

Congress of the United States

Washington, DC 20515

November 26, 2024

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G St., NW
Washington, D.C. 20548

Dear Comptroller General Dodaro,

We write to ask the Government Accountability Office (GAO) to study the extent to which the U.S. Department of Agriculture's (USDA) Rural Development (RD) office has sufficient funding and staffing levels to implement its programs in rural communities.

Rural America is home to about 14% of the U.S. population and covers 97% of the country's landmass. Rural areas face a variety of challenges, including natural disasters caused by a changing climate, economic pressures, and housing insecurity.¹

USDA RD connects business owners to new markets; helps modernize infrastructure and community facilities; and provides resources for both renters and homeowners. Through more than 70 programs, RD delivers over \$40 billion a year in loans, loan guarantees, and grants to rural communities, and manages a \$200 billion loan portfolio. These programs create a crucial lifeline to rural communities by guaranteeing access to capital, and supporting community efforts related to disaster preparedness, resiliency, and recovery.

However, it is our understanding that there are two key issues that impede RD's ability to carry out its mission:

1. Insufficient funding from Congress; and
2. USDA's internal processes that inhibit RD from hiring at scale.

First, low funding levels have made it difficult for RD to fully implement its programs. In recent funding cycles, key RD programs—such as the office's Community Facilities Direct Loan and Grant Program, Water and Waste Disposal Loan & Grant Program, and Rural Business Development Grant Program—saw funding reductions.² When RD program funding levels do not keep pace with demand, rural communities cannot fully benefit from RD offerings.

¹ Davis, J.C., Cromartie, J., Farrigan, T., Genetin, B., Sanders, A., & Winikoff, J.B. (2023). *Rural America at a glance: 2023 edition* (Report No. EIB-261). U.S. Department of Agriculture, Economic Research Service. <https://doi.org/10.32747/2023.8134362.ers>

² Senate Committee on Appropriations, Division — Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2024 Congressional Directives, 118th Cong. (2024) (S. Rept. 118-44). Senate Committee on Appropriations, Division A — Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2023 Congressional Directives, 117th Cong. (2022)

Second, RD faces significant staffing challenges. USDA notes that while RD's portfolio has expanded by 85% in the last decade, its staffing levels decreased by 30%.³ The regional RD office serving Vermont and New Hampshire has the lowest staffing rate among all regional offices, operating at just 61% capacity. This staffing shortage has limited RD's ability to provide loans and grants promptly. For example, the RD office's business team has only four staff members—when it should have nine—to implement vital programs like the Rural Energy for America Program, which is experiencing a backlog of almost a year.

Insufficient RD funding and staff threaten the ability of rural communities to advance economic development efforts and build resiliency, which is needed now more than ever as states face more frequent and severe natural disasters.

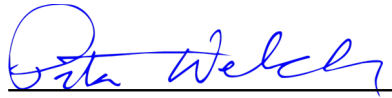
Given the importance of providing sufficient support and resources to America's rural areas, we ask GAO to evaluate the extent to which RD has sufficient funding and staffing resources to effectively implement and oversee its programs for rural communities. Specifically, we ask GAO to analyze the following questions:

1. Does RD have sufficient resources, including funding and staffing at both headquarters and state offices, to effectively deliver its programs for rural communities? How has this changed over time? How has funding for RD compared to USDA's funding and staffing for other USDA offices?
2. Earlier this year, Undersecretary Dr. Basil Gooden authorized state offices to hire at the Full-Time Equivalency (FTE) rate and has allowed for hiring incentives to be offered to attract candidates to RD regional offices like Vermont and New Hampshire.
 - a. What additional efforts is RD planning to take to recruit and retain staff in both headquarters and state offices?
 - b. What challenges has RD faced recruiting and retaining staff?
 - c. What effect did the centralization of administrative services to USDA's national headquarters during the last administration have on the ability of regional offices to hire staff?
3. Given recent budgetary and staffing changes, how is RD monitoring the performance of its key loan and grant programs? To what extent are these programs meeting the agency's strategic objectives and performance goals? What is the typical timeline between application, RD approval, and the release of funds across all RD programs?

We appreciate your attention to this issue and look forward to your response to our request.

Sincerely,

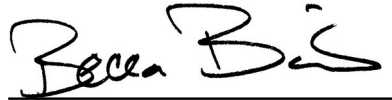
³ Department of Agriculture, 2025 USDA Explanatory Notes-Rural Development Salaries and Expenses (online at <https://www.usda.gov/sites/default/files/documents/30-RD-2025-ExNotes.pdf>).



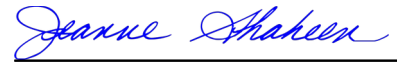
Peter Welch
United States Senator



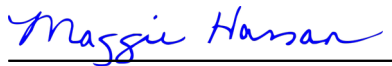
Chris Pappas
Member of Congress



Becca Balint
Member of Congress



Jeanne Shaheen
United States Senator



Margaret Wood Hassan
United States Senator



Bernard Sanders
United States Senator