

Introduction:

On April 30, the National Rural Housing Coalition released a survey on the USDA Rural Development field structure to its members and asked other rural development organizations (NRWA (National Rural Water Association), HAC (Housing Assistance Council), RCAP (Rural Community Assistance Partnership), NCBA (National Cooperative Business Association), FCC (Farm Credit Council), and CFRA (Center for Rural Affairs) to distribute the survey. The purpose of the survey was to assess the capacity of the field structure, in terms of personnel and their responsibilities, the number of offices, and the ability of those offices to administer USDA Rural Development programs effectively. NRWA conducted a similar survey. Between NRHC and NRWA, we received more than 130 survey responses from 27 states.

The survey results are mixed, especially regarding information on office closings. Below is anecdotal evidence on the impact on several states.

Key findings:

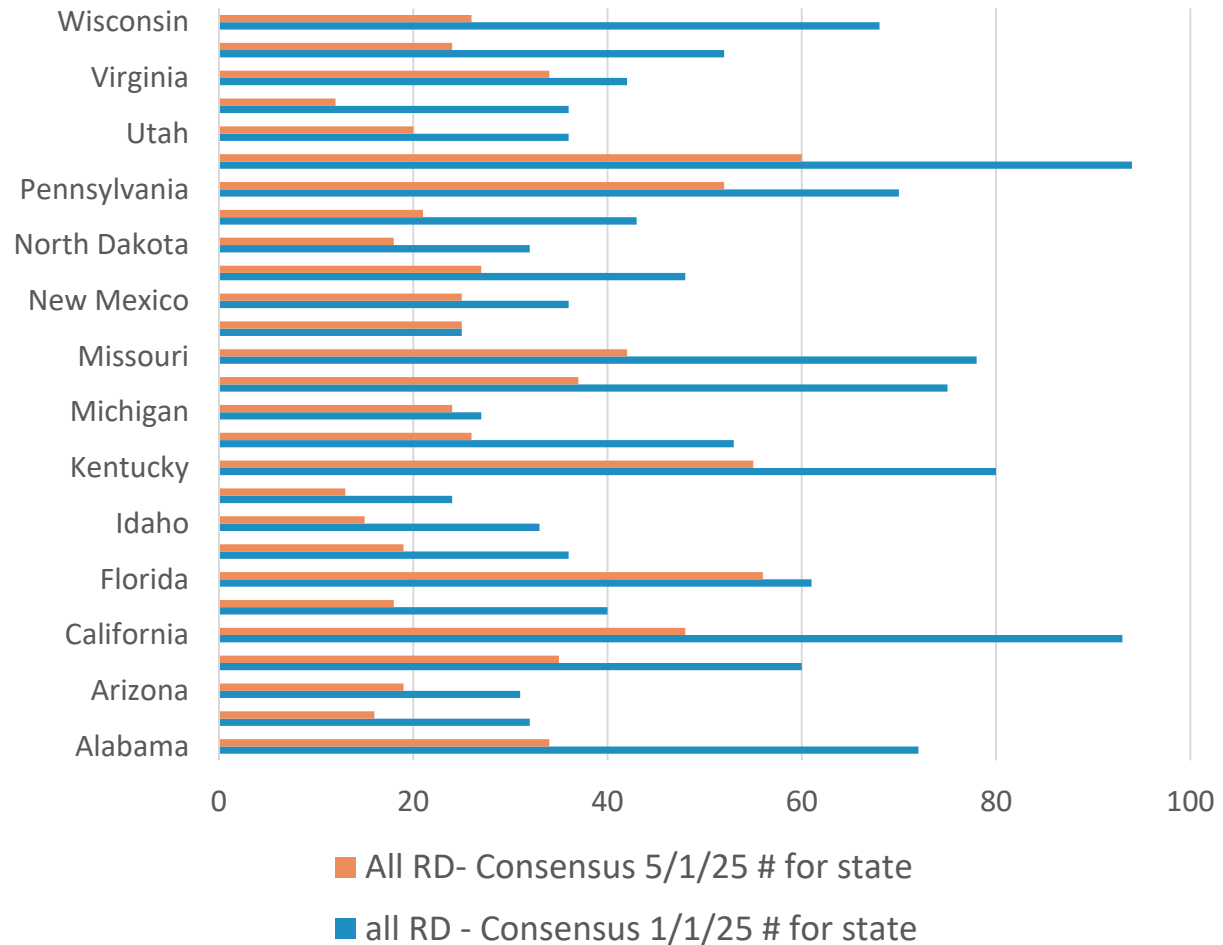
Based on the reports we received, the average state reduction in Rural Development staff is 41%, with a median of 46%.

Based on the data we received and analyzed, the Rural Development Housing Staff in the states was reduced by more than 40% on average.

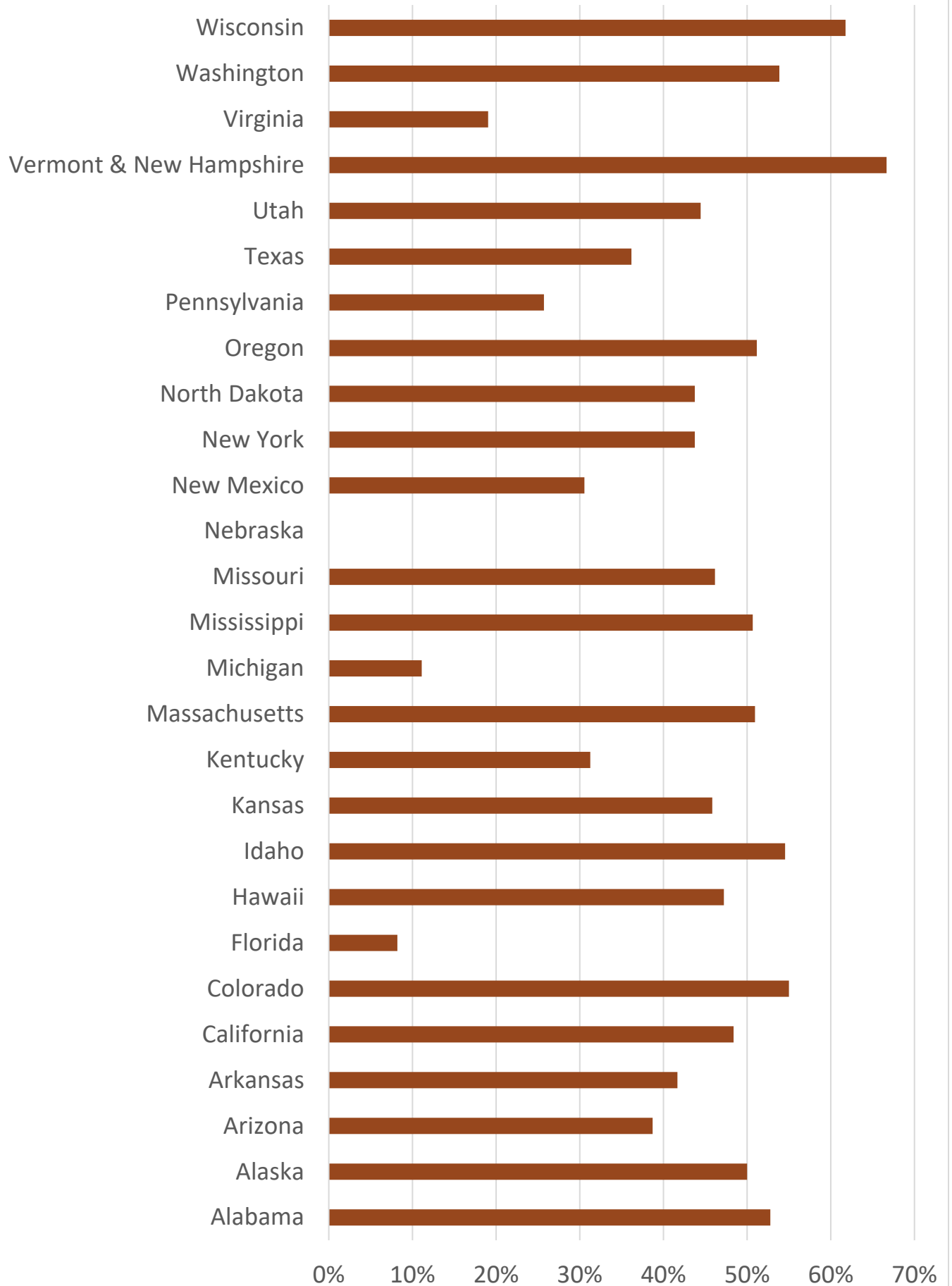
Impacts identified by respondents:

- Simply reducing the number of staff does not create efficiencies; it creates backlogs. Systems have to be thoughtfully refined to create efficiencies.
- Section 502 loan processing times have slowed significantly because of staff reductions.
- Area offices are not necessarily closing in some states, but they have almost no RD employees to staff them.
- As RD is being reduced, the local offices are no longer available to our program participants or the agency. Distance is increasingly becoming a barrier for low and very low-income families.
- The most concerning aspect of the staffing cuts is the loss of long-time staff who understand programs and/or have wide networks of relationships inside and outside of the agency. This loss will result in degraded services and impaired program functioning. Additionally, the high workload on remaining staff will slow down services and have other negative impacts on programs and their beneficiaries.

Estimated Reductions in Rural Development Staff by State between January and May 2025



% estimated reduction for Rural Development Employees



Comments related to specific states:

- **Montana:**
The vast majority of Montana is made up of rural communities that the USDA RD program cuts will negatively impact. The closure of local and area offices results in an effective total shutdown of USDA services, as vast areas of the state are a 7-hour drive or more from the state office. USDA RD cuts in Montana will disproportionately affect the rural communities that are already struggling.
- **Kansas:**
The reduction in USDA RD staffing throughout the State of Kansas has been, and will continue to be, crippling for our rural communities. Our organization works with approximately 40 communities seeking funding through the RUS program to improve their dilapidated water and wastewater utilities. These failing utilities risk the health and safety of system users, and without the support of federal programs such as USDA RD. Without adequate staffing and funding allocations at the federal level, infrastructure will continue to deteriorate throughout Kansas, and a utility's ability to rehab its system on its own is simply inconceivable.
- **Texas:**
We have not received updated information regarding the potential closure of the USDA Rural Development Area Office serving the Rio Grande Valley. However, this uncertainty alone is already creating disruptions. The Rio Grande Valley relies on a single Area Office for vital services, and any closure or reduction in staff would significantly hinder essential functions, particularly loan processing, technical assistance, and access to timely information for both organizations and rural residents.

One of the most pressing concerns is the administration of the USDA Section 523 Mutual Self-Help Housing Program, which operates on a reimbursement basis. Reductions in staffing would directly delay reimbursements, creating serious cash flow challenges for our organization. These delays can undermine our ability to continue providing services and jeopardize the stability of projects that rural families depend on to achieve homeownership. Additionally, the loss of local staff erodes the institutional knowledge and relationships crucial in navigating the complexities of rural housing development. Without this support, service delivery is slowed and chills future participation in federal housing programs among community partners and families already wary of government processes. Ultimately, this risks stalling progress on affordable housing efforts and exacerbating significant housing challenges in our rural and colonia communities.

Details on statements on office closures:

- In **Alabama**, the Camden office staff has been reduced to only one staff member covering Perry County and eight other counties. Others reported an office closure in April, during which four employees were laid off, with one remaining in the office; however, they did not specify which office was closed.
- **California** respondents commented that there are anticipated office closings in Auburn, Salinas, Yreka, Bakersfield, Merced, and two other unknown offices. Another California respondent reported that the Indio and Moreno Valley Service Centers had recently closed. Another California respondent stated they have been told California has no office closures.
- **Colorado** respondent indicated that two offices had closed – Cortez and Craig.
- **Delaware**, the respondent reported that all area offices are closed in Delaware.
- **In Florida, someone reported that their program's** representative is in Tennessee.
- **Kansas**, area offices are not necessarily closed or stated for closure – they have no staff remaining to work the area
- **Massachusetts** reports that the Hadley and Amherst (state offices) are slated to close.
- **In Mississippi**, the Hattiesburg office is reportedly closed.
- Respondents in **New York** indicated that the Canton office was either closed or had cut staffing; the Batavia office may be closed or closing; the Cortland office had been understaffed before the newest cuts.
- **In North Carolina, respondents said that Service Centers are still open but operating with less than 75% of staff remaining.**
- **In Ohio**, reports said offices remain open but have a skeleton crew.
- **Texas**, Bryan, Canton, Fort Stockton, and Fredericksburg are reported to be closed, while the Lower Rio Grande Valley is uncertain.
- **In Washington**, one report stated that there was a consolidation from 6 to 4 regions. While one stated that the Yaima and Olympia local offices had closed. Another said that the Olympia office is open with no staff; the Yakima has no single-family housing staff and only one program person; the Spokane office has two people; the Wenatchee office has 3, and the Mt. Vernon office has five staff
- **The Martinsburg office in West Virginia** has closed.
- **Wisconsin**, the Stevens Point office (formerly the State Office) has one incumbent.