

June 6, 2025

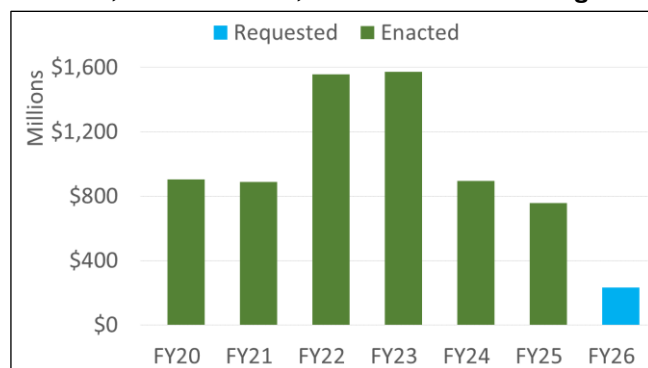
# USDA Rural Development Program Appropriations: FY2026 President's Budget Request

U.S. Department of Agriculture (USDA) Rural Development administers grant, loan, loan guarantee, and technical assistance programs that support rural communities. Many of these programs were authorized or reauthorized in the rural development title of the most recent farm bill (P.L. 115-334). That title includes USDA [community facilities](#), [rural business](#), and [rural utilities](#) programs and excludes rural housing and energy programs. Congress typically provides discretionary funding for these programs through annual appropriations acts. This In Focus addresses the President's FY2026 appropriations request for these programs.

## Budget Authority

For FY2026, the President requested \$232 million in budget authority for USDA community facilities, rural business, and rural utilities programs (**Figure 1**), excluding administrative expenses and salaries. The President requested funding for rural utilities programs and not for community facilities or rural business programs. Budget authority includes funding for grants and loan subsidies to support loan and loan guarantee programs. The request was \$524 million (69%) less than the \$756 million provided in the FY2025 continuing resolution (P.L. 119-4) and \$661 million (74%) less than the \$893 million provided in the FY2024 Annual Appropriations Act (P.L. 118-42).

**Figure 1. Budget Authority for USDA Community Facilities, Rural Business, and Rural Utilities Programs**



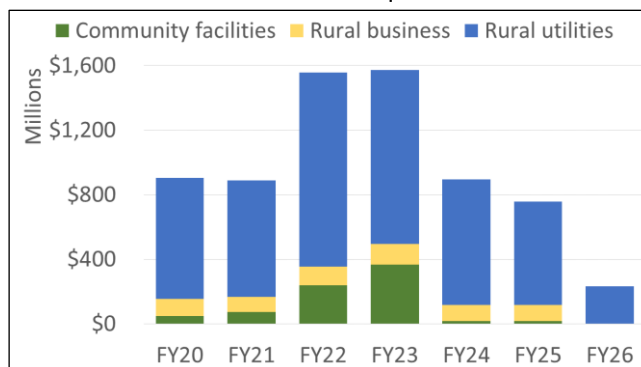
**Source:** Compiled by CRS from explanatory statements for FY2020-FY2025 Annual Appropriations Acts and 2026 USDA congressional justification reports for the Rural Utilities Service, Rural Business-Cooperative Service, and Rural Housing Service.

**Note:** Budget authority includes grants and loan subsidies but does not include salaries and administrative expenses.

**Figure 2** provides a comparison of prior appropriations and the President's FY2026 request by USDA program area: community facilities, rural business, and rural utilities programs.

**Figure 2. Budget Authority for USDA Community Facilities, Rural Business, and Rural Utilities Programs by Program Area**

FY2020-FY2025 enacted, FY2026 requested



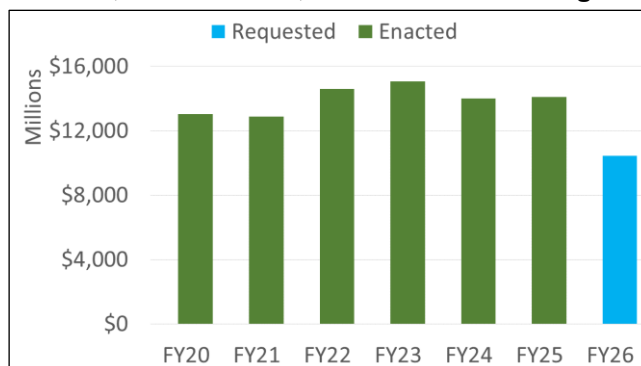
**Source:** Compiled by CRS from explanatory statements for FY2020-FY2025 Annual Appropriations Acts and 2026 USDA congressional justification reports for the Rural Utilities Service, Rural Business-Cooperative Service, and Rural Housing Service.

**Note:** Budget authority includes grants and loan subsidies but does not include salaries and administrative expenses.

## Loan Authority

For FY2026, the President requested \$10.429 billion in loan authority for USDA community facilities, rural business, and rural utilities programs (**Figure 3**). Loan authority is the principal amount of loans or loan guarantees USDA is authorized to issue through its programs. Loan subsidies were not needed to support the loan authority. The request was \$3.581 billion (26%) less than the \$14.01 billion authorized in FY2025 and FY2024.

**Figure 3. Loan Authority for USDA Community Facilities, Rural Business, and Rural Utilities Programs**



**Source:** Compiled by CRS from explanatory statements for FY2020-FY2025 Annual Appropriations Acts and 2026 USDA congressional justification reports for the Rural Utilities Service, Rural Business-Cooperative Service, and Rural Housing Service.

**Note:** Loan authority includes the amount USDA is authorized to issue in direct loans and loan guarantees through its programs.

## Program Areas

### Community Facilities Programs

The President requested loan authority of \$1.9 billion for community facilities program direct loans and loan guarantees that are [self-funding](#). The request was \$1.55 billion (45%) less in loan authority than was provided in FY2025 and FY2024.

The President did not request funding for community facilities grants or loan subsidies for FY2026. [The request stated](#) that direct loans issued through the program could replace grant funding. Congress appropriated \$18 million for community facilities grants in FY2024 and FY2025.

### Rural Business Programs

The President requested loan authority of \$50 million for one rural business program, the Rural Economic Loan and Grant Program. This program is funded through fees collected from the USDA Electric Infrastructure Program.

The President did not request any funding for grants or loan subsidies for USDA rural business programs for FY2026. [The request stated](#) that many of the USDA rural business programs were duplicative of other federal agencies' business development programs.

### Rural Utilities Programs

The President requested \$232 million for USDA rural utilities programs for FY2026. The request was \$405 million (64%) less than FY2025 funding levels and \$543 million (70%) less than FY2024 funding levels. In addition, the President requested \$8.479 billion in loan authority for USDA rural utilities direct loans and loan guarantees. The request was \$401 million (5%) less than the loan authority authorized in FY2025 and FY2024.

[The request](#) would increase loan authority for Water and Waste Disposal Program direct loans and Electric Infrastructure Program direct loans as compared to FY2025. The request also includes loan authority for Telecommunications Infrastructure Program direct loans (decreased from the FY2025 level) and Water and Waste Disposal Program loan guarantees (the same as the FY2025 level). In addition, the request includes funding for grants for certain programs, such as the Circuit Rider Program, Water and Waste Disposal Program, and Distance Learning and Telemedicine Program. The grant funding request is at lower levels than FY2025.

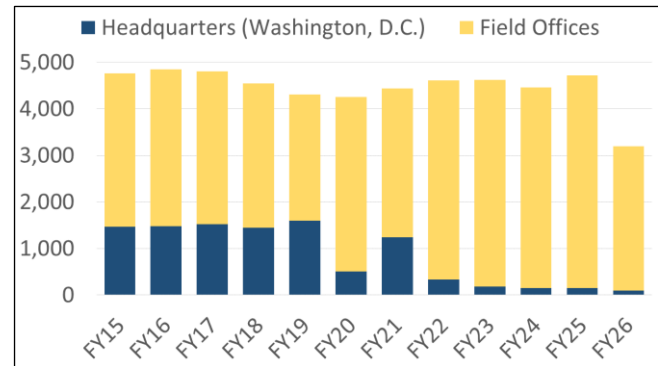
[The request](#) reduces the amount of funding for grants or loan subsidies for rural broadband programs. The request stated that funding for certain rural broadband programs "can be provided by other Federal agencies." Examples of rural broadband programs without requested funding include the ReConnect Program and Community Connect Program. Similarly, the request reduces funding for water and waste disposal programs that issue grants. Examples of such programs without requested funding include the Water

and Waste Disposal Technical Assistance Grant Program and Emergency Community Assistance Program.

## Rural Development Staff Levels

Separate from the loan and grant amounts discussed above, the President's request addresses staff levels. The President's FY2026 request proposed 3,201 full-time equivalent employees (FTEs) to administer USDA Rural Development programs (**Figure 4**). The request includes 100 FTEs based in Washington, DC, and 3,101 FTEs based in field offices. This is a proposed decrease of 1,503 FTEs (32%) compared with FY2025 levels of 4,704 FTEs.

**Figure 4. USDA-Reported Full-Time Equivalent Employees (FTEs), FY2015-FY2025 Enacted, FY2026 Requested**



**Source:** Compiled by CRS from explanatory statements for FY2020-FY2025 Annual Appropriations Acts and 2026 USDA congressional justification reports for the Rural Utilities Service, Rural Business-Cooperative Service, and Rural Housing Service.

**Notes:** FY2015-FY2023 are actual FTEs. FY2024 and FY2025 are estimated FTEs. FY2026 is requested FTEs.

## Selected Funding and Policy Issues

During the FY2026 appropriations debate, a range of funding and policy issues may be of interest to Congress. For example, the President's request would reduce appropriations on USDA Rural Development programs by \$523 million. Congress could consider how that funding could be reallocated to address other rural development issues or other budget priorities.

Congress may hold hearings to determine whether any of the USDA community facilities, rural business, or rural utilities programs are duplicative of programs administered by other federal agencies. Congress may also request information from rural stakeholders and USDA Rural Development about the potential impacts, if any, of not funding or reducing the funding for USDA Rural Development programs.

In addition, Congress may consider requesting information from rural stakeholders and USDA Rural Development on potential impacts, if any, of reducing staff who administer the programs.

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