

THE RURAL REPORT |

OCT 13
2026

Updates on Federal Action and Funding Opportunities
Supporting Development in Rural Communities

SNAP Cost Share Expansion Leaves States with \$469 Million Funding Gap

States are facing an estimated \$469 million shortfall in funding new administrative costs for the Supplemental Nutrition Assistance Program (SNAP). The July 2025 reconciliation law increased states' share of SNAP administrative costs from 50% to 75%, a change the USDA estimates will cost states an additional \$1.61 billion annually. However, states have enacted only \$1.14 billion in additional funding, leaving a substantial gap that could force difficult budget decisions, including cuts to other services or changes to program administration. As a result, States may be forced to raise taxes, redirect resources, or discontinue their SNAP programs.

The funding gap is only the first phase of a broader shift in SNAP costs to states. Beginning in fiscal year 2028, states with high payment error rates will also be required to cover a portion of SNAP benefit costs for the first time. In anticipation, states are already revising program operations to reduce administrative errors and limit potential financial exposure. These changes are raising concerns about access to benefits for eligible households, as additional administrative hurdles may contribute to declining participation. Congressional debate over delaying the fiscal year 2028 penalties is likely to keep SNAP funding, state budget pressures, and program accessibility on the federal policy agenda.

Potential Leadership Changes for House and Senate Agriculture Committees

Leadership of the House and Senate Agriculture Committees in the next Congress will depend on the November midterm results, which will determine party control of each chamber and the committee gavels, and term limits for committee leadership.

In the House, Reps. Jim Costa (D-CA-21) and Shontel Brown (D-OH-11) are competing to succeed outgoing Ranking Member Angie Craig (D-MN-02). On the Republican side, Rep. Austin Scott (R-GA-08) is seeking to replace Chairman Glenn "GT" Thompson (R-PA-15), who has requested a waiver to remain in the role beyond the House GOP's six-year term limit. Former chair Rep. Frank Lucas (R-OK-03) has also left open the possibility of another run.

In the Senate, Chair John Boozman (R-AR) and Ranking Member Amy Klobuchar (D-MN) are awaiting election results to see if their respective roles will remain or flip.

Funding Opportunities

[Affordable Rural Cooperative \(ARC\) Program](#)

U.S. Department of Agriculture

USDA Rural Development provides loans and grants to electric cooperatives for nuclear energy and transmission efficiency projects serving rural areas. The program strengthens the resiliency, reliability, and affordability of rural electric systems. ***Application Deadline: Letters of Interest must be submitted beginning at 11:59 a.m. ET on October 19, 2026, until 11:59 a.m. ET on November 20, 2026.***

[Electric Infrastructure Loan & Loan Guarantee Program](#)

U.S. Department of Agriculture

USDA Rural Development provides insured loans and loan guarantees to nonprofit and cooperative associations, public bodies, and other utilities. Insured loans primarily finance the construction of electric distribution facilities in rural areas. ***Application deadline: Open***

[Water & Waste Disposal Loan & Grant Program](#)

U.S. Department of Agriculture

USDA Rural Development provides funding for clean and reliable drinking water systems, sanitary sewage and solid waste disposal, and storm water drainage to households and businesses in eligible rural areas. ***Application deadline: Open***

[Community Facilities Direct Loan Program](#)

U.S. Department of Agriculture

USDA Rural Development provides affordable funding to develop essential community facilities in rural areas. Projects include fire and rescue stations, town halls, health care clinics and hospitals. ***Application deadline: Open***

[Community Facilities Guaranteed Loan Program](#)

U.S. Department of Agriculture

USDA Rural Development provides loan guarantees to eligible lenders to develop essential community facilities (CF) in rural areas. Examples of community facilities include health care facilities, buildings like town halls, and public safety facilities such as fire departments. ***Application deadline: Open***

[Timber Production and Expansion Guaranteed Loan Program \(TPEP\)](#)

U.S. Department of Agriculture

USDA Rural Development provides financial support to qualified lenders whose loan applicants want to establish, reopen, expand, or improve a sawmill or other wood processing facility that process ecosystem restoration byproducts from USDA Forest Service National Forest System lands. ***Application deadline: Accepted until funds are expended.***

[Rural Business Investment Program](#)

U.S. Department of Agriculture

USDA Rural Development provides a Rural Business Investment Company (RBIC) license to newly formed developmental capital organizations to help meet the equity capital investment needs in rural communities. ***Application deadline: Rolling Basis***