300	414	903

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 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	4,677	-	-	-
Distribution Unknown	-	$135,760	$6,251	$94
Obligations	99,565	135,760	6,251	94
Bal. Available, EOY	139,187	6,251	94	111
Total, Available	238,752	142,012	6,346	206

Table RUS-26. Geographic Breakdown of Obligations for Rural Water and Waste Disaster Assistance Fund (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$78,482	$100,000
Obligations	-	-	78,482	100,000
Bal. Available, EOY	-	$178,482	100,000	-
Total, Available	-	178,482	178,482	100,000

Table RUS-27. Geographic Breakdown of Obligations for Rural Water and Waste Disaster DEWW Planning Grants - DAF (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$1,100	-
Obligations	-	-	1,100	-
Bal. Available, EOY	-	$1,100	-	-
Total, Available	-	1,100	1,100	-

OBJECT CLASSIFICATION

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

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
	Other Objects:				
25.3	Other goods and services from Federal sources	-	$2,300	-	$414
41.0	Grants, subsidies, and contributions	$749,929	719,810	$454,154	432,328
	Total, Other Objects	749,929	722,110	454,154	432,742
99.9	Total, new obligations	749,929	722,110	454,154	432,742

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

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
	Other Objects:				
41.0	Grants, subsidies, and contributions	$1,579	-	$316	$379
	Total, Other Objects	1,579	-	316	379
99.9	Total, new obligations	1,579	-	316	379

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ACCOUNT 2: RURAL ELECTRIFICATION AND TELECOMMUNICATION PROGRAM

APPROPRIATIONS LANGUAGE

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

Rural Electrification and Telecommunications Loan 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]$2,867,000,000; 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]$4,533,000,000;[guaranteed underwriting loans pursuant to section 313A of that Act, $910,000,000; for cost-of-money rural telecommunications loans made pursuant to section 305(d)(2) of that Act, $350,000,000;] and for guaranteed rural telecommunications loans made pursuant to section 306 of that Act, $200,000,000[: *Provided,* That up to $2,000,000,000 shall be used for the construction, acquisition, design, engineering or improvement of fossil-fueled electric generating plants (whether new or existing) that utilize carbon subsurface utilization and storage systems].

[For the cost of direct loans as authorized by section 305(d)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 935(d)(2)), including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, cost of money rural telecommunications loans, $3,570,000.]

[In addition, $4,200,000 to remain available until expended, to carry out section 6407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a): *Provided,* That the energy efficiency measures supported by the funding in this paragraph shall contribute in a demonstrable way to the reduction of greenhouse gases.]

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".

Change Description

The first change (lines 7 and 9 of paragraph 2) deletes language providing funding for the Guaranteed Electric Underwriting Loans. The Budget is not requesting funding for this program.

The second change (line 10 to 12 of paragraph 2) deletes language providing funding for the construction, acquisition, design, engineering or improvement of fossil-fueled electric generating plants. The Budget is not requesting funding for this program.

The third change (line 13 to 15 of paragraph 3) deletes language providing funding for the Telecommunications Direct Treasury Rate loans. The Budget is not requesting funding for this program.

The fourth change (line 16 to 19 of paragraph 3) deletes language providing funding for the Rural Energy Savings Program. The Budget is not requesting funding for this program.

LEAD-OFF TABULAR STATEMENT

Table RUS-30. Lead-Off Tabular Statement (In dollars)

Item	Grants	Loan Level	Subsidy	Administrative Expenses
Estimate, 2026	$3,000,000	$8,485,000,000	$7,770,000	$33,270,000
Change in Appropriation	-3,000,000	-885,000,000	-7,770,000	-
Budget Estimate, 2027	-	7,600,000,000	-	33,270,000

PROJECT STATEMENTS

Table RUS-31. Project Statement on Basis of Appropriations (thousands of dollars)

Item	2024 Actual PL	2024 Actual BA	FTE	2025 Actual PL	2025 Actual BA	FTE	2026 Estimated PL	2026 Estimated BA	FTE	2027 Estimated PL	2027 Estimate d BA	FTE	PL Inc. or Dec.	Chg Key	BA Inc. or Dec.	Chg Key	FTE Inc. or Dec.
Discretionary Approp:																	
Electric Direct, FFB	$2,708,750	-	-	$2,708,750	-	-	$2,667,000	-	-	$2,867,000	-	-	+$200,000	(1)	-		-
Electric Direct, Treasury Rate	5,416,250	-	-	5,416,250	-	-	4,133,000	-	-	4,533,000	-	-	+400,000	(2)	-		-
Electric Underwriting Loans	900,000	-	-	900,000	-	-	910,000	-	-	-	-	-	-910,000	(3)	-		-
Telecommunications Direct, Treasury Rate	550,000	$5,720	-	154,955	$1,720	-	350,000	$3,570	-	-	-	-	-350,000	(4)	-$3,570	(1)	-
Telecommunications Direct, FFB	-	-	-	-	-	-	200,000	-	-	200,000	-	-	-		-		-
Rural Energy Savings Program (RESP)	20,000	3,578	-	17,748	3,578	-	25,000	4,200	-	-	-	-	-25,000	(5)	-4,200	(2)	-
Electric Direct, FFB Operating Loans	-	-	-	-	-	-	200,000	-	-	-	-	-	-200,000	(6)	-		-
Energy Circuit Rider Grants	-	-	-	-	-	-	3,000	3,000	-	-	-	-	-3,000		-3,000		-
Administrative Expenses (Exp Trfr to S&E)	-	33,270	10	-	33,270	-	-	33,270	-	-	$33,270	-	-		-		-
Subtotal	9,595,000	42,568	10	9,197,703	38,568	-	8,488,000	44,040	-	7,600,000	33,270	-	-888,000		-10,770		-
Supplemental Approp:																	
Disaster Assistance Fund 12x0405	-	-	-	13,437	13,437	-	-	-	-	-	-	-	-		-		-
Subtotal	-	-	-	13,437	13,437	-	-	-	-	-	-	-	-		-		-
Total Adjusted Approp	9,595,000	42,568	10	9,211,140	52,005	-	8,488,000	44,040	-	7,600,000	33,270	-	-888,000		-10,770		-
Add back:																	
Transfers In and Out, Rescissions	-	-	-	360,360	4,000	-	-	-	-	-	-	-	-		-		-
Total Appropriation	9,595,000	42,568	10	9,571,500	56,005	-	8,488,000	44,040	-	7,600,000	33,270	-	-888,000		-10,770		-
Transfers Out:																	
Community Facilities 12x1951 (GP 1206)	-	-	-	-360,360	-4,000	-	-	-	-	-	-	-	-		-		-
Total Transfers Out	-	-	-	-360,360	-4,000	-	-	-	-	-	-	-	-		-		-
Balances Interchange	-	-	-	-81,192	-37,390	-	-	-	-	-	-	-	-		-		-
Recoveries, Other	-	1,891	-	129	26	-	28	7	-	30	8	-	+3		+1		-
Bal. Available, SOY	47,753,702	10,698,559	-	16,472,144	8,562,890	-	1,338,033	607,264	-	103,896	102,579	-	-1,234,137		-504,685		-
Total Available	57,348,702	10,743,018	10	25,602,221	8,577,530	-	9,826,061	651,311	-	7,703,926	135,857	-	-2,122,135	-	-515,454	-	-
Lapsing Balances	-2,244,330	-5,720	-	-34,841	-368	-	-	-	-	-	-	-	-		-		-
Bal. Available, EOY	-45,016,252	-8,562,890	-	-1,303,383	-607,264	-	-104,024	-102,579	-	-6,537	-6,516	-	+97,488		+96,063		-
Total Obligations	10,088,120	2,174,408	10	24,263,996	7,969,898	-	9,722,037	548,732	-	7,697,390	129,341	-	-2,024,647		-419,392		-

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

Item	2024 Actual PL	2024 Actual BA	FTE	2025 Actual PL	2025 Actual BA	FTE	2026 Estimated PL	2026 Estimated BA	2027 Estimated PL	2027 Estimated BA	PL Inc. or Dec.	BA Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:													
Electric Direct, FFB	$2,370,591	-	-	$2,707,649	-	-	$2,667,000	-	$2,867,000	-	+$200,000	-	-
Electric Direct, Treasury Rate	4,060,079	-	-	5,415,651	-	-	4,133,000	-	4,533,000	-	+400,000	-	-
Electric Underwriting Loans	900,000	-	-	900,000	-	-	910,000	-	-	-	-910,000	-	-
Telecommunications Direct, Treasury Rate	-	-	-	121,814	$1,352	-	350,000	$3,570	-	-	-350,000	-$3,570	-
Telecommunications Direct, FFB	-	-	-	-	-	-	200,000	-	200,000	-	-	-	-
Rural Energy Savings Program (RESP)	107,000	$19,142	-	10,000	2,016	-	36,905	6,200	1,611	$292	-35,293	-5,908	-
Administrative Expenses (Exp Trfr to S&E)	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumer Oriented Operating Loans	-	-	-	-	-	-	200,000	-	-	-	-200,000	-	-
Energy Circuit Rider Grants	-	-	-	-	-	-	1,000	1,000	2,000	2,000	+1,000	+1,000	-
Administrative Expenses (Exp Trfr to S&E)		33,270	-	-	33,270	-	-	33,270	-	33,270	-	-	-
Subtotal Disc oblig	7,437,670	52,412	-	9,155,114	36,638.13049	-	8,497,905	44,040	7,603,611	35,562	-894,293	-8,478	-
Supplemental Obligations:													
IRA Electric Program Grants Admin	-	12,610	10	-	13,127	-	-	3,801	-	-	-	-3,801	-
IRA Electric Renewable Energy Loans	609,598	227,197	-	890,948	335,709	-	1,117,915	410,610	-	-	-1,117,915	-410,610	-
IRA Electric Program Zero Percent Loans	241,424	82,760	-	2,584,038	974,182	-	15,771	5,058	-	-	-15,771	-5,058	-
IRA Electric Program Two Percent Loans	-	-	-	5,688,307	992,041	-	5,765	684	-	-	-5,765	-684	-
IRA Electric Program Grants	1,799,428	1,799,428	-	5,614,927	5,614,927	-	-	-	-	-	-	-	-
IRA New Era Treasury Minus 1/8th Loans	-	-	-	330,663	3,274	-	144	1	-	-	-144	-1	-
IRA New Era Round 2	-	-	-	-	-	-	81,100	81,100	89,778	89,778	+8,678	+8,678	
Disaster Assistance Fund 12x0405	-	-	-	-	-	-	3,437	3,437	4,000	4,000	+563	+563	-
Subtotal Supp Oblig	2,650,450	2,121,996	10	15,108,883	7,933,260	-	1,224,132	504,692	93,778	93,778	-1,130,354	-410,914	-
Total Obligations	10,088,120	2,174,408	10	24,263,996	7,969,898	-	9,722,037	548,732	7,697,390	129,341	-2,024,647	-419,392	-
Add back:													
Lapsing Balances	2,244,330	5,720	-	34,841	368	-	-	-	-	-	-	-	-
Balances Available, EOY:													
Guaranteed Electric	-	-		-	-	-	-	2	-	4	-	+2	-
Pilot Program for Refinancing Electric Loans	88	88	-	88	88	-	88	88	88	88	-	-	-
Rural Energy Savings Program (RESP)	3,911	700	-	11,347	2,288	-	1,740	292	30	6	-1,710	-287	-
Electric Treasury Rate, Recovery Operating Loans	419	419	-	419	419	-	419	419	419	419	-	-	-
IRA Electric Renewable Energy Loans	2,073,525	772,803	-	1,089,730	410,610	-	-	-	-	-	-	-	-
IRA Electric Program Zero Percent Loans	5,417,853	1,857,240	-	13,415	5,058	-		-	-	-	-	-	-
IRA Electric Program Two Percent Loans	4,856,938	679,000	-	3,924	684	-	-	-	-	-	-	-	-
IRA Electric Program Grants	4,949,232	4,949,232	-	170,878	170,878	-	-	-	-	-	-	-	-
IRA New Era Treasury Minus 1/8th Loans	27,714,286	291,000	-	145	1	-	-	-	-	-	-	-	-
IRA New Era Round 2	-	-	-	-	-	-	89,778	89,778	-	-	-89,778	-89,778	
IRA Electric Program Grants Admin	-	12,409	-	-	3,801	-	-	-	-	-	-	-	-
Disaster Assistance Fund Grants	-	-	-	13,437	13,437	-	10,000	10,000	6,000	6,000	-4,000	-4,000	-
Energy Circuit Rider Grants	-	-	-	-	-	-	2,000	2,000	-	-	-2,000	-2,000	-
Total Bal. Available, EOY	45,016,252	8,562,890	-	1,303,383	607,264	-	104,024	102,579	6,537	6,516	-97,488	-96,063	-
Total Available	57,348,702	10,743,018	10	25,602,221	8,577,530	-	9,826,061	651,311	7,703,926	135,857	-2,122,135	-515,454	-
Less:													
Total Transfers Out	-	-	-	360,360	4,000	-	-	-	-	-	-	-	-
Balances Interchange	-	-	-	81,192	37,390	-	-	-	-	-	-	-	-
Recoveries, Other	-	-1,891	-	-129	-26	-	-28	-7	-30	-8	-3	-1	-
Bal. Available, SOY	-47,753,702	-10,698,559	-	-16,472,144	-8,562,890	-	-1,338,033	-607,264	-103,896	-102,579	+1,234,137	+504,685	-
Total Appropriation	9,595,000	42,568	10	9,571,500	56,005	-	8,488,000	44,040	7,600,000	33,270	-888,000	-10,770	-

JUSTIFICATION OF CHANGES

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. Increase of $200,000,000 for the Federal Financing Bank (FFB) Electric Loans ($2,667,000,000 available in 2026).

   Eligible borrowers will have access to direct financing for rural electrification at a lower interest rate, the proposal will not require budget authority. 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 2025, the agency obligated over $2.7 billion across 23 loans with $217.4 million aligned in persistent poverty funding. In Missouri, the agency made major utility investments obligating more than $0.7 billion to multiple cooperatives in the state with loans ranging from just over $500 million down to $28 million. In alignment with the Administration’s determination that a national emergency exists for the Nation’s electric system, the agency awarded a loan to Ralls County Electric Cooperative (RCEC) to help them expand and improve service across their territory, which serves part of five counties in northeast Missouri, including connecting new customers via new distribution lines, upgrading existing lines, and deploying advanced smart grid equipment and fiber infrastructure. The project in Missouri is part of the national effort to improve grid resilience and update rural electric infrastructure. Enhancing the reliability of service can both encourage new growth and attract new businesses to those rural communities, bringing additional economic benefits.

   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. A funding request of $2.7 billion in 2027 will support 19 loans that invest in the infrastructure needs of America’s farmers, ranchers, and producers.

2. Increase of $200,000,000 for program level for the Direct Electric Treasury Rate Loan program ($4,333,000,000 available in 2026).

   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 2025, the agency obligated over $5.4 billion across 73 loans. From this total, $1.3 billion was aligned to persistent poverty. The RUS has made over $1.8 billion in loans across five states, bolstering the electric grid in Georgia, Texas, Florida, Michigan, and North Carolina. But this funding can be used for more than enhancing smart grid technologies. Cooperatives can serve more than just one state, so the investment the agency made in North Dakota will be used to finance transmission system improvements, headquarters facility, improvements for the replacement of a UPS battery system, and low impact internal network security monitoring. The recipient of the funding is an electric generation and transmission cooperative who serves member electric service needs across nine states including North Dakota, South Dakota, Montana, Wyoming, New Mexico, Colorado, Nebraska, Minnesota and Iowa- serving a total of 140 members.

Funding from this program support's the Administration's priorities as identified in Executive Order 14154: Unleashing American Energy. The funding request of $4.5 million will support 84 loans that will benefit approximately 182,000 customers.

3. A decrease of $910,000,000 in program level for Guaranteed Electric Underwriting for Bonds and Notes ($910,000,000 available in 2026).

Funding for this program is not being requested in 2027. 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 $350,000,000 in program level for the Telecommunications Direct Treasury Loan program ($350,000,000 available in 2026).

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. No change in program level for the Telecommunications Direct FFB program ($200,000,000 available in 2026).

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.

The agency did not receive this funding in 2024; therefore, there is no historical execution data associated with this program in 2024 or in 2025. With the funding requested, RD would be able to provide 35 loans.

6. A decrease of $25,000,000 in program level for the Rural Energy Savings program ($25,000,000 available in 2026).

   The Budget is not requesting funding for this program. RESP projects, if aligned 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. The budget is not requesting this program in 2027.

7. A decrease of $3,000,000 in budget authority for the Energy Circuit Rider Grants ($3,000,000 in available 2026).

   The Budget is not requesting funding for this program.

8. A decrease of $10,770,000 in budget authority for the Rural Telecommunications program and Rural Energy Savings program ($10,770,000 available in 2026).

   These programs are not requested in the budget.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RUS-33. Geographic Breakdown of Obligations for Rural Electric Federal Financing Bank Loans (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$377,509	-	-	-
Alaska	13,695	-	-	-
Arizona	-	$72,000	-	-
Arkansas	553,616	30,000	-	-
Florida	750,000	-	-	-
Georgia	105,458	80,058	-	-
Illinois	-	26,522	-	-
Indiana	-	335,000	-	-
Iowa	-	8,500	-	-
Kansas	4,875	35,959	-	-
Kentucky	-	174,569	-	-
Louisiana	-	267,226	-	-
Mississippi	-	166,292	-	-
Missouri	19,767	897,734	-	-
North Dakota	-	59,815	-	-
Oklahoma	172,382	553,974	-	-
Virginia	373,289	-	-	-
Distribution Unknown	-	-	$2,667,000	$2,867,000
Obligations	2,370,591	2,707,649	2,667,000	2,867,000
Lapsing Balances	338,159	1,101	-	-
Total, Available	2,708,750	2,708,750	2,667,000	2,867,000

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$41,500	$160,620	-	-
Arizona	-	100,876	-	-
Arkansas	-	394,346	-	-
Colorado	68,069	-	-	-
Florida	123,186	318,204	-	-
Georgia	1,005,062	376,435	-	-
Hawaii	153,219	-	-	-
Indiana	114,428	15,500	-	-
Iowa	24,000	163,151	-	-
Kansas	-	47,520	-	-
Kentucky	256,000	520,333	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Louisiana	-	41,535	-	-
Maine	14,491	-	-	-
Michigan	-	405,330	-	-
Minnesota	321,994	46,419	-	-
Mississippi	-	88,503	-	-
Missouri	27,218	911,457	-	-
Montana	19,013	1,099	-	-
Nebraska	30,424	-	-	-
New Mexico	16,272	-	-	-
New York	-	12,710	-	-
North Carolina	246,966	313,354	-	-
North Dakota	4,446	265,026	-	-
Ohio	15,000	16,619	-	-
Oklahoma	-	8,844	-	-
Pennsylvania	-	42,077	-	-
South Carolina	465,771	253,707	-	-
South Dakota	216,553	434,140	-	-
Tennessee	235,229	64,700	-	-
Texas	311,435	368,774	-	-
Utah	31,000	-	-	-
Vermont	11,195	-	-	-
Virginia	110,285	-	-	-
Wisconsin	197,323	26,000	-	-
Wyoming	-	18,372	-	-
Distribution Unknown	-	-	$4,333,000	$4,533,000
Obligations	4,060,079	5,415,651	4,333,000	4,533,000
Lapsing Balances	1,356,171	599	-	-
Total, Available	5,416,250	5,416,250	4,333,000	4,533,000

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Colorado	$450,000	$450,000	-	-
Virginia	450,000	450,000	-	-
Distribution Unknown	-	-	$910,000	-
Obligations	900,000	900,000	910,000	-
Total, Available	900,000	900,000	910,000	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	-	$36,195	-	-
Indiana	-	2,760	-	-
Missouri	-	43,052	-	-
North Carolina	-	5,931	-	-
Oregon	-	1,907	-	-
Pennsylvania	-	18,943	-	-
Tennessee	-	13,025	-	-
Distribution Unknown	-	-	$350,000	-
Obligations	-	121,814	350,000	-
Lapsing Balances	$550,000	33,141	-	-
Total, Available	550,000	154,955	350,000	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$200,000	$200,000
Obligations	-	-	200,000	200,000

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$1,000	-	-	-
Arizona	10,000	-	-	-
Colorado	20,000	-	-	-
Connecticut	10,000	-	-	-
Massachusetts	5,000	-	-	-
New York	-	$10,000	-	-
Ohio	20,000	-	-	-
Oklahoma	24,000	-	-	-
South Carolina	7,000	-	-	-
Vermont	10,000	-	-	-
Distribution Unknown	-	-	$36,905	$1,611
Obligations	107,000	10,000	36,905	1,611
Bal. Available, EOY	3,911	11,347	1,740	30
Total, Available	110,911	21,347	38,645	1,642

Table RUS-39. Geographic Breakdown of Obligations for Rural Energy Circuit Rider Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$1,000	$2,000
Obligations	-	-	1,000	2,000
Bal. Available, EOY	-	-	2,000	-
Total, Available	-	-	3,000	2,000

Table RUS-40. Geographic Breakdown of Obligations for Administrative Expenses (Exp Trfr to S&E) (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Expenditure Transfer to S&E	$33,270	$33,270	-	-
Distribution Unknown	-	-	$33,270	$33,270
Obligations	33,270	33,270	33,270	33,270

Table RUS-41. Geographic Breakdown of Obligations for Inflation Reduction Act Electric Program Grants Admin (Exp Trfr to S&E) (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
California	$225	-	-	-
District of Columbia	11,904	-	-	-
Maryland	152	-	-	-
Minnesota	196	-	-	-
South Carolina	133	-	-	-
Distribution Unknown	-	$13,127	$3,801	-
Obligations	12,610	13,127	3,801	-
Bal. Available, EOY	12,409	3,801	-	-
Total, Available	25,019	16,929	3,801	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	-	$12,000	-	-
Alaska	$200,000	-	-	-
Arizona	138,745	100,000	-	-
Arkansas	-	47,697	-	-
Colorado	22,416	114,437	-	-
Florida	-	81,000	-	-
Guam	-	35,500	-	-
Hawaii	24,375	-	-	-
Illinois	-	24,910	-	-
Indiana	-	29,982	-	-
Iowa	-	11,803	-	-
Kansas	-	35,000	-	-
Kentucky	34,271	54,257	-	-
Louisiana	-	3,104	-	-
Maryland	-	55,800	-	-
Michigan	-	32,954	-	-
Nebraska	17,913	39,992	-	-
Nevada	80,283	-	-	-
North Carolina	-	35,000	-	-
Ohio	-	10,500	-	-
Oregon	-	15,425	-	-
Tennessee	-	8,669	-	-
Vermont	-	6,090	-	-
Virginia	-	15,330	-	-
Washington	-	97,998	-	-
Wisconsin	91,595	-	-	-
Wyoming	-	23,500	-	-
Distribution Unknown	-	-	$1,117,915	-
Obligations	609,598	890,948	1,117,915	-
Bal. Available, EOY	2,073,525	1,089,730	-	-
Total, Available	2,683,123	1,980,678	1,117,915	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	-	$315,463	-	-
Arizona	-	24,524	-	-
Colorado	-	470,025	-	-
Florida	-	385,643	-	-
Georgia	-	331,518	-	-
Kentucky	-	2,250	-	-
New Mexico	-	4,909	-	-
Ohio	-	267,864	-	-
South Carolina	-	57,841	-	-
Tennessee	-	415,000	-	-
Texas	-	309,000	-	-
Wisconsin	$241,424	-	-	-
Distribution Unknown	-	-	$15,771	-
Obligations	241,424	2,584,038	15,771	-
Bal. Available, EOY	5,417,853	13,415	-	-
Total, Available	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	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	-	$69,813	-	-
Colorado	-	1,711,178	-	-
Florida	-	545,101	-	-
Georgia	-	717,335	-	-
Kentucky	-	950,588	-	-
Maine	-	10,875	-	-
Minnesota	-	17,887	-	-
New Mexico	-	168,341	-	-
North Dakota	-	478,326	-	-
Texas	-	938,750	-	-
Wisconsin	-	80,112	-	-
Distribution Unknown	-	-	$5,765	-
Obligations	-	5,688,307	5,765	-
Bal. Available, EOY	$4,856,938	3,924	-	-
Total, Available	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	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	-	$78,336	-	-
Arizona	-	474,687	-	-
California	-	851,003	-	-
Florida	-	359,804	-	-
Georgia	-	99,254	-	-
Indiana	$676,796	-	-	-
Kansas	-	501	-	-
Kentucky	-	494,532	-	-
Louisiana	-	67,233	-	-
Maine	-	3,625	-	-
Michigan	651,624	-	-	-
Minnesota	-	976,632	-	-
Montana	-	1,313	-	-
Nebraska	-	200,000	-	-
New Mexico	-	57,750	-	-
North Dakota	-	856,638	-	-
Ohio	-	36,281	-	-
Oregon	-	78,954	-	-
Pennsylvania	-	20,580	-	-
South Carolina	-	442,159	-	-
Tennessee	-	60,413	-	-
Texas	-	190,250	-	-
Washington	-	227,883	-	-
Wisconsin	471,008	37,100	-	-
Distribution Unknown	-	-	-	-
Obligations	1,799,428	5,614,927	-	-
Bal. Available, EOY	4,949,232	170,878	-	-
Total, Available	6,748,661	5,785,805	-	-

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

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Colorado	-	$330,663	-	-
Distribution Unknown	-	-	$144	-
Obligations	-	330,663	144	-
Bal. Available, EOY	$27,714,286	145	-	-
Total, Available	27,714,286	330,808	144	-

Table RUS-47. Geographic Breakdown of Obligations for Inflation Reduction Act New Era Round 2 Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$81,100	$89,778
Obligations	-	-	81,100	89,778
Bal. Available, EOY	-	-	89,778	-
Total, Available	-	-	170,878	89,778

Table RUS-48. Geographic Breakdown of Obligations for Disaster Assistance Fund Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$3,437	$4,000
Obligations	-	-	3,437	4,000
Bal. Available, EOY	-	$13,437	10,000	6,000
Total, Available	-	13,437	13,437	10,000

Table RUS-49. Geographic Breakdown of Obligations for Guaranteed Electric (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	-	-
Obligations	-	-	-	-
Bal. Available, EOY	-	-	$2	$4
Total, Available	-	-	2	4

Table RUS-50. Geographic Breakdown of Obligations for Pilot Program for Refinancing Electric Loans (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	-	-
Obligations	-	-	-	-
Bal. Available, EOY	$88	$88	$88	$88
Total, Available	88	88	88	88

Table RUS-51. Geographic Breakdown of Obligations for Rural Electric Federal Financing Bank Operating Loans (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$200,000	-
Obligations	-	-	200,000	-
Bal. Available, EOY	$419	$419	419	$419
Total, Available	419	419	200,419	419

OBJECT CLASSIFICATION

Table RUS-52. Classification by Objects – Discretionary Funding (thousands of dollars)

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 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	19,142	3,368	10,770	2,292
	Total, Other Objects	52,412	36,638	44,040	35,562
99.9	Total, new obligations	52,412	36,638	44,040	35,562

Table RUS-53. Classification by Objects – Mandatory Funding (thousands of dollars)

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
	Personnel Compensation:				
	Washington D.C.	-	$32	-	-
	Personnel Compensation, Field.....	$1,122	1,035	$3,801	-
11	Total personnel compensation	1,122	1,067	3,801	**-**
12	Personal benefits.....	447	241	-	-
	Total, personnel comp. and benefits.....	1,570	1,308	3,801	**-**
	Other Objects:				
25.1	Advisory and assistance services	11,068	11,817	-	-
25.2	Other services from non-Federal sources.....	-27	2	-	-
41.0	Grants, subsidies, and contributions	2,109,386	7,920,133	500,891	$93,778
	Total, Other Objects.....	2,120,426	7,931,952	500,891	93,778
99.9	Total, new obligations	2,121,996	7,933,260	504,692	93,778

ACCOUNT 3: DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

APPROPRIATIONS LANGUAGE

The appropriations language follows:

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., [$40,767,000]$30,000,000, to remain available until expended[, of which $10,767,000 shall be for the purposes, and in the amounts, specified for this account in the table titled "Community Project Funding/ Congressionally Directed Spending" in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act)]: *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.

[For the cost to continue a broadband loan and grant pilot program established by section 779 of division A of the Consolidated Appropriations Act, 2018 (Public Law 115–141) under the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 et seq.), $50,750,000, to remain available until expended, of which $750,000 shall be for the purposes, and in the amounts, specified for this account in the table titled "Community Project Funding/Congressionally Directed Spending" in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act): *Provided,* That the Secretary may award grants described in section 601(a) of the Rural Electrification Act of 1936, as amended (7 U.S.C. 950bb(a)) for the purposes of carrying out such pilot program: *Provided further,* That the cost of direct loans shall be defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That at least 90 percent of the households to be served by a project receiving a loan or grant under the pilot program shall be in a rural area without sufficient access to broadband: *Provided further,* That for purposes of such pilot program, a rural area without sufficient access to broadband shall be defined as twenty-five megabits per second downstream and three megabits per second upstream: *Provided further,* That to the extent possible, projects receiving funds provided under the pilot program must build out service to at least one hundred megabits per second downstream, and twenty megabits per second upstream: *Provided further,* That an entity to which a loan or grant is made under the pilot program shall not use the loan or grant to overbuild or duplicate broadband service in a service area by any entity that has received a broadband loan from the Rural Utilities Service unless such service is not provided sufficient access to broadband at the minimum service threshold: *Provided further,* That not more than four percent of the funds made available in this paragraph can be used for administrative costs to carry out the pilot program and up to three percent of funds made available in this paragraph may be available for technical assistance and pre-development planning activities to support the most rural communities: *Provided further,* That the Rural Utilities Service is directed to expedite program delivery methods that would implement this paragraph: *Provided further,* That for purposes of this paragraph, the Secretary shall adhere to the notice, reporting and service area assessment requirements set forth in section 701 of the Rural Electrification Act (7 U.S.C. 950cc).]

[In addition, $17,000,000, to remain available until expended, for the Community Connect Grant Program authorized by 7 U.S.C. 950bb–3.]

Change Description

The first change (lines 3 and 6 of paragraph 1) removes language providing funding for Community Project Funding/Congressionally Directed Spending for DLT Grants as it is not being requested in 2027.

The second change (line 11 to 37 of paragraph 2) removes language providing funding for ReConnect Pilot Program and Community Project Funding/Congressionally Directed Spending for ReConnect Grants as it is not being requested in 2027.

The third change (line 38 to 39 of paragraph 3) removes language providing funding for the Community Connect Grant as it is not being requested in 2027.

LEAD-OFF TABULAR STATEMENT

Table RUS-54. Lead-Off Tabular Statement (In dollars)

Item	Grants	Loan Level	Subsidy	Administrative Expenses
Estimate, 2026	$78,641,000	$90,430,000	$16,359,000	$17,000,000
Change in Appropriation	-48,641,000	-90,430,000	-16,359,000	-17,000,000
Budget Estimate, 2027	30,000,000	-	-	-

PROJECT STATEMENTS

Table RUS-55. Project Statement on Basis of Appropriations (thousands of dollars)

Item	2024 Actual PL	2024 Actual BA	FTE	2025 Actual PL	2025 Actual BA	FTE	2026 Estimated PL	2026 Estimated BA	FTE	2027 Estimated PL	2027 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	$37,000	$37,000	-	$37,000	$37,000	-	$27,000	$27,000	-	$27,000	$27,000	-	-	(1)	-		-
DLT Delta Healthcare Services Grants	3,000	3,000	-	3,000	3,000	-	3,000	3,000	-	3,000	3,000	-	-	(1)	-		-
Broadband Grants	20,000	20,000	-	20,000	20,000	-	17,000	17,000	-	-	-	-	-$17,000	(2)	-$17,000		-
ReConnect BB 100% Grants	24,000	24,000	-	41,850	41,850	-	-	-	-	-	-	-	-	(3)	-		-
ReConnect BB 100% Loans	43,073	9,700	-	-	-	-	60,289	13,462	-	-	-	-	-60,289	(3)	-13,462	(5)	-
ReConnect BB 50% Loans	109,170	10,000	-	-	-	-	30,141	2,897	-	-	-	-	-30,141	(3)	-2,897	(5)	-
ReConnect BB 50% Grant	40,000	40,000	-	41,850	41,850	-	30,141	30,141	-	-	-	-	-30,141	(3)	-30,141		-
ReConnect BB TA	2,700	2,700	-	2,700	2,700	33	1,500	1,500	-	-	-	-	-1,500	(3)	-1,500		-
ReConnect BB Admin	3,600	3,600	10	3,600	3,600		2,000	2,000	-	-	-	-	-2,000	(3)	-2,000		-
Congressionally Direct Spending DLT Grants	9,574	9,574	-	-	-	-	10,767	10,767	-	-	-	-	-10,767	(4)	-10,767		-
Congressionally Direct Spending ReConnect Grants	10,385	10,385	-	-	-	-	750	750	-	-	-	-	-750	(4)	-750		-
Total Appropriation	302,502	169,959	10	150,000	150,000	33	182,588	108,517	-	30,000	30,000	-	-152,588		-78,517		-
Balances Interchange (S&E12X0403)	-	-	-	-1,857	-1,857	-	-	-	-	-	-	-	-		-		-
Recoveries, Other	409,924	353,106	-	50,928	43,991	-	26,636	19,996	-	22,172	16,196	-	-4,464		-3,800		-
Rescinded Balances	-55,891	-55,891	-	-32,207	-30,006	-	-20,000	-20,000	-	-47,996	-40,000	-	-27,996		-20,000		-
Bal. Available, SOY	1,955,990	1,145,401	-	1,510,526	927,306	-	869,340	415,147	-	145,130	143,109	-	-724,211		-272,038		-
Total Available	2,612,524	1,612,575	10	1,677,390	1,089,434	33	1,058,564	523,660	-	149,305	149,305	-	-909,259	-	-374,355	-	-
Bal. Available, EOY	-1,766,003	-927,306	-	-880,450	-415,147	-	-150,472	-143,109	-	-111,192	-111,192	-	+39,280		+31,916		-
Total Obligations	846,521	685,270	10	796,940	674,287	33	908,092	380,551	-	38,112	38,112	-	-869,979		-342,439		-

Table RUS-56. Project Statement on Basis of Obligations (thousands of dollars)

Item	2024 Actual PL	2024 Actual BA	FTE	2025 Actual PL	2025 Actual BA	FTE	2026 Estimated PL	2026 Estimated BA	FTE	2027 Estimated PL	2027 Estimated BA	FTE	PL Inc. or Dec.	BA Inc. or Dec.	FTE Inc. or Dec.
Discretionary Obligations:															
Distance Learning and Telemed. (DLT) Grants	$81,076	$81,076	-	$50,780	$50,780	-	$36,100	$36,100	-	$32,200	$32,200	-	-$3,900	-$3,900	-
DLT Delta Healthcare Services Grants	3,351	3,351	-	-	-	-	5,700	5,700	-	3,100	3,100	-	-2,600	-2,600	-
Broadband Grants	66,678	66,678	-	18,889	18,889	-	17,400	17,400	-	1,450	1,450	-	-15,950	-15,950	-
ReConnect BB 100% Grant	266,533	266,533	-	412,766	412,766	-	106,700	106,700	-	-	-	-	-106,700	-106,700	-
ReConnect BB 100% Loans	133,414	30,045	-	62,647	16,132	-	72,548	16,200	-	-	-	-	-72,548	-16,200	-
ReConnect BB 50% Loans	63,719	5,837	-	83,631	7,493	-	33,299	3,200	-	-	-	-	-33,299	-3,200	-
ReConnect BB 50% Grant	48,822	48,822	-	83,631	83,631	-	33,900	33,900	-	-	-	-	-33,900	-33,900	-
ReConnect BB TA (Exp Trfr to S&E)	-	-	-	11,840	11,840	33	14,800	14,800	-	-	-	-	-14,800	-14,800	-
ReConnect BB Admin (Exp Trfr to S&E)	6,786	6,786	-	2,228	2,228	-	871	871	-	-	-	-	-871	-871	-
Congressionally Direct Spending DLT Grants	-	-	-	8,730	8,730	-	11,725	11,725	-	-	-	-	-11,725	-11,725	-
Congressionally Direct Spending ReConnect Grants	11,252	11,252	-	21,221	21,221	-	27,670	27,670	-	-	-	-	-27,670	-27,670	-
GP 775 and 761: DLT Opioid Epidemic	2,266	2,266	-	1,629	1,629	-	707	707	-	-	-	-	-707	-707	-

Item	2024 Actual PL	2024 Actual BA	FTE	2025 Actual PL	2025 Actual BA	FTE	2026 Estimated PL	2026 Estimated BA	FTE	2027 Estimated PL	2027 Estimated BA	FTE	PL Inc. or Dec.	BA Inc. or Dec.	FTE Inc. or Dec.
Subtotal Disc oblig	683,898	522,646	-	757,993	635,340	33	361,419	274,972	-	36,750	36,750	-	-324,669	-238,222	-
Supplemental Obligations:															
Bipartisan Infrastructure Law:															
ReConnect BB 100% Grant BIL	128,962	128,962	-	-	-	-	12,602	12,602	-	-	-	-	-12,602	-12,602	-
ReConnect BB 50% Loan BIL	-	-	-	-	-	-	7,977	767	-	-	-	-	-7,977	-767	-
ReConnect BB 50% Grant BIL	-	-	-	-	-	-	7,590	7,590	-	-	-	-	-7,590	-7,590	-
ReConnect BB TA BIL	17,575	17,575	-	24,712	24,712	-	15,800	15,800	-	1,362	1,362	-	-14,438	-14,438	-
ReConnect BB Admin BIL (Exp Trfr to S&E)	16,086	16,086	10	14,235	14,235	-	-	-	-	-	-	-	-	-	-
Broadband Direct BIL	-	-	-	-	-	-	502,703	68,820	-	-	-	-	-502,703	-68,820	-
Subtotal Supp Oblig	162,624	162,624	10	38,947	38,947	-	546,673	105,579	-	1,362	1,362	-	-545,311	-104,217	-
Total Obligations	846,521	685,270	10	796,940	674,287	33	908,092	380,551	-	38,112	38,112	-	-869,979	-342,439	-
Add back:															
Balances Available, EOY:															
Distance Learning and Telemed. (DLT) Grants	2,790	2,790	-	2,355	2,355	-	1,263	1,263	-	1,669	1,669	-	+406	+406	-
DLT Delta Healthcare Services Grants	66	66	-	3,086	3,086	-	386	386	-	286	286	-	-100	-100	-
Broadband Direct Treasury Rate Loans	2,201	310	-	-	-	-	-	-	-	-	-	-	-	-	-
Broadband Grants	6,110	6,110	-	663	663	-	751	751	-	-	-	-	-751	-751	-
ReConnect BB 100% Grant	331,004	331,004	-	139,124	139,124	-	17,044	17,044	-	-	-	-	-17,044	-17,044	-
ReConnect BB 100% Loans	221,271	56,977	-	2,287	511	-	6,970	1,556	-	-	-	-	-6,970	-1,556	-
ReConnect BB 50% Loans	269,616	24,158	-	24,818	2,385	-	2,157	207	-	-	-	-	-2,157	-207	-
ReConnect BB 50% Grant	175,819	175,819	-	5,576	5,576	-	6,278	6,278	-	-	-	-	-6,278	-6,278	-
ReConnect BB TA (Exp Trfr to S&E)	59,540	59,540	-	40,549	40,549	-	27,249	27,249	-	22,225	22,225	-	-5,024	-5,024	-
ReConnect BB Admin (Exp Trfr to S&E)	27,599	27,599	-	36,964	36,964	-	38,094	38,094	-	38,094	38,094	-	-	-	-
Broadband Sec.6207 Admin (Exp Trfr to S&E)	3,423	3,423	-	600	600	-	1,110	1,110	-	1,110	1,110	-	-	-	-
Congressionally Direct Spending DLT Grants	9,687	9,687	-	958	958	-	-	-	-	-	-	-	-	-	-
Congressionally Direct Spending ReConnect Grants	48,141	48,141	-	26,920	26,920	-	-	-	-	-	-	-	-	-	-
GP 775 and 761: DLT Opioid Epidemic	751	751	-	707	707	-	-	-	-	-	-	-	-	-	-
ReConnect BB 100% Grant BIL	0	0	-	12,602	12,602	-	-	-	-	-	-	-	-	-	-
ReConnect BB 50% Loan BIL	8,556	767	-	7,977	767	-	-	-	-	-	-	-	-	-	-
ReConnect BB 50% Grant BIL	7,590	7,590	-	7,590	7,590	-	-	-	-	-	-	-	-	-	-
ReConnect BB TA BIL	41,875	41,875	-	17,162	17,162	-	1,362	1,362	-	-	-	-	-1,362	-1,362	-
ReConnect BB Admin BIL (Exp Trfr to S&E)	55,884	55,884	-	41,649	41,649	-	41,649	41,649	-	41,649	41,649	-	-	-	-
Broadband Direct BIL	488,085	68,820	-	502,703	68,820	-	-	-	-	-	-	-	-	-	-
CARES Act - DLT Grants	5,390	5,390	-	6,159	6,159	-	6,159	6,159	-	6,159	6,159	-	-	-	-
Public Broadcasting System Grants	604	604	-	-	-	-	-	-	-	-	-	-	-	-	-
DLT Modification Broadband Direct Financing Account	0	0	-	0	0	-	0	0	-	0	0	-	-	-	-
Total Bal. Available, EOY	1,766,003	927,306	-	880,450	415,147	-	150,472	143,109	-	111,192	111,192	-	-39,280	-31,916	-
Total Available	2,612,524	1,612,575	10	1,677,390	1,089,434	33	1,058,564	523,660	-	149,305	149,305	-	-909,259	-374,355	-
Less:															
Balances Interchange	-	-	-	1,857	1,857	-	-	-	-	-	-	-	-	-	-
Recoveries, Other	-409,924	-353,106	-	-50,928	-43,991	-	-26,636	-19,996	-	-22,172	-16,196	-	+4,464	+3,800	-
Rescinded Balances	55,891	55,891	-	32,207	30,006	-	20,000	20,000	-	47,996	40,000	-	+27,996	+20,000	-
Bal. Available, SOY	-1,955,990	-1,145,401	-	-1,510,526	-927,306	-	-869,340	-415,147	-	-145,130	-143,109	-	+724,211	+272,038	-
Total Appropriation	302,502	169,959	10	150,000	150,000	33	182,588	108,517	-	30,000	30,000	-	-152,588	-78,517	-

JUSTIFICATION OF CHANGES

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 relate to values in the Change (Chg) Key column of the Project Statement:

1. No change for Distance Learning and Telemedicine (DLT) Grants ($30,000,000 available in 2026).

   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 2025, the program obligated $52.4 million through 81 grants. The agency awarded 4 grants totaling $1.6 million for programs addressing the Opioid Epidemic and 14 grants totaling $10.3 million for Substance Use Disorders. Kentucky, Georgia, and Tennessee received over 30 percent of funding. One of these investments, awarded over $800,000 in Pennsylvania to equip one hub site and 35 end-user sites across multiple counties with distance learning equipment to include laptops and Webex-equipped conference rooms. This project will benefit 11,638 rural residents.

   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 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 2027 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 $17,000,000 for the Broadband Community Connect Grants Program ($17,000,000 available in 2026).

   The agency is not requesting funding for Broadband Community Connect program in 2027. Funding for this program can be provided by other Federal agencies.

3. A decrease of $124,071,624 for Program Level for the ReConnect Program ($124,071,624 available in 2026).

   The agency is not requesting Reconnect program funding in 2027. Funding for this program can be provided by other Federal agencies.

4. A decrease of $750,000,000 budget authority for the Congressionally Direct Spending Grants ($750,000,000 available in 2026).

   These programs are not requested in the budget.

5. A decrease of $16,359,000 budget authority for the ReConnect Program Loans ($16,359,000 available in 2026).

   The agency is not requesting Reconnect program funding in 2027

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RUS-57. Geographic Breakdown of Obligations for Distance Learning and Telecommunications Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$5,291	$1,588	-	-
Alaska	2,601	1,443	-	-
American Samoa	817	-	-	-
Arizona	304	2,369	-	-
Arkansas	2,336	453	-	-
California	184	704	-	-
Colorado	1,962	1,335	-	-
Connecticut	2,975	-	-	-
Delaware	315	-	-	-
Florida	-	630	-	-
Georgia	-	5,071	-	-
Guam	957	1,450	-	-
Hawaii	931	386	-	-
Howland Island	1,823	-	-	-
Illinois	-	1,303	-	-
Indiana	926	-	-	-
Iowa	5,661	-	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Jarvis Island	1,182	-	-	-
Johnston Atoll	1,074	-	-	-
Kansas	-	1,857	-	-
Kentucky	-	6,855	-	-
Kingman Reef	1,634	-	-	-
Louisiana	-	3,918	-	-
Maine	-	1,000	-	-
Maryland	2,013	-	-	-
Massachusetts	4,334	848	-	-
Michigan	-	1,041	-	-
Minnesota	-	205	-	-
Mississippi	973	2,693	-	-
Missouri	983	1,612	-	-
N. Mariana Islands	231	-	-	-
Navassa Island	218	-	-	-
Nebraska	2,884	-	-	-
Nevada	4,020	-	-	-
New Jersey	5,378	-	-	-
New Mexico	7,024	434	-	-
New York	2,107	249	-	-
North Carolina	-	294	-	-
North Dakota	2,519	1,000	-	-
Ohio	-	504	-	-
Oklahoma	-	574	-	-
Oregon	1,368	961	-	-
Palmyra Atoll	828	-	-	-
Pennsylvania	3,996	1,161	-	-
Puerto Rico	2,510	-	-	-
Rhode Island	538	-	-	-
South Carolina	-	986	-	-
South Dakota	-	172	-	-
Tennessee	4,383	4,525	-	-
Texas	-	282	-	-
Utah	319	998	-	-
Vermont	1,592	-	-	-
Virginia	862	965	-	-
West Virginia	-	914	-	-
Distribution Unknown	-	-	$36,100	$32,200
Obligations	81,076	50,780	36,100	32,200
Bal. Available, EOY	2,790	2,355	1,263	1,669
Total, Available	83,866	53,135	37,363	33,869

Table RUS-58. Geographic Breakdown of Obligations for Delta Health Service Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Arkansas	$1,000	-	-	-
Illinois	351	-	-	-
Kentucky	1,000	-	-	-
Mississippi	1,000	-	-	-
Distribution Unknown	-	-	$5,700	$3,100
Obligations	3,351	-	5,700	3,100
Bal. Available, EOY	66	$3,086	386	286
Total, Available	3,417	3,086	6,086	3,386

Table RUS-59. Geographic Breakdown of Obligations for Broadband Telecommunications Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	$5,000	-	-	-
Arkansas	3,287	-	-	-
Colorado	1,448	-	-	-
Idaho	4,288	$4,239	-	-
Illinois	-	5,000	-	-
Kentucky	4,298	1,302	-	-
Louisiana	4,005	-	-	-
Maine	3,647	-	-	-
Missouri	3,506	-	-	-
Nevada	-	1,811	-	-
Oklahoma	-	4,759	-	-
Texas	4,505	-	-	-
Vermont	2,847	-	-	-
Virginia	9,460	1,779	-	-
Washington	11,698	-	-	-
Wisconsin	8,690	-	-	-
Distribution Unknown	-	-	$17,400	$1,450
Obligations	66,678	18,889	17,400	1,450
Bal. Available, EOY	6,110	663	751	-
Total, Available	72,788	19,553	18,151	1,450

Table RUS-60. Geographic Breakdown of Obligations for Broadband Pilot 100 percent Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	-	$1,435	-	-
Alaska	$71,011	116,835	-	-
Arizona	-	14,760	-	-
California	17,623	11,686	-	-
Florida	38,857	-	-	-
Georgia	-	5,533	-	-
Kentucky	-	11,409	-	-
Maine	-	886	-	-
Michigan	34,417	-	-	-
Minnesota	-	8,614	-	-
Mississippi	-	29,390	-	-
Missouri	-	16,613	-	-
Montana	-	40,310	-	-
Nevada	-	3,667	-	-
New Mexico	-	27,170	-	-
North Carolina	5,062	6,410	-	-
North Dakota	-	22,230	-	-
Oklahoma	54,044	17,555	-	-
Oregon	-	10,634	-	-
South Carolina	975	-	-	-
South Dakota	34,748	-	-	-
Tennessee	-	7,548	-	-
Texas	-	21,761	-	-
Utah	-	9,982	-	-
Washington	-	19,180	-	-
West Virginia	-	5,524	-	-
Wyoming	-	3,635	-	-
Marshall Islands	9,796	-	-	-
Distribution Unknown	-	-	$106,700	-
Obligations	266,533	412,766	106,700	-
Bal. Available, EOY	331,004	139,124	17,044	-
Total, Available	597,537	551,890	123,744	-

Table RUS-61. Geographic Breakdown of Obligations for Broadband Pilot 100 percent Loans (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	-	$7,286	-	-
Arizona	$3,960	-	-	-
Arkansas	25,281	-	-	-
Idaho	10,583	-	-	-
Kansas	6,631	-	-	-
Nevada	-	22,997	-	-
New Mexico	74,077	-	-	-
Ohio	-	12,554	-	-
Oklahoma	-	4,105	-	-
Oregon	2,820	-	-	-
Vermont	-	10,146	-	-
Virginia	10,063	-	-	-
Washington	-	5,560	-	-
Distribution Unknown	-	-	$72,548	-
Obligations	133,414	62,647	72,548	-
Bal. Available, EOY	221,271	2,287	6,970	-
Total, Available	354,685	64,934	79,518	-

Table RUS-62. Geographic Breakdown of Obligations for Broadband Pilot 50 percent Loans (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Arkansas	-	$17,851	-	-
California	$6,466	-	-	-
Idaho	-	5,128	-	-
Iowa	12,557	-	-	-
Michigan	-	9,311	-	-
Minnesota	-	19,633	-	-
Missouri	14,897	-	-	-
Montana	5,576	2,325	-	-
New Mexico	5,825	-	-	-
Oklahoma	8,135	-	-	-
Oregon	10,264	-	-	-
Utah	-	12,333	-	-
West Virginia	-	12,435	-	-
Wisconsin	-	4,615	-	-
Distribution Unknown	-	-	$33,299	-
Obligations	63,719	83,631	33,299	-
Bal. Available, EOY	269,616	24,818	2,157	-
Total, Available	333,336	108,449	35,455	-

Table RUS-63. Geographic Breakdown of Obligations for Broadband Pilot 50 percent Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Arkansas	-	$17,851	-	-
California	$6,466	-	-	-
Idaho	-	5,128	-	-
Iowa	12,557	-	-	-
Michigan	-	9,311	-	-
Minnesota	-	19,633	-	-
Montana	5,576	2,325	-	-
New Mexico	5,825	-	-	-
Oklahoma	8,135	-	-	-
Oregon	10,264	-	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Utah	-	12,333	-	-
West Virginia	-	12,435	-	-
Wisconsin	-	4,615	-	-
Distribution Unknown	-	-	$33,900	-
Obligations	48,822	83,631	33,900	-
Bal. Available, EOY	175,819	5,576	6,278	-
Total, Available	224,642	89,207	40,178	-

Table RUS-64. Geographic Breakdown of Obligations for Broadband Pilot Technical Assistance Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	FTE	2026 Estimated	2027 Estimated
Arkansas	-	$193	2	-	-
District of Columbia	-	7,542	-	-	-
Georgia	-	1	-	-	-
Maryland	-	32	0	-	-
Michigan	-	94	1	-	-
Missouri	-	2,149	16	-	-
New Jersey	-	86	1	-	-
Puerto Rico	-	142	1	-	-
Virginia	-	506	3	-	-
West Virginia	-	2	-	-	-
Wisconsin	-	1,092	10	-	-
Distribution Unknown	-	-	-	$14,800	-
Obligations	-	11,840	33	14,800	-
Bal. Available, EOY	$59,540	40,549	-	27,249	$22,225
Total, Available	59,540	52,390	33	42,049	22,225

Table RUS-65. Geographic Breakdown of Obligations for Broadband Pilot Administrative Expenses (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	$6,786	$2,228	$871	-
Obligations	6,786	2,228	871	-
Bal. Available, EOY	27,599	36,964	38,094	$38,094
Total, Available	34,385	39,193	38,964	38,094

Table RUS-66. Geographic Breakdown of Obligations for Broadband Sec.6207 Administrative Expenses (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	-	-
Obligations	-	-	-	-
Bal. Available, EOY	$3,423	$600	$1,110	$1,110
Total, Available	3,423	600	1,110	1,110

Table RUS-67. Geographic Breakdown of Obligations for Distance Learning and Telemedicine Community Project Funding Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Arkansas	-	$1,000	-	-
California	-	434	-	-
Colorado	-	703	-	-
Georgia	-	213	-	-
Illinois	-	750	-	-
Michigan	-	500	-	-
New Jersey	-	127	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Pennsylvania	-	680	-	-
South Carolina	-	1,000	-	-
Tennessee	-	1,000	-	-
Texas	-	2,323	-	-
Distribution Unknown	-	-	$11,725	-
Obligations	-	8,730	11,725	-
Bal. Available, EOY	$9,687	958	-	-
Total, Available	9,687	9,687	11,725	-

Table RUS-68. Geographic Breakdown of Obligations for Broadband ReConnect Community Project Funding Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	$1,704	-	-	-
California	-	$5,350	-	-
Georgia	-	562	-	-
Michigan	-	1,200	-	-
Minnesota	5,576	1,000	-	-
Missouri	-	960	-	-
Montana	-	150	-	-
New Jersey	-	3,750	-	-
New York	-	6,463	-	-
Pennsylvania	-	1,500	-	-
Texas	2,850	-	-	-
Virginia	196	286	-	-
West Virginia	925	-	-	-
Distribution Unknown	-	-	$27,670	-
Obligations	11,252	21,221	27,670	-
Bal. Available, EOY	48,141	26,920	-	-
Total, Available	59,393	48,141	27,670	-

Table RUS-69. Geographic Breakdown of Obligations for Opioid Epidemic Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alabama	-	$231	-	-
Florida	-	247	-	-
Georgia	$400	-	-	-
Illinois	-	809	-	-
Oregon	414	-	-	-
South Dakota	884	-	-	-
Vermont	84	-	-	-
Washington	-	342	-	-
West Virginia	484	-	-	-
Distribution Unknown	-	-	$707	-
Obligations	2,266	1,629	707	-
Bal. Available, EOY	751	707	-	-
Total, Available	3,018	2,336	707	-

Table RUS-70. Geographic Breakdown of Obligations for Broadband Pilot 100 percent BIL Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	$30,323	-	-	-
Florida	3,187	-	-	-
Minnesota	12,602	-	-	-
Missouri	23,007	-	-	-
New Mexico	59,842	-	-	-

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$12,602	-
Obligations	128,962	-	12,602	-
Bal. Available, EOY	0	$12,602	-	-
Total, Available	128,962	12,602	12,602	-

Table RUS-71. Geographic Breakdown of Obligations for Broadband Pilot 50 percent BIL Loans (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$7,977	-
Obligations	-	-	7,977	-
Bal. Available, EOY	$8,556	$7,977	-	-
Total, Available	8,556	7,977	7,977	-

Table RUS-72. Geographic Breakdown of Obligations for Broadband Pilot 50 percent BIL Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$7,590	-
Obligations	-	-	7,590	-
Bal. Available, EOY	$7,590	$7,590	-	-
Total, Available	7,590	7,590	7,590	-

Table RUS-73. Geographic Breakdown of Obligations for Broadband Pilot Technical Assistance BIL Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
District of Columbia	$17,575	$24,712	$15,800	$1,362
Obligations	17,575	24,712	15,800	1,362
Bal. Available, EOY	41,875	17,162	1,362	-
Total, Available	59,450	41,875	17,162	1,362

Table RUS-74. Geographic Breakdown of Obligations for Broadband Pilot Administrative Expenses BIL Grants (thousands of dollars)

State/Territory/Country	2024 Actual	FTE	2025 Actual	FTE	2026 Estimated	FTE	2027 Estimated	FTE
District of Columbia	$16,086	10	$14,235	-	-	-	-	-
Obligations	16,086	10	14,235	-	-	-	-	-
Bal. Available, EOY	55,884	-	41,649	-	$41,649	-	$41,649	-
Total, Available	71,970	10	55,884	-	41,649	-	41,649	-

Table RUS-75. Geographic Breakdown of Obligations for Direct Broadband Telecommunications Treasury Rate Loans BIL Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Distribution Unknown	-	-	$502,703	-
Obligations	-	-	502,703	-
Bal. Available, EOY	$488,085	$502,703	-	-
Total, Available	488,085	502,703	502,703	-

OBJECT CLASSIFICATION

Table RUS-76. Classification by Objects (thousands of dollars)

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
	Personnel Compensation:				
	Washington D.C.	-	-	-	-
	Personnel Compensation, Field	$1,050	$4,338	$40	-
11	Total personnel compensation	1,050	4,338	40	-
12	Personal benefits	410	15	15	-
	Total, personnel comp. and benefits	1,460	4,353	55	-
	Other Objects:				
21.0	Travel and transportation of persons	61	2	1	-
23.2	Rental payments to others	8	-	-	-
23.3	Communications, utilities, and misc. charges	17	-	-	-
25.1	Advisory and assistance services	14,519	14,670	440	-
25.2	Other services from non-Federal sources	-	376	375	-
25.3	Other goods and services from Federal sources	6,782	-	-	-
31.0	Equipment	25	-	-	-
41.0	Grants, subsidies, and contributions	662,397	654,886	379,681	$38,112
	Total, Other Objects	683,809	669,934	380,496	38,112
99.9	Total, new obligations	685,270	674,287	380,551	38,112

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ACCOUNT 4: HIGH ENERGY COST GRANTS

LEAD-OFF TABULAR STATEMENT

Table RUS-77. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2026	$8,000,000
Change in Appropriation	-8,000,000
Budget Estimate, 2027	-

PROJECT STATEMENTS

Table RUS-78. Project Statement on Basis of Appropriations (thousands of dollars)

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.	Chg Key
Discretionary Approp:						
High Energy Cost Grants	$8,000	$8,000	$8,000	-	-$8,000	(1)
Total Adjusted Approp	8,000	8,000	8,000	-	-8,000	
Add back:						
Transfers In and Out, Rescissions	-8,000	-8,000	-8,000	-	+8,000	
Total Appropriation	-	-	-	-	-	
Transfers In:						
Water and Waste Disposal Program	8,000	8,000	8,000	-	-8,000	
Total Transfers In	8,000	8,000	8,000	-	-8,000	
Balances Interchange (Transfer to 12X0403)	-	-232	-	-	-	
Recoveries, Other	177	6	-	-	-	
Bal. Available, SOY	12,218	13,084	284	-	-284	
Total Available	20,394	20,858	8,284	-	-8,284	
Bal. Available, EOY	-13,084	-284	-	-	-	
Total Obligations	7,310	20,574	8,284	-	-8,284	

Table RUS-79. Project Statement on Basis of Obligations (thousands of dollars)

Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated	Inc. or Dec.
Discretionary Obligations:					
High Energy Cost Grants	$7,310	$20,574	$8,284	-	-$8,284
Total Obligations	7,310	20,574	8,284	-	-8,284
Add back:					
Balances Available, EOY:					
High Energy Cost Grants	13,084	284	-	-	-
Total Bal. Available, EOY	13,084	284	-	-	-
Total Available	20,394	20,858	8,284	-	-8,284
Less:					
Total Transfers In	-8,000	-8,000	-8,000	-	+8,000
Recoveries, Other	-177	-6	-	-	-
Bal. Available, SOY	-12,218	-13,084	-284	-	+284
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 2026).

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-80. Geographic Breakdown of Obligations for High Energy Cost Grants (thousands of dollars)

State/Territory/Country	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
Alaska	$5,474	$19,274	-	-
Other Countries	-	1,300	-	-
Micronesia	1,836	-	-	-
Distribution Unknown	-	-	$8,284	-
Obligations	7,310	20,574	8,284	-
Bal. Available, EOY	13,084	284	-	-
Total, Available	20,394	20,858	8,284	-

OBJECT CLASSIFICATION

Table RUS-81. Classification by Objects (thousands of dollars)

Item No.	Item	2024 Actual	2025 Actual	2026 Estimated	2027 Estimated
	Other Objects:				
41.0	Grants, subsidies, and contributions	$7,310	$20,574	$8,284	-
	Total, Other Objects	7,310	20,574	8,284	-
99.9	Total, new obligations	7,310	20,574	8,284	-

STATUS OF PROGRAM

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 construction and technical assistance funding to develop and support modern, affordable water and waste disposal (WWD) services. WEP provides direct financing for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to serve households and businesses in eligible rural areas with populations of 10,000 or less. Guaranteed construction financing is available to support communities of up to 50,000 or less in population. With a focus on underserved communities, WEP directs its technical and construction financing 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 also qualify based on stringent regulatory compliance responsibilities, local changes in economic factors, or even natural disasters; with support, they can sustain economic development and improve the quality of life for their residents by providing dependable water and waste disposal services. This program prioritizes subsidies for communities using a three-tier approach with product offerings at poverty, intermediary and market rates.

WEP is the only federal Agency solely dedicated to supporting rural water and waste disposal systems. In the 2026 President's Budget it was identified as a program that has "demonstrated efficient results" while playing "an appropriate Federal role." In 2025, WEP obligated over $900 million in direct and guaranteed loans and $624 million in grants, including both Community Project Funding/Congressionally Directed Spending (CDS) and Disaster Assistance, but excluding High Energy Cost Grants. The program obligated current year and carryover funds resulting in a total larger than the amount of new funding received in 2025. From these totals, 22.3 percent of obligations occurred in counties with persistent poverty for 105 customers across 76 projects. Also, the obligated funding benefits more than 1.65 million rural residents, with 61 percent of projects addressing a health or sanitary issue.

Current Activities

In 2025, WEP funded 233 direct loans with 121 at the poverty rate (52 percent), 95 at the intermediate rate (41 percent), and 17 at the market rate (7 percent). There were 3 direct loans obligated through the 1 percent Persistent Poverty Direct Loan program.

Table RUS-82. 2025 Financial and Performance Data for WEP Programs (thousands of dollars):

Program	Total Obligated (in Millions)	Total No. Loans or Grants
Direct Water and Waste Disposal Loans	$889.0	233
Guaranteed Water and Waste Disposal Loans.....	2.8	2
1 percent Persistent Poverty Direct Loan	8.5	3
Water and Waste Disposal Grants[1]	303.1	143
WWD Technical Assistance Grants.....	35.3	17
CY 2022 Disaster	135.8	49
Community Project Spending/CDS	31.1	24

[1] *Water and Waste Disposal Grants: Regular: $270.1 million; Persistent Poverty $31.7 million, Direct Rural Economic Area Partnership Loans (formerly EC/EZ) $1.3 million*

Program	Total Obligated (in Millions)	Total No. Loans or Grants
Water and Waste Disposal Grants Alaskan Villages	25.6	13
Rural Alaskan Village-Technical Assistance	0.6	2
Water and Waste Disposal Grants Native American Tribes	31.9	12
Water and Waste Disposal Grants Colonias	12.2	7
Individually Owned Water Well System Grants	3.9	7
Predevelopment Planning Grants	0.7	15
Solid Waste Management Grants	4.1	16
Emergency Community Water Asst. Grants Appropriated	10.5	34
WWD Hawaiian Homeland Grants	5.0	1
Hurricane Natural Disaster Grants.....	0.3	1
Water and Waste SEARCH Grants	1.1	42
Grants for Water and Wastewater Revolving Funds	1.0	4
Circuit Rider.....	21.8	2
High Energy Cost Grants	20.6	10
Total.....	**1,544.9**	**637**

Water and Environmental Programs Loans (Direct & Guaranteed)

The loan portfolio for WEP is comprised of several programs; the most active in 2025 include: Direct Water and Waste Loans, One Percent Direct Loans, and Guaranteed Water and Waste Disposal Loans. Through the Direct Water and Waste Loans, the agency obligated $40 million in persistent poverty loans and $1.4 million in Direct Rural Economic Area Partnership Loans, which are consolidated with the Direct Water and Waste Loans in the table above. The agency also obligated $8.5 million through the One Percent Direct Loan program. The regular Direct Loan program is the largest contributor to these obligations. Direct Loans are obligated either as stand-alone water or waste disposal awards, or in combination when a project addresses multiple systems. In looking across the direct and guaranteed loans to include the regular, persistent poverty, and those formerly known as EZ/EC, the Combination Water and Waste Disposal program only represents $11.6 million of the total, Domestic Water obligations are approximately $475.4 million, and Waste Disposal obligations are just over $404.8 million. In total, WEP obligated current year and carryover funds, totaling 104 percent of the new funding in the direct loan program provided in the 2025 funding bill.

Selected Examples of Recent Progress

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. In Tennessee, for example, the Copper Basin Utility District received more than $1.25 million in funding to construct a booster pump station, add approximately 4,000 linear feet of 6-inch water line to form a loop in the eastern end of the system, and a tie-in to the proposed tank to the system. This project will mainly serve the residents of Ducktown and Turtletown through the Isabella Water System, which is run by the Copper Basin Utility District. The proposed water system improvements will strengthen the continuity of service and improve pressure and flow. The resulting improvements will also eliminate any potential for health concerns from low pressure and flow at the customer's meter. In Montgomery County, Tennessee, funds will be used to extend water lines to serve 70 households that currently rely on private wells as their water source. The project is a response by Cunningham Utility District to provide safe and reliable drinking water within their service area within the county. However, the largest investment went to expand and upgrade the 40-year-old Water Treatment Plant within the Town of Jonesborough's Water System. Receiving more than $40.4 million in funding, upgrades and expansions are necessary due to population growth within the area and extension of water lines into new housing subdivisions that are planned within the area. This project will increase the water system's capacity to better serve the residents of Jonesborough.

Focusing on waste disposal, in Iowa, an $8 million loan will be used to help the City of Emmetsburg renovate its wastewater treatment facility which was built in the 1970s. This project will replace the rotating biological contactor treatment with an activated sludge treatment. The new treatment method will be resilient to slug loading and peak weather events. It will provide ease of operations and ensure regulatory compliance to the benefit of the Palo Alto community. The project will also replace other aging and obsolete infrastructure. In Alabama, a $725,000 loan will provide financing to rehabilitate the collection system and construct a new centralized wastewater treatment plant for the Town of Kinsey. The proposed plant will be capable of managing an average daily flow of approximately 360,000 gallons; with a peak capacity of 680,000 gallons. Improvements to reduce inflow and infiltration in the gravity sanitary sewer collection system will also be completed. This system will serve a population of more than 1,200 people and eliminate health and safety issues in the Town.

The City of Grygla, MN was awarded RUS funding through a low-interest loan of $3,274,000 loan and $308,000 grant for a water and sewer improvements project. The proposed funding will be used to construct a new water treatment plant, and rehabilitate water storage, wastewater lift station and sanitary sewer ponds. The project will also replace portions of the water distribution system and sanitary sewer collection system. There has been no major construction completed on the lift station since its original construction, and there has been noticeable deterioration. This project will provide assistance to the 221 residents of Grygla in northern Minnesota.

In west-central Michigan, the Village of Sheridan is upgrading their water system to address several overdue issues. WEP awarded the Village $5,018,000 direct loan and $118,000 grant funding to replace infrastructure that was originally constructed in the 1950's to serve residential, commercial, and industrial users. A significant amount of the infrastructure and mechanical equipment in Sheridan is over 70 years old. Project funding will be used to replace undersized water mains, loop dead ends, install residential water meters, replace commercial water meters, replace lead service lines, and connect 10 new users. The program will ensure the everyday needs of the community and that their water system is compliance with safety standards.

Elsewhere, there are several other health and sanitary issues rural Americans face with their infrastructure. In Arkansas, the Town of Holly Grove will soon start construction on a project that will provide several upgrades to an elevated storage tank, many of which will bring them into compliance from issues caused by lead paint and leaks. The project will also replace water mains and meters. With a service area of just over 1,600, the RUS assistance of $3,059,000 loan and grant of $1,670,000 will resolve its OSHA and Arkansas Department of Health violations.

Water and Environmental Grant Programs

There are many grants products and set asides appropriated in the WEP grants portfolio, which include but are not limited to: regular Water and Waste Disposal Grants, Emergency Community Water Assistance Grants, Special Evaluation Assistance for Rural Communities and Households, Rural Decentralized Water Systems Grant Program, Solid Waste Management, Disaster Assistance, Congressionally Directed Spending, as well as grants for Native American Tribes, Rural Alaskan Villages, and Hawaiian Homeland. Examples from just a few of the many projects are included below.

Through the Emergency Community Water Assistance Grants (ECWAG) program, communities can receive up to $1 million in assistance to support water intake and treatment needs and up to $150,000 for storage and distribution issues stemming from emergency events. Emergency and disaster events often leave communities the most vulnerable, so this is their biggest time of need. In Illinois, there are two ECWAG projects totaling $137,000. One of these investments will be used to support the Jersey County Rural Water Company's emergency watermain repairs following flash flooding in July 2024, which destroyed waterlines and exposed buried main. Water service for more than 750 users throughout Jersey County was compromised. Timely repairs to replace 200 linear feet of 4-inch watermain and appurtenances were needed to maintain the system and provide clean drinking water to residents. A second project will fund the repair of exposed water mains for Atkin Water District. The District experienced severe weather and heavy rainfall during the spring of 2025,

which resulted in the exposure of over 70 feet of water main. If further flooding occurs, it could damage the exposed additional infrastructure, jeopardizing water quality for the community and leave residents without access to clean water. The project includes reburying the existing water main four feet deeper than its current location and replacing approximately 180 linear feet of water main and appurtenances. This project will serve more than 460 people in Franklin County, Illinois.

The agency recently announced Special Evaluation Assistance for Rural Communities and Households (SEARCH) Grant projects across nine states with a median value of $30,000. While small grants, the biggest barrier for many rural communities is often finding funding to complete technical documents, like engineer reports, and finding assistance with application development. In Utah, a $30,000 SEARCH grant will be used to assist the small, census-designated community of La Sal to secure professional services to develop engineering and environmental documents needed to construct a reliable and adequate municipal water system. La Sal is a remote community within San Juan County and has no access to municipal water. With 154 existing residential connections, and many lots for new construction, La Sal does not have enough individual well permits to provide adequate water for all properties. One of the smaller grants, a $11,000 investment in Oklahoma will be used to complete an engineering report for improvements to their water system. This report will evaluate the best option available to Rural Water District #17 and their customers to reduce water loss, increase production and clear up water quality issues. Removing these health and safety items will provide safe drinking water for their residential and wholesale customers.

Here is an example of a RUS WEP 306C-NATIVE AMERICAN-WASTE ONLY grant. In 2025, RD awarded approximately $4.7 million in grant funds in New Mexico that will be used to extend the existing sanitary sewer systems of the Villages of Seama and Paguate and replace the existing sewer lines in the Villages of Laguna, Old Laguna and Mesita Village. The Pueblo of Laguna has been experiencing significant issues with their wastewater and sewer system. Aging wastewater facilities at the Pueblo of Laguna present severe health, sanitation, and security risks to community members. This improvement project will address the deficiencies in the sanitary sewer systems for the Villages of Laguna, Old Laguna, Mesita, Paguate, and Seama and provide the Pueblo with necessary upgrades to accommodate growth.

WEP's Rural Decentralized Water Systems program awards grants to both nation-wide and local nonprofit organizations that then provide loans and sub-grants to individual homeowners. On the larger scale, a $2,000,000 grant is enabling the Water Well Trust Inc. to increase potable water availability and safe wastewater systems to low-income households in eligible high-need rural counties across America.

More local in scale, a grant of just over $108,000 will enable The Foundation for Healthy Communities of Northeastern Utah to establish a revolving loan fund for eligible individual homeowners primarily in three counties (Daggett, Duchesne, and Uintah), to address failed wastewater systems. One of the most searched programs on the Agency's website, DWS grants are one of the few programs that support decentralized solutions in rural America. Due to geography or other barriers, it is not always possible to tie into a centralized system. This program builds upon the US Environmental Protection Agency and USDA initiative titled, Closing America's Wastewater Access Gap, which has shown significant success.

Rural Electrification and Telecommunications Loan Programs

In 2025, the Electric and Telecommunications loan and grant programs combined provided just over $25.0 billion in program level that supports 436 projects, the breakout of the Electric programs as compared to the Telecommunications programs are outlined below.

Electric Programs

Current Activities

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.

In 2025, the Electric Program obligated just under $8.2 billion in Direct Loans, $900 million in Guaranteed Loans, $10 million in the Rural Energy Savings Program, and $15.1 billion in IRA funding across the New ERA and PACE programs. The $24.3 billion from the Electric program was invested across 39 states and a US Territory. Of the total funding, approximately $2.7 billion went to counties with persistent poverty for 28 borrowers across 32 projects. This is a significant increase in persistent poverties counties as compared to the 2024 investment, $628 million.

Table RUS-83. 2025 Financial and Performance Data for RET Programs (thousands of dollars):

Program	Total Obligations (in Millions)	Total Number Loans or Grants
Direct Electric Loans.....	$ 2,707.6	23
Treasury Rate Electric Loans.....	5,537.5	82
Guaranteed Electric Underwriting Loans for Bonds and Notes	900.0	2
Rural Energy Savings Program – No Year.....	10.0	1
IRA New ERA Loans.....	8,603.0	41
IRA New ERA Grants	5,614.9	57
IRA PACE Direct Electric Loans	890.9	47
Total.....	24,264.0	253

Direct and Guaranteed Loans

Current Activities

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.

USDA's Electric Loan Program helps finance new generation from all sources, including natural gas, improvements to coal facilities, as well as wind and solar. Local utilities also use the loans to invest in infrastructure to deliver affordable power to millions of residential, commercial, and agricultural consumers.

Selected Examples of Recent Progress

RD invested $9.1 billion in loans to 107 projects in 30 through the Electric Infrastructure Loan and Loan Guarantee program to help rural utility providers and electric cooperatives build and improve electric infrastructure, including smart-grid technologies. Smart grid technology can be a catalyst for broadband and other telecommunication services in underserved and rural areas. Smart gird technologies help companies and corporations modernize and expand the rural electric grid and increase grid security. Strengthening Americas electric grid is vital to the long-term health of rural America. The projects will ensure more than two million people in rural areas have access to reliable electricity, increasing their opportunities for economic growth and enhancing their overall quality of life. Below are examples of how this funding is being utilized:

- In the direct loan portfolio funding was used to finance projects such as transmission system improvements and connect consumers as well as build and improve line. In 2025, the program saw a $292 million increase in obligations in the regular program and an almost $45

million increase in the persistent poverty funding. An investment in North Dakota will be used to finance transmission system improvements, headquarters facility, improvements for the replacement of a UPS battery system, and low impact internal network security monitoring. Basin is an electric generation and transmission cooperative headquartered in Bismarck, serving member electric service needs in a nine-state region that includes North Dakota, South Dakota, Montana, Wyoming, New Mexico, Colorado, Nebraska, Minnesota and Iowa serving a total of 140 members. In Minnesota, the direct loan will be used to connect 347 consumers and build and improve 35 miles of line. This loan includes $1,116,000 in smart grid technologies. People's Cooperative Services is headquartered in Oronoco, Minnesota, and provides service to 23,700 consumers over 2,906 miles of line in six counties in southeast Minnesota.

- The $900 million for the Guaranteed Loan program is split between two applicants. One of these guaranteed loans provides financing to not-for-profit financial institutions which lend money to electric and telecommunications utilities. These resources partially capitalize the financial institution to facilitate more lending for rural utility infrastructure. Rural citizens are the ultimate beneficiaries of this activity. Without these funds, borrowing costs for rural utilities will be higher, investment in energy dampened, and consumer costs higher. A second guaranteed loan will finance rural electric and telecommunications projects nationwide. The borrower, CFC is a member owned, nonprofit cooperative organized to supplement the loan programs for electric cooperatives offered by RUS. CFC makes loans to rural electric members to acquire, construct, and operate electric distribution, generation, transmission and related facilities, and finances rural telecommunications members and their affiliates.

The Rural Energy Savings Program (RESP)

RESP provides loans to entities that agree to make affordable loans to help consumers implement cost-effective, energy efficiency measures. RESP will help lower energy bills for rural families and businesses and will reduce barriers to investment in energy efficiency projects or activities. In 2025, the agency made one award in New York for $10 million that will finance a relending program where the Borrower provides energy efficiency loans to qualified consumers to implement durable cost-effective energy efficiency measures.

Inflation Reduction Act Programs

Current Activities

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 2025 the agency obligated $890.9 million through 47 loans for the PACE program and just over $5.6 billion through 98 loans and grants for New ERA program. Both programs experienced an increase in obligations. The PACE program saw over $280 million increase in obligations while the New ERA program experienced a more than $12 billion increase in obligations in 2025. In 2026 and 2027, New Era funds will be used in round 2 of investing in projects that increase energy capacity. Such investments include, but are not limited to, reconductoring and new generation capacity.

Selected Examples of Recent Progress

New ERA Loans and Grants

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.

- RD awarded an estimated $740 million loan to refinance two stranded assets, a coal-fired electric generation with a 535 megawatt (MW) nameplate capacity and a net capacity of 438 megawatt (MW) located in Moffat County, Colorado that started commercial operation in

1984, and one unit of a four-unit, 1,578 megawatt (MW) coal-fired electric generating facility, located in east-central Arizona, operated by Tucson Electric Power. This unit has a 458 megawatt (MW) nameplate capacity with a 419 net capacity unit that started commercial operation in 2006. Tri-State is headquartered in Westminster, Colorado and serves over 1,000,000 consumers in Colorado, Nebraska, New Mexico, and Wyoming.

- An estimated $715 million loan will be used to finance the construction of eight substations and six transmission lines and the modification of five transmission lines throughout Georgia. Georgia Transmission Corp is headquartered in Tucker, Georgia and serves 38 member cooperatives.
- RD awarded a $200 million grant to finance three 25-year Power Purchase Agreement (PPAs) located in Butler, Burt, and Custer Counties, Nebraska. These projects will generate 725 megawatt hours (MWh) of new energy. Nebraska Electric Generation and Transmission Cooperative is headquartered in Columbus, Nebraska and serves 150,000 consumers.

Powering Affordable Clean Energy (PACE)

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. This funding went towards projects across 23 states with the agency obligating over $100 million in both Arizona and Colorado. A few of the projects in this portfolio are as follows:

In the northwest, a $94 million PACE loan will be used to finance the construction of a non-disruptive utility-scale ground mount photovoltaic system with a nameplate capacity of 49 megawatt (MW) and transmission line upgrades. The projects will be constructed on the Tribal Lands of the Yakama Nation. Yakama Power is headquartered on the Yuma Reservation, adjacent to the city of Toppenish, Washington. The Tribal utility service area lies within the external boundaries of the Yakama Reservation which occupies portions of Yakima, Klickitat, and Lewis counties in south-central Washington State.

RD invested just over $38 million in Kentucky that will be used to finance the construction of a new 3.0 megawatt (MW) run-of-river hydroelectric plant at Lock and Dam 9 on the Kentucky River, in Jessamine County.

High Energy Cost Grants

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 (HECG) to rural communities with extremely high energy costs to acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities. In 2025, HECG obligated just over $20.6 million supporting ten grants in Alaska.

These grants will be used for a variety of projects, including a $3 million grant to fund the replacement of the failing electric distribution system with construction which meets USDA Rural Utilities Service and National Electric Safety Code construction standards in the Village of Kipnuk, Alaska. In another project, a $800,000 grant will be used to fund part of the costs to complete the conduit distribution line from the diesel generating station to the airport. The existing conduit was built in 1988.

Telecommunications Program

Inter-Agency Coordination

To maximize the use of limited federal dollars, the Telecommunications Program coordinates with other broadband funding agencies to ensure that funding efforts are not duplicative – meeting bi-monthly with the FCC, NTIA, and the Department of Treasury. All approved projects are uploaded to the National Broadband Funding Map. This continued coordination and transparency helps agencies to ensure that new funding is directed to areas most in

need; those areas both lacking sufficient access to broadband service and where no federal funding has been previously awarded.

IT Development, Enhancement, and Modernization

In addition to facilitating loan and grant programs, RUS Telecom Program staff have continued to lead the IT development and automation efforts to streamline and modernize operations across the grant/loan lifecycle. Beginning with the introduction of the ReConnect Program in 2018, the Telecom Program developed the RUS Program Services (RPS) Platform. The new system created a single, scalable, and easily maintainable platform for application Intake. Since 2018, the Program has worked to develop, modernize, and enhance the system, improving upon its configurability, flexibility, scalability, security, and efficiency. Today, RUS has developed five modules within the RPS system for each phase of the loan and grant lifecycle: Application Intake, Mapping and Public Notify, Review and Award, Advancing Award Funds, and Reporting and Compliance.

All Telecommunications programs leverage the RPS platform to streamline their operations across the grant/loan lifecycle. Additionally, several Electric Programs are currently in the process of moving to RPS systems. Through upgrades to the IT system, RD has successfully retired or is on the way to retiring seven different legacy systems that handled various parts of the loan/grant lifecycle for various programs. The IT platform includes robust security features, ensuring that sensitive applicant data is protected in compliance with federal regulations and industry best practices. The efficiency of the system reduces administrative burdens and accelerates the processing of applications, leading to faster disbursement of funds and improved service delivery.

Table RUS-84. 2025 Financial and Performance Data for All Other Distance Learning, Telemedicine and Broadband Programs (thousands of dollars):

Program	Total Obligations (in Millions)	Total Number Loans or Grants
Distance Learning and Telemedicine (DLT) Grants	$52.4	81
DLT Community Project Grants	8.7	14
Broadband ReConnect Community Project Funding	21.2	15
Broadband Telecommunications Grants	18.9	6
Broadband Telecommunication Loans and Grants	520	67
Total.....	**621.2**	**183**

Telecommunications Infrastructure

Current Activities

The Telecommunications Infrastructure Loan and Loan Guarantees Program provides financing for the construction, maintenance, improvement and expansion of telephone service and broadband in rural areas. Funding is used to finance broadband capable telecommunications service through improvements, expansions, construction and in some cases acquisitions and refinancing. Funding is available through Cost-of-Money Loans, Loan Guarantees of up to 80 percent and Hardship Loans. By helping private and non-profit providers secure the necessary financing, this program helps maintain a seamless nationwide telecommunications network that also provides access to broadband for education, healthcare, public safety and jobs for all Americans regardless of where they live.

Selected Examples of Recent Progress

In 2025, Infrastructure Loan funding accounted for $121.8 million in obligations across seven states that will benefit 40,239 people. For example, in Missouri, a combined $43 million in loans will be invested in two projects to deploy fiber-to-the-premises networks to provide high-speed internet. In Howell, Oregon, and Shannon counties, a $4.9 million investment will benefit 1,469 people, 26 businesses and 159 farms; and in Caldwell, Carroll, Johnson, Lafayette, Linn, Livingston and Ray counties, a $38.1 million investment will benefit 9,397 people, 316 businesses, 949 farms and 15 educational facilities.

In 2025 in Pennsylvania, an $18.9 million investment will be used to deploy a fiber-to-the-premises network to provide high-speed internet. This network will benefit 8,994 people, 233 businesses, 168 farms and 32 educational facilities in Centre, Huntington, Juniata, Mifflin, Snyder and Northumberland counties.

Distance Learning and Telemedicine (DLT) Program

Current Activities

The DLT program helps rural communities 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.

DLT grant funds can be used to purchase or support:

- Audio, video, and interactive video equipment
- Broadband facilities used for distance learning or telemedicine (up to a certain percentage)
- Computer hardware, network components, and software
- Instructional programming
- Limited technical assistance and instruction on how to use distance learning and telemedicine equipment

In 2025, RUS obligated $61.1 million for 95 projects through the traditional DLT grant program and the DLT Community Projects Grants. The program obligated just over one third of their funds, 35.5 percent, in counties with persistent poverty.

Of the $52.4 million obligated via the traditional DLT grant program in 2025, 18 projects are designated substance use disorder projects, dedicating nearly $12 million of traditional grant funding to the opioid pandemic.

Selected Examples of Recent Progress

The agency awarded a grant of just over $800,000 in Pennsylvania to equip one hub site and 35 end-user sites across Blair, Centre, Clarion, Clearfield, Elk, Huntingdon, Jefferson and Mifflin counties in Pennsylvania with state-of-the-art distance learning equipment, including laptops and Webex-equipped conference rooms. Instructors from Cen-Clear Child Services Inc. in Clearfield County will leverage this technology to deliver impactful instructional content covering essential topics such as mental health, substance use disorder and preschool education benefiting 11,638 rural residents.

In Michigan, a Telemedicine grant just under $826,000 was awarded to equip 11 hub sites and 12 end-user sites throughout Sanilac County in eastern Michigan with telemedicine equipment for patient care and video conferencing equipment for clinician education and training. Medical professionals at McKenzie Memorial Hospital and its affiliated health clinics will deliver services including cardiology, orthopedics, general surgery, gastrointestinal care, pulmonology, behavioral health, wound care,

nutrition, critical care and primary medical services across the 12 end-user locations benefiting 2,724 rural residents. The project network includes a main hospital (McKenzie Memorial Hospital), ten community clinics providing specialized care and the Sanilac County Jail.

A DLT Substance Use Disorder grant in Kansas will be used to equip eleven hub/end-user sites throughout Allen, Neosho, Bourbon, Anderson, Linn and Woodson counties in the southeast part of the state with telemedicine technology. Medical professionals at Southeast Kansas Mental Health Center in Allen, Neosho, Bourbon, Anderson, Linn and Woodson counties will deliver mental health care, including substance and opioid use disorder treatment, Medication Assisted Treatment, suicide prevention services, crisis care and case management services to eleven locations benefiting 52,836 individuals.

In Georgia, a DLT grant of approximately $980,000 will be used to equip two hub/end-user sites in Seminole County with modern distance-learning technology, giving students new access to courses in computer science, agricultural education, and dual-credit programs. The project will strengthen learning opportunities and expand college and career-ready pathways for 1,350 students.

In Congressionally Directed Spending, the agency obligated projects in 11 states. Projects address health and education. In Arkansas, a $1 million grant will be used to equip one hub site, three hub/end-user sites and 18 end-user sites throughout 26 counties in predominantly South and East Arkansas with portable telemedicine and distance learning equipment. Medical professionals at Jefferson Regional, Mainline Health Systems and Mid-Delta Health Systems will deliver behavioral health services, including mental health and substance use disorder treatment, to 21 locations benefiting approximately 86,843 individuals. Whie a $300,000 grant project in Colorado will be used to equip five hub/end-user sites located in Fremont, Teller, Custer and Chaffe counties in South-Central Colorado with interactive virtual learning labs and with virtual reality equipment. Instructors at CSU Extension--Fremont County, CSU Extension--Teller County, Cripple Creek-Victor Jr. Sr. High School and CSU Extension Mtn. Region office will provide virtual reality programming for distance education in STEM-based competencies including engineering, innovative agricultural technology and architectural design to 12 end-user sites to promote healthy outcomes, workforce readiness and positive youth development. This distance learning project is expected to benefit approximately 3,216 students.