United States Department of Agriculture

Secretary
Deputy Secretary

Under Secretary International Affairs and Commodity Programs
- Agricultural Stabilization and Conservation Service
- Foreign Agricultural Service
- Office of International Cooperation and Development

Office of Budget and Program Analysis

Office of the General Counsel

Office of the Executive Secretariat

Office of Public Affairs

Judicial Officer

Office of Inspector General

Under Secretary Small Community and Rural Development
- Farmers Home Administration
- Federal Crop Insurance Corporation
- Rural Electrification Administration
- Rural Development Administration

Assistant Secretary Administration
- Board of Contract Appeals
- Office of Administrative Law Judges
- Office of Advocacy and Enterprise
- Office of Finance and Management
- Office of Information Resources Management
- Office of Operations
- Office of Personnel

Assistant Secretary Economics
- Economic Analysis Staff
- Economics Management Staff
- Economic Research Service
- Office of Energy
- National Agricultural Statistics Service
- World Agricultural Outlook Board

Assistant Secretary Food and Consumer Services
- Food and Nutrition Service
- Human Nutrition Information Service
- Office of the Consumer Advisor

Assistant Secretary Congressional Relations
- Office of Congressional Relations

Assistant Secretary Marketing and Inspection Services
- Agricultural Cooperative Service
- Agricultural Marketing Service
- Animal and Plant Health Inspection Service
- Federal Grain Inspection Service
- Food Safety and Inspection Service
- Packers and Stockyards Administration

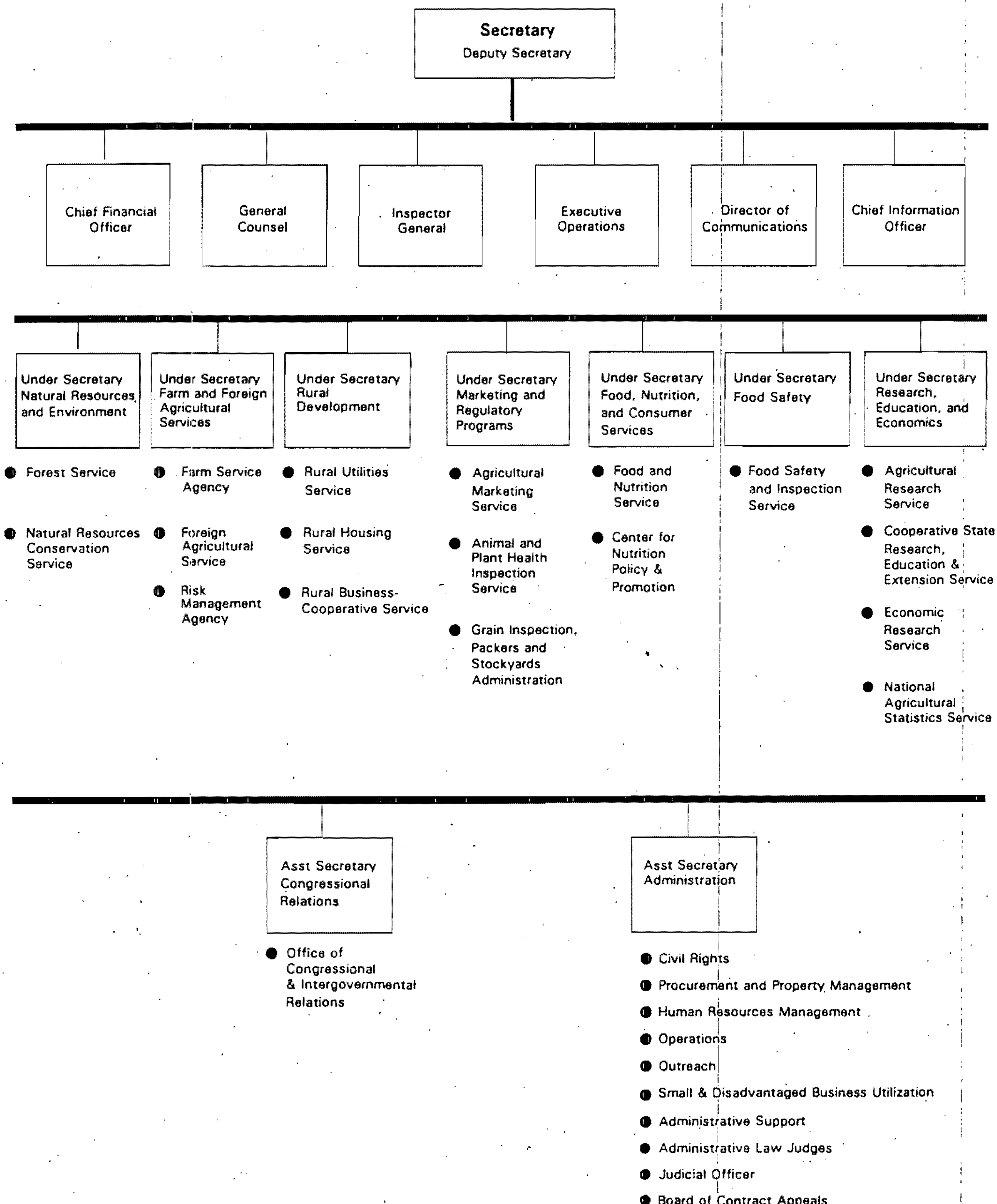
Assistant Secretary Natural Resources and Environment
- Forest Service
- Soil Conservation Service

Assistant Secretary Science and Education
- Agricultural Research Service
- Cooperative State Research Service
- Extension Service
- National Agricultural Library

May 1992

USDA ORGANIZATIONAL CHART

As of August 2000



Overview of USDA Reorganization

On October 13, 1994, President Clinton signed into law the Department of Agriculture Reorganization Act. The enactment of this legislation was the culmination of a massive amount of work on the part of the Department of Agriculture, the Administration, and Congress. What follows is a description of some of the events that led up to this legislation and that followed its passage.

In 1992, a series of critical news reports and GAO reports on the management of the Department revealed fundamental problems with the structure of the Department, the allocation of its administrative resources, and the ability of its field structure to respond to questions about their activities in a way that would permit the Department to aggregate this information on a real time basis. These reports produced both a public clamor and a new attitude in Government which for the first time seemed ready to accept substantial change in the Department of Agriculture. Secretary Edward Madigan used the opportunity to develop a plan for a significant reorganization of the Department. During the transition as the Clinton Administration took office, Secretary Madigan bequeathed this plan to incoming Secretary Espy, who came to office with a major commitment to streamline and reorganize the Department of Agriculture. This commitment was reinforced by Governmentwide commitments made by the new Administration as part of the National Performance Review.

One of Secretary Espy's first actions was to convene a conference of key policy officials and supporting staff to take a fresh look at the Department of Agriculture in terms of its missions and objectives. This conference and actions which flowed from its decisions resulted in the preparation of a proposed new organization structure for the Department of Agriculture which encompassed both the headquarters functions and the field structure of the organization. This proposal was built upon the proposals by Secretary Madigan, but reflected the priorities of the new Administration and carried the proposal to a deeper level of detail. Because key actions necessary to reinvent USDA were constrained by existing law, the decision was made to present the entire reorganization as a legislative proposal and to implement none of it until the Congress endorsed the entire package through the passage of legislation. A further decision was made to closely link the reorganization proposal to the Department's streamlining (downsizing) plan and to the Department's budget targets so that there would be a logical way to justify the savings which were anticipated from the reorganization. This decision permitted the Department to make a consistent, overall presentation of its plans and to resist *ad hoc* proposals for changes in those plans whether they arose in the Executive Branch or in the Congress. These linkages also permitted the designation of a single policy official, Deputy Secretary Richard Rominger, to oversee the entire effort.

The Department's legislative package was submitted to the Congress on September 27, 1993, (H.R.3171) with the hope that the general momentum toward Governmental change and downsizing would encourage the Congress to enact the legislation very quickly. This hope was not to be realized as the press of other business and general Congressional wariness of the Department's proposals led to delays in legislative action. The Autumn of 1993 was spent working with Members and staff of the various interested Congressional Committees to prove that there was in fact substance in the Department's proposals. To make this case, the Department created a book entitled "USDA Reorganization Implementation: Key Facts and Projections Briefing Book." This material was placed in a white binder and became known both in the Department and on the Hill as the "White Book." It provided organization charts, narrative descriptions as to how the reorganization would be implemented and its impact, and 5-year projections of budget savings and personnel reductions. The personnel projections included total staff years, headquarters versus field staff years, administrative staff years, SES and GM-14/15 staffing levels, and supervisor to employee ratios. This book was an important step to support the reorganization legislation. It gave substance to the Department's proposals and allowed the Secretary and other Departmental officials to respond to questions with specific data. It also helped to convince all reviewers that the Department was sincere in its determination to reduce overhead and minimize the impact of the reorganization on the delivery of services in the field. The point was repeatedly made by the Secretary that if the Department were required to absorb budget reductions, while remaining in an organizational and administrative straightjacket, a disproportionate share of the impact would fall on USDA programs. Therefore, it was in everyone's interest to support the reorganization if only to protect the benefits provided by USDA programs.

At the beginning of 1994, the Secretary and other key Departmental officials met individually with the various Senators, Congressmen and staff members who would play a key role in determining the fate of the reorganization legislation. Many of the Senators and Congressmen had a sincere interest in moving the legislation and reforming the Department so that the combined effort of the Department and these interested individuals began to show results during the Spring. Hearings were held, additional staff briefings were provided, and the Department responded to literally hundreds of Congressional questions about the details of the reorganization proposal. These questions and concerns dealt primarily with the three fundamental purposes of the Department's proposal, i.e. 1) to restore to the Secretary of Agriculture the general authority to manage and organize the Department, 2) provide for the reorganization of the Department's programs into six mission areas, and 3) provide additional flexibility to the Secretary for the management of USDA facilities at the local level. Specifically:

- **Secretarial Control**. The Congress passed a series of "reorganization plans" in the early 1950's which were designed to provide each of the Cabinet Officers of the Government with general authority to manage and organize the affairs of the particular cabinet departments. The Secretary of Agriculture received this authority in a document known as "Reorganization Plan Number 2 of 1953." However, in the 40 years between 1953 and 1993 a growing level of distrust between the Congress and the Executive Branch had led the Congress to enact a large number of provisions which had the effect of removing or severely limiting the Secretary's authority over particular aspects of the Department's operations. The Department's proposal to restore the Secretary's authority had the effect of causing the Congress to take another look at all of the concerns that had arisen over those many years, and to realize that they remained concerned about many of those issues. It therefore became clear that the Department was not going to be able to secure the enactment of legislation as broad as that which we had proposed. Concerns were repeatedly expressed that while the present Secretary might implement this broad authority in a manner which would be consistent with the legislation he had proposed, there was no way of assuring that future secretaries would honor these commitments. Ultimately, a compromise was agreed to by the Department and the various committees which limited the broad authority conferred on the Secretary to a 2-year lifespan and specified a series of minimum savings targets and other criteria which were sufficient to assure the Congress that the Secretary would proceed in the manner envisioned in the legislation.

- **Mission Structure.** The mission structure contemplated by the Department's proposal would have reorganized all of the Department's activities into six basic mission areas: farm and international trade services, rural economic and community development, food nutrition and consumer services, natural resources and environment, marketing and inspection services, and research education and economics. This proposal precipitated a debate in Congress that was very similar to the debate which took place at Secretary Espy's initial conference on the Department's organization having to do with the appropriate missions of USDA. For instance, there was a prolonged debate about whether food safety functions should appropriately be included in a marketing mission or whether there was a conflict of interest between these two objectives which would mandate the creation of separate missions. This matter was settled when the Department finally agreed to move from six missions to seven missions and accept a separate mission for food safety. However, the most strident debate over the mission structure had to do with the very existence of such a structure in an organization such as the Department of Agriculture. The Department had for many years been organized on a functional basis with a very high level of local control over the delivery of programs. There was a great deal of concern that the mission structure would become a vehicle for the imposition of stronger National controls over programs with all of the usual fears about more bureaucracy, more rules and regulations, and conflict between the mission areas. Would the natural resources mission overwhelm the farm services mission? What would be the relationship between the food safety and marketing missions? What is the appropriate mission for the Department in the area of nutrition? These issues were debated at great length. The Department worked hard to convince all parties that its intentions were to organize programs in a more rational manner and make a more efficient use of resources, but not to somehow impose a huge new level of National bureaucracy on top of USDA programs. In the end, these arguments prevailed to the point that a majority of the Senate and House of Representatives voted for the reorganization, but that vote was not unanimous.

- **Field Delivery System**. The Department has a hybrid field delivery system which includes both Federal employees and non-Federal employees who are fully funded by Federal appropriations. One of the basic purposes of the reorganization legislation was to give the Secretary authority to manage these personnel as a single workforce so that programs could be delivered more efficiently through a series of "service centers" to be established throughout the country. The reorganization of the workforce and the creation of these centers would in turn make it possible to close 1,100 county-based field offices. As might be expected, these proposals caused great concern at the local level among both employees and various interest groups who were concerned that the loss of employees entirely dedicated to their programs would impair the delivery of services.

  The debate concerning the field delivery system was quite specific. Issues included the procedures for choosing the supervisors of the new service centers, the geographic jurisdiction of those centers, the programmatic jurisdiction of those centers, union successorship, and the composition of the local committees which help to carry out many of the Department's rural programs. The Department attempted to respond to these issues with a great deal of detailed information, but at the same time it continued to press its basic argument that the impact of budget reductions on a fragmented workforce was likely to be more severe with respect to both programs and employees than the impact of such reductions on a unified workforce where there would be some freedom to adjust resources to maintain services. In the final analysis, this fundamental argument prevailed although the final legislation does include some provisions relating to subjects such as successorship provisions for bargaining units and the composition of local committees.

The reorganization legislation was finally passed by the Congress and was signed into law by the President on October 13, 1994 (Public Law 103-354). Based on the authority provided in the Act, headquarters organizations were to be reduced from 43 to 29 and organized into 7 program mission areas. The Act also created 2 new offices. (1) the National Appeals Division was established as an independent organization to review adverse program decisions for participants of the Rural Development Mission Area, the Farm Service Agency and the Natural Resources

Conservation Service. (2) the Office of Risk Assessment and Cost-Benefit Analysis was created to ensure that analyses of major regulations affecting human health, safety, or the environment include a risk assessment and cost-benefit analysis.

Now the many people in the Department who had worked so hard for over a year to secure passage of the legislation faced an even more daunting prospect -- its implementation. Deputy Secretary Rominger was charged with leading the implementation of the reorganization. Implementation began immediately. On October 13, 1994 Deputy Secretary Rominger established a group to coordinate the reorganization and notified the Department's policy officials to develop implementation plans. By October 20, 1994 the new subcabinet positions were established.

The underlying premise of the reorganization was that it would be implemented on the basis of the Department's "Streamlining Plan" which contemplated an orderly 5-year process to culminate in FY 1999. Because this FY 1995 plan was based on fewer offices, lower employment levels, and reform of administrative systems, it promised to save about $4 billion during that period of time, while actually improving service to customers.

The Department established basic guidelines beyond the requirements of the legislation as the Department set out to reorganize and streamline. Administrative and financial units within Mission Areas were to be consolidated. National Performance Review (a Clinton Administration reinventing government initiative led by Vice-President Gore) target populations such as supervisors and administrative staff were to be reduced. In addition to restructuring of headquarters, USDA committed to a restructuring of the county-based field office locations to establish USDA Service Centers as well as consolidation of other USDA agency field structures. The plans were to be characterized by a delegation of authority, decentralization, empowerment of employees to make decisions, mechanisms to hold managers accountable for their performance, and protection of workforce diversity.

Implementation of the reorganization required a significant sustained effort by the Department involving much Congressional Oversight, labor relations negotiations and involvement of USDA constituents. The reorganization has been implemented with some adjustments along the way. Legislation added 2 offices–the Risk Management

Agency and the Office of the Chief Information Officer. By the end of 1999 greater than planned staff reductions had occurred. Overall staffing was 17.4% below the 1993 base as opposed to the 11.4% planned. Savings were greater than expected $6 billion versus the $4 billion estimated, driven by the deeper than expected staff cuts and lower than requested funding to make needed infrastructure improvements to meet the needs of reduced staff. Target categories of staff were reduced to a greater extent than planned. About 290 non-county based field offices have been closed and consolidated. About 3,700 county-based office locations of the Rural Development Mission Area, and the Farm Service and Natural Resources and Conservation Service agencies have been collocated in about 2,6XX USDA Service Centers. (Note: ask Cheryl Cook to supply number and explanation of why we didn't reach our target.)

As mentioned, implementation of plans to support the streamlined organization with infrastructure improvements have been slower than expected, primarily due to lack of funds or Congressional support. For example, at Secretary Dan Glickman's direction, the Service Center agencies developed plans to consolidate their administrative operations in the field as a means of reducing duplication, inefficiencies and inconsistencies. This change would have reduced costs in the administrative area that could than be directed to program support and better customer service. Despite months of work on the plan by many in the Department and many briefings to Congress on what the Department was trying to accomplish, Congress included language in the agriculture appropriations for FY's 2000 and 2001 prohibiting the implementation of this plan. In addition, requests for funds over a number of years to put in a Common Computing Environment for these Service Center Agencies, along with reengineered program and administrative processes, have not been fully funded by Congress. However, the FY 2001 appropriations for the Common Computing Environment funded about 80% of the request which will enable the Department to have the Common Computing Environment fully in place by the end of FY 2002 if adequate funding is provided in 2002.

(?? Add in or reference Cheryl Cook's discussion of State and field office collocations, particularly prohibition of further State office collocations.)

Secretary Glickman became concerned that the Department had not made adequate strides in putting in place the infrastructure envisioned to support the reorganized and smaller Department. In November 1999 he directed the Chief Financial Officer to lead an Executive Committee to identify the priority corporate financial/administrative systems and develop a strategy, with proposed budgets and timetables, to make these needed infrastructure improvements. The recommendations of the Corporate Systems Executive Committee were finalized by the end of the summer of 2000. The systems recommended for priority action included financial, telecommunications, personnel and acquisitions systems. These recommendations were ratified by the Executive Information Technology Investment Review Board, which consists of the Subcabinet members and is chaired by the Deputy Secretary. Since implementation of these systems would require significant initial investments, the Department had worked with Congress to secure the authority in the FY 2002 appropriations to use unobligated balances in the Department to fund these needed capital investments. This authority was provided, thus removing one of the major impediments to continuation on the path of streamlining USDA. Much of this continuation will fall to the next administration.

While not all goals were achieved, the Department is smaller than it was, more emphasis has been placed on customer service, significant savings were achieved, and there is greater focus to its missions and less parochialism.