



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20250

**INFORMATIONAL MEMORANDUM FOR RICHARD ROMINGER, DEPUTY SECRETARY**

**FROM:** Keith Collins  
Acting Assistant Secretary for Economics

**SUBJECT:** Response to Your Request for My Reorganization Recommendations for the Economics Area

**ISSUE:**

The Economics agencies include three appropriated agencies, the Economic Research Service (ERS), the National Agricultural Statistics Service (NASS), and the World Agricultural Outlook Board (WAOB); one administrative support staff, the Economics Management Staff (EMS); and two small staff offices, the Economic Analysis Staff (EAS) and the Office of Energy (OE).

Should the economics and statistics functions of the Department be reorganized, and if so, how?

**DISCUSSION:**

These are my personal views; my response has three parts. First, I address my concerns with the early proposal to eliminate the position of Assistant Secretary for Economics and merge the economics agencies with the Science and Education agencies. Second, I discuss proposed changes under an organizational structure similar to the current one, which I prefer. Finally, in the event that you find consolidation with Science and Education as necessary, I offer an alternative recommendation that maintains the direct input of economics in the Department's policy process but achieves the consolidation and a reduction in senior political appointees.

**I. General Thoughts on Elimination of the Assistant Secretary and Consolidation with Science and Education:**

I believe strongly that effective Federal policymaking at the Secretarial level should involve a Departmental "Chief Economist." The President and every major Cabinet Officer has one, or more. The reason for their existence is that economists understand the economic playing field on which policies and programs will be in operation. They are skilled in cost-benefit analysis; that is, they conduct substantive analysis on the effects of allocating dollars

INFORMATIONAL MEMORANDUM FOR RICHARD ROMINGER, DEPUTY SECRETARY

2

among competing ends. And, they can offer a view that is independent of the program agency's view. This is, in my view, what policy analysis is all about.

The Secretary or Deputy Secretary at top policy-level, principals-only meetings should not, as a practical matter, discuss the agricultural economy and the effects of a policy on that economy without having an economic adviser present. A Chief Economist should provide a broad perspective--beyond the program under discussion--and understand the current state of and prospects for the agricultural economy. Such a person ought to be part of the day-to-day policy process. A Chief Economist looks beyond the groups that a particular program regulates and addresses broader consumer and taxpayer interests.

The Chief Economist ought to have a mandate from the Secretary to look across the Department's programs and conduct analysis to ensure that the programs make economic sense. The Chief Economist should be a political appointee--part of the Secretary's team--and a professional economist who can objectively appraise programs and policies. That person should not be assigned broad program-running responsibilities that could interfere with analytical objectivity.

I do not believe that eliminating the Assistant Secretary for Economics and vesting that responsibility in an Assistant Secretary for Science, Education and Economics would be an effective way to ensure economic intelligence is part of the Department's policy process. I expect that the Assistant Secretary for Science, Education and Economics would be a physical scientist, not an economist. After all, that area would command most of the staff years (with wide geographic dispersal) and budget. If the Deputy Assistant were an economist, I think it likely that person would struggle for access and frequently be omitted from many policy discussions. Moreover, I think the authority for regulatory and program review would be diminished. I also think that it is not accurate to view all economic research as if it were akin to agricultural research. By and large, USDA's economic research is applied policy analysis.

II: Option #1: Current Organizational Structure:

Based on the above comments, I believe a case can be made to retain the position of Chief Economist that reports to the Secretary. The position need not be an Assistant Secretary nor a Presidential appointee. However, the position should be a political appointment. The Deputy Assistant Secretary position could be eliminated. The current economics agencies would continue to report to the Chief Economist. There is no efficiency gain apparent to me that would result by combining the economics agencies. That does not mean there would be no organizational change; in fact, there would be change, effected through budget changes. President Clinton's budget calls for a reduction in ERS funding and little change for NASS and the World Board. Consequently, ERS is involved in a reorganization effort now to deal with the proposed funding reduction.

INFORMATIONAL MEMORANDUM FOR RICHARD ROMINGER, DEPUTY SECRETARY

3

In a new USDA, I would prefer that the Secretary continue to be advised by a Chief Economist who supervises the economics agencies. But new relationships between the economics agencies and those agencies that use economics agencies' output (such as Extension, FAS or ASCS) would have to be developed. As ERS and other agencies face reduced budgets and trim available information and analysis, analysis resources have to be more effectively used Department-wide. In fact, planning meetings among a number of agencies are now being initiated so that a smaller ERS--and smaller other agencies--will continue to have available sufficient and effective information and analysis.

III. Option #2: An Alternative Organizational Structure:

If the economics agencies must be merged with Science and Education, I have a recommendation that effectively does both, yet maintains an economic analysis function at the highest policy levels.

Here is the recommendation:

- Abolish the political positions of Assistant Secretary for Economics, Deputy Secretary for Economics, Executive Assistant to the Assistant Secretary and the two schedule C secretarial positions that now exist (5 political positions total, with one being Senate confirmed).
- Create positions of "Director, Economic Outlook and Analysis" and secretary to the Director (2 political positions). The Director would be the economic policy adviser to the Office of the Secretary. The position would not be a Presidential appointment, but would be a political appointment. [Note, however, this means that the Director would be "Hatched" and could not work on the campaign providing economic analysis, speeches, etc.] The Director would report to the Deputy Secretary.
- Place ERS, NASS, and EMS under the Assistant Secretary for Science, Education, and Economics. That Assistant Secretary would have one Deputy Assistant (same as now) who could be an economist to facilitate management of those agencies. The Assistant Secretary for Science, Education and Economics would be responsible for data collection, economic research, and dissemination of such information to the public.
- Merge EAS, OE and the World Board into the Office of the Director for Economic Outlook and Analysis. It would be dysfunctional to merge these two staff offices and the World Board with the Science and Education agencies. EAS does quick turn-around policy analysis, conducts regulatory review (all major rules), and has the Department's agricultural labor regulatory function and Department of Labor liaison function, for which some visibility and policy access are desirable and needed. OE has energy regulatory functions and Department of Energy liaison function, and again, policy access and visibility are desirable and needed. The World Board has broad-responsibility for coordinating Departmental agricultural supply, demand and price forecasts. The analytical support for these forecasts

INFORMATIONAL MEMORANDUM FOR RICHARD ROMINGER, DEPUTY  
SECRETARY

4

has been eroding as agencies have been pulling back from this effort. I worry that this could undermine the Department's forecast capability in the future. The Board's coordination role would benefit from the authority and access of the Office of the Director to ensure participating agencies are making the resource commitments needed to produce reliable, accurate market intelligence and outlook forecasts on which much USDA policy is based. EAS, OE and the World Board could be merged into one unit that forms the Office of the Director of Economic Outlook and Analysis.

This consolidation (about 50 people total) would give the Director responsibility for market and economic forecasting as well as a small analytical staff to do the policy analysis job. In addition, agricultural labor and energy would continue to be represented at essentially the secretarial level. However, formal linkages with the Assistant Secretary for Science, Education and Economics would be needed to draw the considerable analytical resources of ERS and NASS directly into the day-to-day policy process.

**Wardell Townsend, Jr.**  
**Assistant Secretary for Administration**

**Summary of Key Points:**

- Designate the Assistant Secretary for Administration as the Chief Information Resources Officer for the Department and have the National Agricultural Library report to this Officer.
- Establish an Office of Equal Opportunity (OEO) for the Department by combining programs currently located in OP and OAE. Also, centralize agency level civil rights by giving OEO some central control over the offices budgets and selection of civil rights directors.
- Assign the Office of Small and Disadvantaged Business Utilization (OSDBU) to the Deputy Secretary. OSDBU is currently located in the Office of Advocacy and Enterprise (OAE).
- Raises concerns about the effectiveness of centralizing headquarters personnel offices. Agencies will provide recommendations on personnel centralization to DA by June 10.
- Where it is cost effective, consolidate some of the 263 field-level personnel offices within agencies.
- Three alternative organizations for the responsibilities of the Chief Financial Officer:
  - OFM, OBPA and OIRM report to CFO;
  - OFM and OBPA report to CFO, with CFO retaining responsibility for financial information systems management;
  - OFM reports to CFO, with CFO retaining responsibility for financial information systems management.
- Transfer the responsibilities of the Office of Energy to the Office of Operations (OO) and combine with related OO activities such as, the recycling program, and energy related procurement activities.

United States  
Department of  
Agriculture

Office of  
Advocacy and  
Enterprise

Director

June 3, 1993

TO: Wardell C. Townsend  
Assistant Secretary  
for Administration

I have attached the information you requested regarding reorganization issues. Most of the specifics were provided in the reorganization paper I submitted to you recently. However, I would like to underscore a few of the items and offer some additional thoughts.

I appreciate the opportunity to comment and would be glad to answer any questions you may have.



Robert Franco  
Acting Director

---

## Outside Departmental Administration

1. Reassign the Office of Small & Disadvantaged Business Utilization (OSDBU) to the Deputy Secretary and the Competition Advocate to Office of Operations (OO).

In order to be in compliance with existing regulations, OSDBU should report to the Deputy Secretary. USDA is one of the few Departments not in compliance. The next best alternative is to assign OSDBU to OO, reporting to the Director of OO with a dotted line to the Assistant Secretary for Administration. The same should be done with the position of Competition Advocate. This reassignment would bring both offices closer to the area in which they operate (contracts/procurement) and still allow some degree of independence. Regardless of the reporting relationship, it may not be necessary to fill the OSDBU Director at the Senior Executive level.

2. Centralize agency-level Civil Rights offices.

There are 21 Civil Rights offices in the Department.. It has been difficult to ensure that Departmental goals and perspectives are addressed by these offices. This is usually because most of these offices take their direction from top management. To ensure that Departmental goals and perspectives are addressed by the agency, OEO would provide guidance, establish national goals and objectives, and control the budget of Civil Rights offices. OEO would also provide input to selection of Civil Rights Directors. Top management would select and evaluate the performance of their Civil Rights Directors and modify the budget within a prescribed percentage. This would help ensure that agencies are responsive to Departmental initiatives while maintaining an effective degree of local control.



United States  
Department of  
Agriculture

Office of  
the Secretary

Office of  
Operations

Washington, D.C.  
20250

*W. C. Townsend*  
*6/2/93*

June 2, 1993

SUBJECT: Ideas for DA Reorganization

TO: Wardell Townsend, Jr.  
Assistant Secretary  
for Administration

As a followup to our brown bag lunch discussion yesterday, I am forwarding to you my suggestions for improvements to the Departmental Administration organizational structure. Attached are proposals to transfer three functions from their current organizational placement into the Office of Operations. I believe the needs of the Secretary and the USDA customers would be well served by these changes.

Another idea I think would contribute to improved effectiveness is the centralization of ADP procurements within Departmental Administration. ADP procurement is sufficiently complex to demand specific and almost continuous training. It is not effective to try to train all procurement personnel in this speciality.

I would like to discuss this and my other proposals with you at your convenience.

  
JOHN P. KRATZKE  
Director

Attachments

**Function:** Departmental leadership, oversight, coordination, and evaluation of all energy and energy-related policies and programs.

**Description:**

This responsibility is currently assigned to the Office of Energy (OE), which reports to the Assistant Secretary for Economics (per a 1981 Sec. Memo). OE has the primary responsibility for the following: analyzing and evaluating existing and proposed energy policies, strategies, and regulations; coordinating USDA positions on energy and energy-related policies; and advising the Secretary and other Department officials on energy issues.

**Rationale for Moving Function to OO:**

The Assistant Secretary for Administration already has responsibility for a number of energy and energy-related policies and programs, including the hazardous waste management program and several programs assigned to the Office of Operations. OO's programs include the USDA Energy Management Plan for facilities and general operations, the USDA Recycling program and affirmative procurement plan for waste reduction and recyclable materials, fuel consumption reduction, alternative fuels and alternative fuel vehicles, and oversight of hazardous waste cleanup contracts. These are cross-cutting functions which affect USDA's procurement and motor vehicle fleet policies, energy management and conservation of resources, and hazardous waste reduction and cleanup. Reassigning OE's functions to the Office of Operations would accomplish several objectives: (1) provide a Departmental focal point for energy-related policies and programs; (2) improve overall coordination, oversight, communication and reporting; (3) improve energy/resource conservation program effectiveness; (4) maximize use of resources while minimizing duplication; and (5) improve the interaction between policy makers and operations. i.e., acquisition of fueling facilities to coincide with policy to use 10% ethanol.

**Proposal:**

Abolish the Office of Energy and reassign the responsibilities and resources (\$837,000 and 9 FTE) to the Office of Operations. This would become a division level program reporting to the OO Deputy Director for Property.

Function: USDA Competition Advocate

Description:

The primary purpose of the Competition Advocate as established by the Competition in Contracting Act of 1984 is to challenge barriers to and promote full and open competition for federal procurements. The Competition Advocate position is currently assigned to the Office of Advocacy and Enterprise. Responsibilities of the position include reviewing procurement activities, monitoring agency compliance in promoting full and open competition, challenging restrictive procurement conditions, and developing new initiatives for full and open competition.

Rationale for Moving Function to OO:

The Competition Advocacy function is, basically, a procurement function, appropriate for delegation to the Senior Procurement Executive. Having this position within the Office of Operations would improve overall Departmental procurement strategy and planning efforts **and coordination of existing procurement/contracting activities such as compliance monitoring and determinations on delegations of authority to agencies.**

Proposal:

Transfer the Competition Advocate position and associated funding from OAE to OO. The position would report to the OO Deputy Director for Procurement.

**Function:** Small and Disadvantaged Business Utilization Program

**Description:**

This function is currently assigned to an Associate Director, Office of Advocacy and Enterprise. The mission is to assure maximum participation of small, minority and women-owned businesses in obtaining federal contract award dollars, and to provide them with networking opportunities to help improve their market share of federal procurements.

**Rationale for Moving Function to OO:**

This function is a part of overall acquisition policy decision making and appropriate for delegation to the Senior Procurement Executive. With all procurement policy issues under one umbrella, the SPE can strike a balance between the competing preference programs to meet the Secretary's overall procurement program goals. Moving this program into OO will assist businesses by providing one focal point to meet their information needs. It will also provide for better utilization of dollar and FTE resources by merging similar functions and **eliminating duplication of efforts in providing information to all parties that want to do business with USDA.**

**Proposal:**

Transfer this program and its associated dollars and FTE to the Office of Operations. It will operate as a division under the OO Deputy Director for Procurement.



United States  
Department of  
Agriculture

Office  
of the  
Secretary

Office of the  
Chief Financial  
Officer

Washington  
D.C. 20250

*W. Townsend*  
*6/2/93*

June 2, 1993

TO: Wardell Townsend  
Assistant Secretary  
for Administration

FROM: Irwin T. David  
Deputy CFO

SUBJECT: Agency Organization to Implement the CFO Act

As you know, under the CFO Act, the Chief Financial Officer is responsible to "direct, manage, and provide policy guidance and oversight of agency financial management personnel...including...the recruitment, selection, and training of personnel to carry out agency financial management functions..."

OMB's implementing guidelines have interpreted that CFO responsibility as follows:

- (1) To approve job descriptions and skill requirements for the heads of agency component financial management activities.
- (2) To make recommendations to the head of the agency on the selection of the agency Deputy CFO and approve the selection of the heads of agency component financial management activities.
- (3) To participate with agency component heads in the annual performance evaluations of the heads of agency component financial management activities.
- (4) To provide agency-wide policy advice on the qualifications recruitment, performance, training, and retention of all financial management personnel, better to ensure a cadre of qualified financial management professionals throughout the agency."

Wardell Townsend

2

To comply with the requirements of the Act and of OMB, we must do the following in USDA.

- Determine the responsibilities of agency CFO's (controllers in USDA). (e.g., Must such responsibilities be the same as those of the departmental CFO or can such responsibilities vary between agencies?)
- Determine and publish the qualifications for USDA agency controllers.
- Determine the proper agency organizational structure for the controllers (e.g., should the Deputies for Management also bear the title of controller, when many are not qualified financial management personnel; should we require the controllers to report to the agency head, as is implied by the CFO Act, or may the controllers report to the Deputies for Management.).
- Establish the "dotted line" relationship between the CFO and the controllers which will enable the CFO to participate in the selection and performance appraisal of those controllers.

**We have thoughts, ideas, and recommendations on each of these issues that I would be happy to discuss with you or others, at your convenience. Please let me know if I can provide any additional information.**

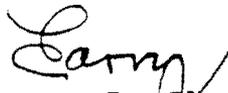
cc: Larry Wilson

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF PERSONNEL  
WASHINGTON, D. C. 20250

June 1, 1993

Wardell C. Townsend  
Assistant Secretary  
for Administration

Mr. Townsend, here is the information you requested. Please see the notes at the bottom paper. I place great value on the work being done by the personnel community to develop recommendations which can yield the savings and efficiencies directed by the Secretary. The increase in **commitment that can result from a participative process** is much to be desired.



Larry B. Slagle  
Director of Personnel

cc: DA Staff Office Directors  
Deputy CFO  
Director, MAP Program Office

Office of The Director

Opportunities for Reorganization

WCT  
6/2/93

Within Departmental Administration

1. Centralization of all employee benefits programs and activities within the Office of Personnel.

This increasingly complex activity is widely dispersed, often assigned to the newest employee, and from a Department-wide perspective, inadequate. Consolidation would provide a critical mass of employees assigned to benefits, provide these employees with a career ladder, increase professionalism, and improve service.

2. Centralization of the equal opportunity pre-complaint counseling.

Currently assigned to some 20 full-time and 240 collateral duty counselors throughout the agencies, this function also needs increased professionalism. Eliminating the 240 collateral duty counselors would reduce training costs and the drain these counselors place on the full-time counselors whom they call for advice. Increases in the pre-complaint resolution rate resulting from greater use of centrally directed, full-time counselors would yield significant indirect savings in morale and operating efficiency and direct savings in formal complaint processing costs.

3. Centralization of the ethics program.

Like the other two examples this is an important function which is dispersed, fragmented and understaffed. Centralizing would yield economies of scale which could be used to strengthen the program.

4. Reassigning responsibility for the Child Development Center.

Assignment of an Office of Personnel employee as contracting officer's technical representative for the Child Development Center contractor has eroded the ability of this employee to perform staff support to reorganization issues. The entire function could be turned over to a Board of Directors, including parents, and get the Department out of the business of operating the Center. This would follow the pattern established in many other agencies.

5. Reassignment of equal opportunity and civil rights complaint functions to a new Office of Equal Opportunity and Civil Rights Compliance.

These complaint activities, currently housed in OP and OAE respectively, are under-resourced and operated as processing centers. Education and training (a key to compliance), policy

development for these functions, and complaint avoidance are woefully inadequate. A properly staffed compliance office containing these important activities would signal a new era in the management of these activities and give them the staffing and direction to reduce the cost and pain of complaints.

6. Abolish the Office of Advocacy and Enterprise. This is a companion-piece to 5, above.

It envisions the reassignment of Special Emphasis and Outreach and affirmative employment planning functions to the Office of Personnel, which now as similar, overlapping responsibilities; assignment of the small and disadvantaged business utilization and the competition advocate functions to the Office of Operations, and assignment of evaluation activities to the Compliance Office. No

7. Transfer of Safety and Health activities to the Office of Personnel from the Office of Finance and management.

This function had been located in the OP until 1982 when they were shifted to OFM. These are traditional personnel functions would should be shifted back; the focus in OFM should be on improved financial management within the Department.

#### Outside Departmental Administration

1. Consolidation of agency-level personnel offices.

Currently there are 17 agency-level personnel offices at headquarters, including some which serve several agencies. For instance, the Economics Management Staff serves all of the economics agencies; the Personnel Operations Division of the Office of Personnel services the Office of the Secretary and Departmental Administration. Although the notion of a single, centralized office may be appealing to some, centralization has significant potential problems. Under and assistant secretaries and agency heads would not have direct control of their human resources and could not be held accountable. Personnelists would be further removed from program delivery and would not have the same level of understanding of and commitment to programs as is presently the case. A greater worry is that a centralized office would take on the characteristics of the General Services Administration, a centralized activity which is widely criticized as unresponsive and an inadequate provider of services.

2. Consolidation of field-level personnel offices.

Currently there are 263 personnel offices in the field, ranging from none in the Agricultural Research Service to 143 in the Forest Service. Most agencies have one or two processing centers in the field. However, FmHA has more than 40, SCS more than 50. Consolidation within these agencies alone could yield significant savings without impairing service.

NOTES:

1. The agency personnel officers have been challenged to provide recommendations for centralization and consolidation and are actively engaged in a process to develop options. Such options, because of their participation, would clearly have their commitment and support. A report from them is due June 10.
2. A paper previously submitted by the DA Staff Office Directors presents a concept of consolidation at the Assistant and Under Secretary level. The guiding principles listed in that proposal are worthy of consideration.
3. Although most of this submission deals with personnel, similar solutions should apply throughout administration so that the result will be parallel construction of the new administrative structure.

Submitted by Larry Slagle  
Director of Personnel  
June 1, 1993

4. Also, <sup>the Secretary</sup> ~~the DA~~ should <sup>designate</sup> ~~establish~~ either a lead agency or ~~a~~ Departmental Administration to focus on mid-level management training, which appears to be a down-fall ~~existing~~ program administration/delivery. The concepts of ~~responsibility~~ <sup>responsibility</sup> ~~govt~~ include empowering managers to make decisions and holding them accountable.

RECOMMENDATIONS FOR USDA REORGANIZATION

OIRM

JUNE 2, 1993

*W.C. Townsend  
6/2/93*

WITHIN OIRM:

1. Reorganize telecommunications functions in Policy and Operation.
  - combine under one, central office
  - improve coordination and service to USDA agencies.
  - central planning and execution of policies
  - one point of contact for USDA agencies
  - one office to coordinate all matters with General Services Administration (GSA) and National Institute of Standards and Technology (NIST).
  - formal reorganization proposal will be prepared and forwarded to the Office of Personnel and the ASA.

WITHIN DA:

1. Establish D.A. Office Automation Committee.
  - coordinate communications and data issues
  - reduce potential duplication of effort
  - multiply productivity of scarce resources
  - chaired by OIRM
  - each staff office assign principal IRM staff person

USDA-WIDE:

1. Interagency IRM Planning Executive Committee.
  - establish this committee in accordance with IRM Strategic Plan (Jan 1993),
  - chaired by Assistant Secretary for Administration
  - members include senior representatives from each Under and Assistant Secretary
  - primary responsibilities include providing guidance for executing the Plan.
2. Central Software Development and Management Centers.
  - establish a Center under each Under/Assistant Secretary
  - one agency in the U/A Secretary area would serve as the lead agency
  - staff with existing personnel from agencies
  - responsibilities include developing and maintaining software for all agencies under the U/A Secretary
  - the cooperative interagency work in INFO SHARE for the Farm Service Agencies is a model for this
  - would provide a more streamlined IRM structure,
  - would provide savings.

## RECOMMENDATIONS FOR USDA REORGANIZATION

### 3. Chief Information Resources Officer.

- Secretary would designate the Assistant Secretary for Administration as the Chief Information Resources Officer
- Move the National Agricultural Library (NAL) to report to this office as well as OIRM
- would strategically combine the Department's central information repository with the central information technology management office
- improve public access to USDA information
- reduce potential duplication of technology and associated costs
- enable the Department to more effectively execute OMB Circular A-130 (Management of Federal Information Resources).



United States  
Department of  
Agriculture

Office  
of the  
Secretary

Office of  
Finance and  
Management

Washington  
D.C. 20250

June 2, 1993

SUBJECT: OFM Reorganization

TO: Wardell C. Townsend, Jr.  
Assistant Secretary  
for Administration

THRU: Irwin T. David  
Deputy Chief Financial Officer

You requested information regarding a reorganization of OFM. The following discussion deals with the OFM structure in Washington, D.C. No changes are being considered actively for the National Finance Center (OFM/NFC) at this time. I would like the new OFM/NFC Director to have sufficient time to complete the recently initiated strategic plan and to thoroughly evaluate the organization of the Center before contemplating organization changes.

OFM in Washington, D.C. is currently organized into the following six major organizational units:

1. Office of the Director
2. WCF, Budget, and Fiscal Services Staff
3. Financial Systems Division
4. Management and Productivity Improvement Division
5. Federal Assistance and Fiscal Policy Division
6. Safety and Health Management Division

OFM provides the major staff resources and functional capabilities required to support the Office of the Chief Financial Officer (CFO) in implementing the requirements of the CFO Act of 1990. Thus, OFM must provide staff resources to fulfill its current requirements (many intensified and strengthened by the CFO Act) and to support

additional functions, such as those relating to financial information systems (e.g., FISVIS), financial information systems standards, financial personnel, financial budgets, and closer interrelationships with agency financial management operations. In addition, the CFO and OFM will become a focal point for implementing new performance measurement standards and guidelines established by the CFO Act and other pending legislation.

The proposed reorganization is necessary to enable OFM to:

- Consolidate functions and add the new responsibilities required by the CFO Act.
- Streamline OFM operations and structure (e.g., flatten the structure) and place like functions together.
- Better perform responsibilities required under existing legislation such as the Credit Reform Act and others.
- Reduce and spread the load from the Financial Systems Division, which now carries the burden of all functions responsible for implementing the CFO Act.

We are currently working on the details of the reorganization; however, at this time, we see the following organizational units:

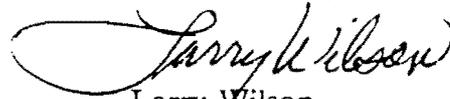
1. Office of the Director
2. WCF, Budget, and Fiscal Services Staff
3. Financial Policy Division
4. Management Control Division
5. Financial Systems Division
6. Agency Liaison Division
7. Special Projects Staff
8. Safety and Health Management Division (potentially transferred to OP)

In addition, I would like to change the responsibilities of the Deputy Director for Policy to the Deputy Director for Financial Management.

Wardell C. Townsend, Jr.

3

I would like to make these, as well as several other organizational revisions to fulfill our responsibilities to support the CFO, improve our services to the Office of the Secretary and strengthen our ability to staff special projects as they arise. Our planning for these changes, in close coordination with the Office of the CFO, is underway but not yet completed.

A handwritten signature in cursive script that reads "Larry Wilson". The signature is written in dark ink and is positioned above the printed name and title.

Larry Wilson  
Director



United States  
Department of  
Agriculture

Office  
of the  
Secretary

Office of the  
Chief Financial  
Officer

Washington  
D.C.20250

June 3, 1993

TO: Wardell Townsend  
Assistant Secretary  
for Administration

FROM: Irwin T. David *ITD*  
Deputy CFO

SUBJECT: CFO Organization

This memorandum is in response to your request for information on the organization of the Office of the Chief Financial Officer.

As you know, the responsibilities of the Chief Financial Officer (CFO) were specified in the Chief Financial Officers Act of 1990. Under the Act and implementing OMB guidance, the Chief Financial Officer has wide responsibilities for accounting, financial management, internal controls, financial information systems, financial personnel, and financial management budgets in USDA.

I understand that the Secretary has decided to establish a separate CFO position. The specific responsibilities of that position have not yet been finalized. Three alternatives under consideration include the following:

1. The activities and responsibilities of the Office of Finance and Management (OFM), Office of Budget and Program Analysis (OBPA), and the Office of Information Resource Management (OIRM) would all report to the CFO. The advantage of this organization is that it would combine, under the CFO's responsibility, the major activities which are involved in financial management in USDA. The principle disadvantage relates to OIRM since its responsibilities extend beyond finance and include many program-related information activities.
2. The activities and responsibilities of OFM and OBPA would report to the CFO. In addition, responsibilities for financial information systems would continue to rest with the CFO. The major advantage of this organization is that all financial activities report to the CFO and he is able to achieve most

effective coordination between those activities; budget and finance processes are part of the same continuing and feedback loop in an overall financial management activity. (This also represents a structure implemented by most other Federal departments.) The potential disadvantage of this organization is that the Budget Office does not report directly to the Secretary but reports to an Assistant Secretary level person, which could potentially hinder budgetary decision making.

3. The activities and responsibilities of OFM only report to the CFO. In addition, the CFO would have responsibilities for financial information systems. The advantage of this organization is that the CFO has all financial management activities, except the budgetary process. The disadvantage is that the CFO does not have responsibility for all financial management activities and is not able to assure overall coordination of financial management.

There may be other potential organizational structures, but these appear to be alternatives which will provide the CFO with the activities required to fulfill his responsibilities.

A related organizational issue has to do with the relationship between the CFO and the head of agency financial management organizations - i.e., the agency controllers. The CFO is responsible for establishing qualifications for agency controllers and for establishing guidelines for controllership organizations. In addition, the CFO must approve the selection of the controllers and participate with the agency head in the annual performance evaluation of those controllers. In effect, this establishes a "dotted line" relationship between the CFO and the agency controllers.

When the new CFO is confirmed, we plan to work with agencies to identify the controllers and controllership organizations and to finalize the guidelines to establish this "dotted line" relationship.

Please let me know if you need any additional information.

**Frank Vacca**  
**Assistant Secretary-designate for Congressional Relations**

**Summary of Key Points:**

- Sub-cabinet areas of responsibility should focus on servicing the "customer" with emphasis on rural areas.
- Establish a sub-cabinet area for farm programs that consists of ASCS, FmHA farm programs, SCS, FCIC, and ES.
- Add FmHA housing programs and ACS to Rural Development.
- Establish a sub-cabinet area for international programs which would consist of FAS and OICD.
- Establish a sub-cabinet area for outreach which would consist of Congressional Relations, Public Affairs and Intergovernmental Relations.
- Establish a sub-cabinet area for the Science and Education and Economics agencies.
- Other sub-cabinet areas would consist of:
  - Food and Consumer Services (no change),
  - Marketing and Inspection Services (current agencies minus ACS),
  - Natural Resources (Forest Service only), and
  - Administration (minus Chief Financial Officer responsibilities).
- The General Counsel, the Inspector General, and the Chief Financial Officer should report to the Deputy Secretary.

MEMORANDUM TO: Richard Rominger  
Deputy Secretary

FROM: Frank Vacca  
Assistant Secretary-designate for Congressional Relations

DATE: June 2, 1993

SUBJ: Reorganization proposals for headquarters USDA

---

Primary consideration should be given to the ultimate beneficiaries of programs and policies handled by USDA.

The vast number of beneficiaries -- farmers - of all kinds, marketers, researchers, consumers, manufacturers, traders, exporters, local and state governments, academies, importers and many, many more interested and affected members of this great society ---- -  
**-- makes it extremely difficult to pick one ultimate "customer", we have hundreds, if not thousands, of "customers".**

Farmers and people who live in the rural areas are an obvious starting point. Associated with that are three major characteristics -- remoteness, low population density and dependence on a particular industry (limited alternatives are not always present).

The Secretary has stated his goal -- to keep rural America viable and economically sound, and to support the produces of food and fiber that make the USA strong and healthy.

We should structure federal programs and services that fit the rural areas.

We should strive to point out that federal expenditures on farmers, and their commodities is an investment not a "subsidy".

Rural areas need good education, good health care, a clean and safe environment, a dependable and encouraging financial system, an infrastructure that is adequate and improved to keep abreast of the changes in society, including new means of transportation, telecommunications and the futuristic innovations that are rapidly changing the marketplace and consumers of the products produced by the farmers and their support system -- rural America.

Any arrangement of agencies under sub-cabinet areas of responsibility should keep in mind their commonality of servicing the "customer".

**Farm programs that directly affect the farmer:**

- Agricultural Stabilization/Conservation Service
- Farmers Home Administration - farm programs
- Soil Conservation Service
- Federal Crop Insurance Corporation
- Extension Service

**Rural Development:**

- Rural Development Agency (housing and community assistance)
- Rural Electrification Administration
- Agricultural Cooperative Service

**International Programs:**

- Foreign Agricultural Service
- **Office of International Cooperation and Development**

**Outreach:**

- Office of Congressional Relations
- Office of Public Affairs
- Intergovernmental Relations

**Science, Education and Economics:**

- Agricultural Research Service
- Cooperative State Research Service
- National Agricultural Library
- Economic Analysis Staff
- Economic Research Service
- National Agricultural Statistical Service
- World Agricultural Outlook Board
- Office of Energy
- Economics Management Staff

**Food and Consumer Services:**

- Food and Nutrition Service
- Human Nutrition Information Service
- Consumer Advisor

**Marketing and Inspection Service:**

- Food Safety and Inspection Service
- Agricultural Marketing Service
- Animal and Plant Health Inspection Service
- Federal Grain Inspection Service
- Packers and Stockyards

**Natural Resources:**

- Forest Service

**Administration:**

- All activities presently under Assistant Secretary for Administration.

**All of the following should report to the Deputy Secretary:**

- General Counsel
- Inspector General
- Chief Financial Officer

**James S. Gilliland**  
**Office of General Counsel**

**Summary of Key Points:**

- Establish six major service areas plus support services which are described below.
- Establish an Agricultural Services area which would be separated into farm services and marketing.
  - Farm Services would consist of ASCS, SCS related to protection of the producers' land, FCIC, and FmHA farm loans. This concept requires careful study. Collocation could be first step in multi-step process.
  - The marketing function would consist of CCC marketing functions, both domestic and international, and the other market and trade activities.
- Provide Quality Assurance Services through the current Marketing and Inspection Services which should move to decalcify itself. New responsibilities should include seafood inspection and the coordination of activities related to FIFRA requirements and other pesticide activities.
- Consolidate research, education and economics functions. Some reservation about this consolidation.
- Retain nutrition/consumer services structure, but expand the consumer information mission.
- Under Rural America Services retain current functions except consider moving the FmHA farm loan programs to the farm services area.
- The Natural Resources area would give up the farmer-contact activities, but assume leadership over public natural resource policies. Could consider placing the FIFRA responsibilities here.
- The support cluster would include: administration; the CFO, possibly joined with OBPA; OGC; OIG; Congressional Relations; and OPA, possibly joined with Congressional Relations. No advantage in establishing a Secretariat for the support functions.



June 17, 1993

MEMORANDUM TO REINVENTING GOVERNMENT DISCUSSION GROUP

FROM:

James S. Gilliland  
General Counsel

SUBJECT:

Comments on USDA as Seen by its Service Functions

By service function, I see six major public service areas comprising the USDA. The remaining agencies support these functions but do not themselves provide service to the public. These function areas and underlying support services are sketched in the attached schematic (and coincidentally are comparable to the six roles identified in Jim Lyons' proposed Departmental reorganization):

1. Agricultural Services. This supports the producer (the "production function") and the marketing of the product (the "marketing function"). This is our classic service. This area has two natural divisions, which are:

a. The Farm Service Division -- "The Production Function". This Division deals with the producer. It provides directly all of the services needed by the producer to produce the crops: ASCS, dealing with what is grown and stabilizing income; that part of SCS which oversees the condition of the producers' land; FCI, which allows the producer to protect his revenues; and Farmer Loans, which deal with the producers' financing (the non-ag loans would best stay with Rural Development). While some of these agencies in their existing form may provide services other than to the farmer, the commonality of this cluster is producer-contact. This is the Production Function.

b. The Marketing Division -- "The Marketing Function". This deals with the product. It does not deal with the farmer after the commodity is produced. These are CCC marketing functions, both domestic and international, and both the market and trade focused interests. While much of its work is international, the common function is marketing the commodity, not whether it is domestic or international.

Division of these agricultural services activities into two separate jurisdictions has been evaluated before, with the conclusion that they should continue to function together under one Under Secretary. I concur. However, a division of the responsibilities between two Deputies will be administratively desirable, as there is a good deal of work here.

There are four special points to address in this model:

a. The Farm Service Agency involves cooperation between culturally different agencies. Collocation is a must, however I suggest that the SCS personnel remain on their SCS career ladder and provide only technical services to FSA. Let ASCS be that provider of funds and enforcer, so the SCS people provide a service to FSA but are not absorbed into it.

b. CCC should be undisturbed, administratively and statutorily, as advantages flow from its centralization.

c. Farmer appeals should remain with each agency and not be sent outside to an independent semi-judiciary National Appeals Division. An NAD would result in greater complexity and due process -- and lawyers -- contrary to our pledge to be "farmer friendly".

d. I include FCI with hopes that it will not be a part of FSA because it will by then be a reinsurer rather than a direct insurer. This is a good time to press to complete this transition.

2. Research/Education/Economic Services. This consolidates our research and scientific work (genetics, chemicals, science and economics) and its dissemination for public benefit. It is not a "support function" but has a major public mission of its own. I think (without conviction) that these two professional areas can be consolidated, but we should ask "why not?" too.

3. Nutrition/Consumer Services. This social services function deals with the underserved public and is a "stand alone" division already. I know of no functional changes to suggest here; however its natural advocacy group is the consumer community, so I would urge development of this affinity to expand its consumer information mission, especially in the human nutrition area. The challenges in this agency are more efficient delivery of services (like EBT) and enhanced advocacy.

4. Quality Assurance Services. These services, our Inspection and Marketing agencies, provide oversight in marketing control and inspection; we deal with the industry on behalf of the public as the ultimate consumer. Its internal reorganization goal should be de-calcifying itself, but I suggest that its major mission is to get seafood inspection with similar public accountability standards to that of meat.

5. Rural Development Services. Rural Development deals with non-agricultural rural America, leaving agricultural contact with the FSA. Its natural dividing line is that it deals with rural agencies outside of agricultural services. For example, I am told that less than 20% of the FmHA rural housing loans are made to farmers on farms; so this is a rural, not an agricultural function. The first significant change is to transfer ag-lending out to FSA which makes ag decisions as its responsibility and on its budget. There are pluses and minuses here. The plus is that it provides more convenient service to the farm community and better USDA accountability over our farmer lender area; the minus is that it risks even greater difficulty in managing an

already dysfunctional activity. Viscerally I consider Rural Housing as a loan program but the farmer program as a stabilization program which fits with FSA.

Another plus is that this division should result in a more professional "lender focused" credit and grant group under a consolidated Rural Development (which is not a part of the county FSA system), which should improve lending quality in those areas.

6. Natural Resources Services. The main function here is to deal with the public's -- not farmers' -- natural resources. It provides SCS personnel to FSA, who are technical not enforcement people, leaving enforcement to ASCS. They handle all of our conservation programs wherever they are now, and should set up a separate subgroup to handle FIFRA on a Department wide basis.

7. Support Cluster. Lastly, we have to support these six functions with a support and administrative cluster. This cluster delivers services, not to the public directly, but to the other divisions. These include administration, to provide the usual administrative functions; CFO, the financial functions, possibly joined with OBPA, with the budgeting and review function; OGC, the legal support functions; OIG, the internal audit function; Congressional relations; and OPA, which might (or might not) function well with the legislative liaison group in some kind of external communications function; plus some miscellaneous functions. I see no advantage in setting the support functions in a Secretariat since each of them must interrelate directly with their six functional area clients and there's nothing gained in going through a Secretariat. Likewise, I see no net advantage to consolidating Congressional Relations and Communications, or of not doing so, provided that we do not create two Assistant Secretary position to do so.

**USDA BY SERVICE FUNCTIONS**

**AGRICULTURAL SERVICES**

Farm Service Division  
Marketing Division

(Deals with all farmer contact services)  
(Deals with marketing the commodities)

**RESEARCH ECONOMIC SERVICES**

Research Division  
Economic Division

(Deals with science, genetics, economics, etc.)

**RURAL DEVELOPMENT SERVICES**

(Deals with services to non-agricultural rural America)

**QUALITY ASSURANCE SERVICES**

(Deals with all current inspection/marketing services and targets oversight over seafood)

**NUTRITION CONSUMER SERVICES**

(Deals with all current food/nutrition services, plus it collects consumer-nutrition functions)

**NATURAL RESOURCES SERVICES**

Forestry  
Conservation  
Environmental

(Deals with our public forests, our conservation programs and our FIFRA area)

**SUPPORT CLUSTER**

THAT DELIVERS ITS SERVICES TO OTHER DIVISIONS, NOT TO THE PUBLIC

Administration    CFO/OBPA    OGC    OIG    Congressional Relations    OPA

**Charles R. Gillum**  
**Acting Inspector General**

**Summary of Key Points:**

- Any Office of Inspector General (OIG) organizational changes should be consistent with directions/changes initiated by the Department's program agencies.
- OIG should continue to evaluate the need for field structure changes as opportunities are presented when leases expire, attrition in employment occurs, or other events present themselves.



UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

WASHINGTON, D.C. 20250

MEMORANDUM TO DEPUTY SECRETARY ROMINGER

FROM: Acting Inspector General

SUBJECT: Reorganization

The attached paper captioned "Agency Proposal Office of Inspector General" is being provided in response to your memorandum subject as above, dated May 26, 1993.

We have divided our into sections titled: Background, Mission, Clients, Organizational Structure and Lines of Reporting, and Recommendations. In summary, we point out that as the result of an internal study in 1991, and USDA/OMB Swat Team participation in 1992, we have concluded that:

- OIG organizational changes should be responsive to, and should follow, consistent with statutory requirements, directions/changes initiated by the Department's program agencies; and
- OIG should continue to evaluate the need for field structure changes as opportunities are presented when leases expire, attrition in employment occurs, or other events present themselves.

Within this overall context we would continue to look for opportunities to reduce the number of audit suboffice operations by collapsing those activities into our Regional Offices, take advantage of any Departmental changes which might allow us to improve services and operations, and be responsive to changes which would result in improved economy or efficiency.

A handwritten signature in black ink, appearing to read "Charles R. Gillum".

CHARLES R. GILLUM  
Acting Inspector General

Enclosure

AGENCY PROPOSAL  
OFFICE OF INSPECTOR GENERAL

Background

The Office of Inspector General (OIG) completed an organizational study of our field offices in 1991. The emphasis of the study was on collocation of OIG audit and investigation offices--those offices over which we have control. The study basically revealed that: (1) Most of our offices were already collocated, (2) most were also collocated with one or more other USDA agencies, (3) potential lease termination and relocation costs outweighed the benefits of immediate efforts to close or consolidate offices unilaterally, and (4) we needed strategy to allow us to take advantage of future opportunities which would undoubtedly accrue to us as leases would expire and employee attrition took place.

We also participated in the USDA/OMB Swat Team "All Other Agencies Team" review in 1992, the results of which either: (1) raised no substantive reasons to change from the course we set in 1991, or (2) supported the conclusions from our 1991 review.

As a result, we have issued new policies and procedures to deal with these issues. These provide for (1) criteria to assist managers in deciding whether to establish or consolidate offices, and (2) taking a new look whenever a lease expires, a move is forced by GSA, or whenever opportunities or actions were created by staff attrition -- this would include reacting to possible Departmental level or legislatively directed changes.

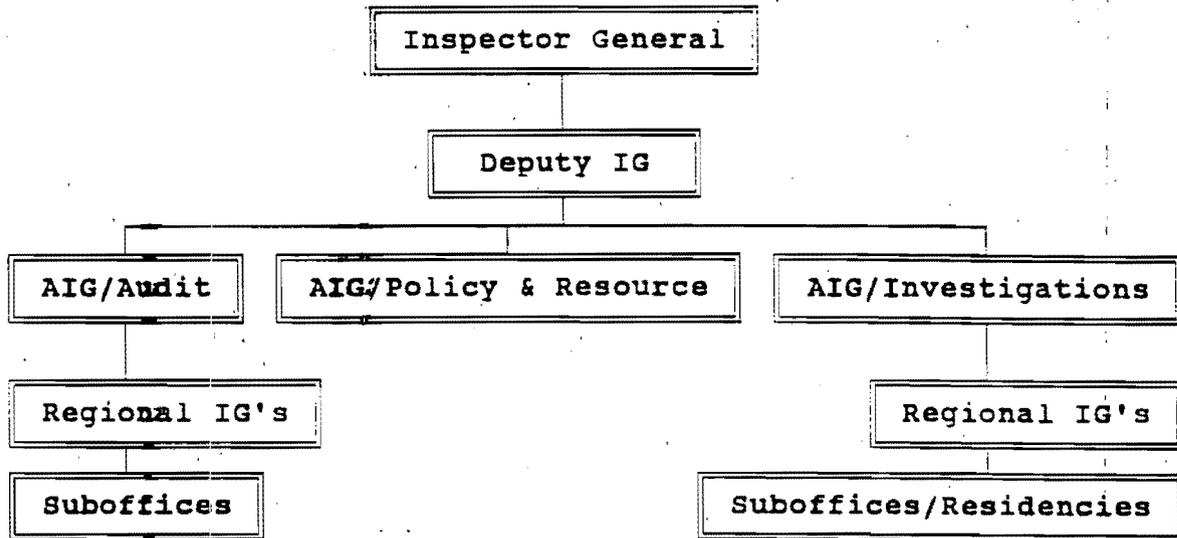
Mission

The OIG conducts independent audits and investigations in efforts to: (1) promote efficiency and economy, and (2) combat fraud and abuse of U.S. Department of Agriculture programs and activities. To accomplish this the Inspector General is appointed by the President, and reports to both the Secretary and the Congress. USDA OIG also has law enforcement authority and reports suspected crimes to the Attorney General, has access to Departmental information, and has subpoena power for nongovernmental records.

Clients

The Secretary, the Congress, and the Department of Justice are, by law, the primary clients of OIG. Departmental managers/management are also primary clients, when acting as recipients or action officials on audit and investigation information.

Organizational Structure and Lines of Reporting



OIG field office structure is made up of: (1) Regional offices, (2) regional suboffices, and (3) regional residencies. In terms of numbers these are broken down as follows:

OIG Audit and Investigation Regions	7
Regional Suboffices	25
Regional Residencies	16
Total	<u>48</u>

The Regional Offices of OIG provide audit and investigation program delivery. Audits and investigations are initiated, managed, and brought to conclusion at this office level. Regional offices are subdivided into suboffices and residencies, to: (1) Put employees closer to the work; (2) minimize travel and time away from home for employees; (3) more effectively use travel monies; (4) allow for the continuation of operations, with a minimum loss of efficiency, in those situations where travel funds become short and must be prioritized; and (5) to have a continuing presence at the site of the auditee. For example, this is the case with our suboffice at the National Finance Center.

Suboffices and residencies are operational units which have only minimal administrative type responsibilities. Administrative support, personnel, files maintenance in support of operations, and related activities are performed at the Regional Offices.

### Recommendation

1. The Inspector General should be responsive in evaluating the effect on OIG locations, and implementing appropriate changes, of any and all field location changes, which may be implemented by other agencies, or other field structure realignments initiated by the Secretary or other proper authority.

2. OIG be supported as appropriate in pursuing those courses of action as set forth in the our background section and recommendation 1. above.

Within the context of these recommendations OIG would continue its present course of: (1) Collapsing audit field office locations into our Regional office operations, when opportunities are presented; (2) evaluating field office location needs as leases expire, attrition occurs, etc., and (3) responding to field office changes which may be carried out by other USDA agencies. In other words, as service type organization, OIG will want to collocate/relocate should it be decided to concentrate USDA agency field operations at any given geographic location.

**Ali Webb**  
**Director, Office of Public Affairs**

**Summary of Key Points:**

- Establish a communications coordinator under each Under/Assistant Secretary to provide information support and coordinate with all other USDA information support levels.
- Establish a centralized electronic media information system. Streamline all agency newspaper clipping functions and move toward one coordinated system that can be used by all.
- Establish a "USDA Customer Service Center" with a nationwide 1-800-USDA number.
- Create a coordinated regional information delivery system with a structure that will provide for the coordinated flow of clear and consistent information from the Secretary of Agriculture to both the general public and specifically targeted audiences.
- Contains several suggestions to improve the coordination of information between OPA and the public affairs organizations in USDA agencies.

June 1, 1993

MEMORANDUM TO PUBLIC INFORMATION DIRECTORS AND STAFF

FROM: Ali Webb  
Director  
Office Of Public Affairs

SUBJECT: Communications Reorganization Plan

Please review the following recommendations. As you will see all of them with the exception of establishing the Communication Coordinators require further joint work between OPA and the Agencies. I have the Secretary's approval to move into these areas to achieve the goals outlined below but how we get to the goal is an interactive process.

Sandi Brewster-Walker has taken over the primary responsibility for moving these working groups. I've asked her to make sure that each of the new Working Groups is co-chaired by the appropriate OPA staff member and an agency person.

The Working Groups's report to me did include other recommendations but I decided to get going on these eight ideas first and revisit other recommendations once we get going on these.

**RECOMMENDATIONS**

**I. COMMUNICATION COORDINATORS:**

Establish a communication coordinator at the Under/Assistant Secretary level. This person would provide information support and coordination functions, vertically and horizontally, with all other USDA information support levels.

**Action Plan:**

**Staffing--**Initially, a Communication Coordinator at the GM-13-15 public information officer/specialist level will be detailed from an agency to each Under/Assistant Secretary. The Communication Coordinator position can be filled by career employees or Schedule C appointees, on a competitive basis.

**Time Frame**--This recommendation should be initiated as soon as possible.

**Cost**--Ultimately, no additional cost as these positions would be offset by positions lost through restructuring of USDA.

## **II. FARMER INFORMATION SURVEY:**

Commission an opinion survey of the American farming sector to determine where they get their information about USDA programs and other kinds of information important to their work.

### **Action Plan:**

Public opinion surveys need OMB approval. Get approval for survey from OMB, go out for contract. Goal is to have information in hand by July.

## **III. COMPREHENSIVE COMMUNICATIONS AUDIT:**

Request agency administrators to conduct a comprehensive communications audit of information staff skills and all print, video, public service announcements, exhibits and related information materials currently in use, in production, or planned. The department and agencies would then use this audit as a baseline for eliminating unproductive communication expenditures and improving the effectiveness of communication products planned for the future. The audit would also provide baseline data for a USDA-wide inventory of available publications and other communication products for response to public requests.

### **Action Plan:**

**Staffing:** Would not require additional positions, but would impose additional workloads on public affairs personnel in the short-term, and may require additional training in communication planning and customer assessment in the long-term.

**Time Frame:** The audit could be done as soon as audit forms developed by an inter-agency working group can be pilot-tested.

**Costs:** Primary cost is salary of personnel assigned to complete the audit. Savings that could be realized through evaluation of the audit results should be significantly greater than costs.

#### IV. PRINTING REDUCTION:

Following the audit, call on agencies to achieve a reduction in their printing budgets for each of the next 3 years (to be determined by the Director of Communication after consultation with department and agency staff) with the specific aim of diverting these savings to the "electronic communications project" discussed in section D of this report.

Encourage agencies to use creativity in providing information to customers while reducing printing costs, such as better use of electronic formats (provide information on a computer disc and/or set up a computer accessible system), cost sharing with other agencies and organizations, use of less expensive printing materials, production of fewer but better targeted publications, more direct contact with customers instead of substituting printed pieces, etc.

Encourage agencies to establish production review boards at appropriate levels of the agency to review and approve agency communication proposals based on support of the agency's mission and improved efficiency and effectiveness. These boards should specifically evaluate whether a better, potentially less expensive method of disseminating the information is available, such as electronic dissemination (i.e. E-mail, CDROM, computer disks, transfer by modem).

#### Action Plan:

**Time Frame**--Targets should be established by Oct. 30, 1993 concurrent with completion of the communications audit and GPO printing reports. Targeted reduction levels reached by end of fiscal year 1996.

**Costs**--Reduction of printing budgets could be used to offset costs for expanding electronic communications capacity.

#### V. REVIEW OF REGULATIONS:

Establish task teams of agency and department specialists to review and update appropriate sections of departmental regulations. Include a general department and agency review process before implementing.

Consider the following objectives in the review and update process:

- reflecting the new OoC structure following implementation of these recommendations.
- reducing regulations to the minimum required.
- incorporating a "customer service orientation."
- developing regulations that can be directly adopted by agencies with little or no modification.
- effectively using delegation of authority to insure implementation of Department communications regulations and policies.

**Action Plan:**

**Staffing:** Sandi Brewster-Walker will lead a task team on temporary detail from their current positions. No permanent staffing changes are envisioned for this recommendation.

**Time Frame:** Tie regulations review and updating to overall implementation plans for changes in OoC. Department regulation 1400-1, Information Policies, the basic guidance document for communication work in the department, should be updated by June 1. Poll agency/OoC personnel to set priority for review and revision of the remaining departmental regulations and schedule needed revisions by Sept. 30.

**Costs:** Costs include salaried time of agency and OoC reviewers and the cost of distributing the final regulations electronically and/or on paper.

**VI. ELECTRONIC MEDIA FEEDBACK SYSTEM:**

Streamline all agency newspaper clipping functions and move toward one coordinated electronic feedback system that can be used by all. Expand the "AG a.m." function to encompass agency interests as well as the Secretary's. This provides one-stop shopping for the department and a broad overview of media coverage of USDA programs. A mechanism must be built into the system by which agencies may flag specific topics or "hot issues" to be targeted during sensitive periods. Agency and departmental newspaper/popular periodical subscriptions should be drastically reduced or eliminated.

Create a rolling log "AG a.m." will be sent electronically via FTS 2000 to contact points in the Secretary's office, Under/Assistant Secretaries offices, and designated agency offices (including regional). No hard copy will be distributed. Individual offices will be responsible for accessing and printing out material of interest to them. This system will provide equal, instant access to the latest available media information for all USDA personnel. Complete articles will be scanned by the "AG a.m." staff into a data base accessible by designated offices from any USDA geographic location. Historical files will be archived electronically.

**Action Plan:**

**Staffing--**Convene OPA, interagency working group to create new department-wide clipping service.

**VII. USDA CUSTOMER SERVICE CENTER W/1-800 NUMBER**

Establish a "USDA Customer Service Center" with a nationwide 1-800-USDA number. When the call is received, it would be handled by USDA personnel or electronically if not staffed 24-hours-a day. One of the new "Touch Tone," interactive, menu systems might work well on non-staff hours.

A bank of phones would be staffed by well-trained personnel to handle incoming phone

calls. These employees would be trained to provide customer-friendly service to the public and USDA staff. A bi- or multi-lingual person(s) would be part of the team.

The "USDA Customer Service Center" should also have a computer database that would give quick access to complete, accurate, up-to-date USDA information, crossing all agency lines. Sections of the database would be maintained by the agencies.

**Action Plan:**

**Staffing:** The bank of phones could be staffed immediately by USDA personnel, volunteers, or retirees, on a rotating basis. Data gathered by the Communication Working Group indicates strong support for such an activity across the board. Joel Berg will lead Working Group.

**Cost:** Some ideas about paying for the cost of the 1-800 number could be covered by requiring agencies to contribute a percentage of their budget to this consumer response initiative. Agencies can offset this charge by instituting a 1-year moratorium on construction or purchase of new agency exhibits and reducing printing costs. The cost of the staff could be shared by agencies, since the service crosses all agency lines and serves all USDA staff and customers.

Costs could also be reduced by use of volunteers and/or retirees.

**VIII. REGIONAL INFORMATION COORDINATION**

Create a communication structure that provides for the coordinated flow of clear and consistent messages from the Secretary of Agriculture all the way to general and targeted audiences at the regional and state levels.

**Action Plan:**

Establish a Working Group on Regional Communications to come up with a regional information delivery system. The regional structure would be ready to implement by the time the overall USDA field office reorganization is finished.

**Charge--**Create an organizational structure that provides cost-effective communication channels beyond Washington, D.C., for the coordinated flow of clear and consistent messages from the Secretary of Agriculture to both general public and targeted audiences.

This structure should provide a mechanism for quick, accurate feedback from message recipients. It should also provide the flexibility to mesh regional information efforts in the future with a reorganized department and agencies. It also should be a part of the ongoing effort to consolidate and streamline USDA communications by enabling the Office of Communication to assume a strong leadership and coordinating role.

**Membership--**Regional public affairs officers and/or Washington public affairs officers

with information management experience at the field level. Consideration should be given to including representatives of agencies with current regional information structures, including" ARS, APHIS, FNS, FSIS, FS and SCS.

Time Frame--Begin implementation of new Working Group's recommendations by identifying locations to be brought into new structure before the end of the current fiscal year to test concepts and performance. All locations designed for inclusion in regional communication structure to be operational by the end of FY 1995.

#### Streamlining of USDA Production Functions

Eliminate duplication of services between the Office of Public Affairs, the agencies and the field offices in design, television, radio and video production and photography.

#### **Action Plan:**

Appoint three Working Groups on Design; Television, Radio and Video; and Photography to discover where duplication exists and to achieve accountability for production standards. Working groups will consist of both OPA and Agency staffs.

## **FACTOR EVALUATION**

**GOVERNMENTAL RESTRUCTURING AND REORGANIZATION SHOULD TAKE INTO ACCOUNT THE FOLLOWING FACTORS:**

- **POLITICAL CONCERNS**
- **STAKEHOLDER CONCERNS**
- **CONCERNS OF LOCAL COMMUNITIES**
- **IMPACT ON EMPLOYEES**
- **IMPACT ON SERVICE DELIVERY**
- **IMPACT ON SPACE**
- **DOLLAR IMPACT TO IMPLEMENT**
- **COST SAVINGS**

## LEGISLATIVE CONSIDERATIONS

It is important to recognize that the operations and programs of the Department are governed by a large number of statutes. Frequently these statutes provide specific directions with respect to organization, staffing, and office location requirements. For example:

- Half of the Subcabinet officials are individually specified in law.
- Many of the agencies are specifically established by statute.
- The Department may not establish any new office, organization or center for which appropriations have not been provided in advance.
- Minimum staffing levels are specified in law for over 25 percent of the Department's total employment (ASCS, SCS, FmHA, REA & FAS).
- Staffing ceilings are specifically prohibited for almost 40 percent of the Department's total employment (FS).
- The Department is required to establish or maintain a number of small offices at specific locations.

In addition, it appears as if Congress is about to provide the Department with additional "help" in its reorganization deliberations. For example:

- Congressman Glickman has introduced H.R. 1319, the Department of Agriculture Reorganization Act of 1993. Key changes in H.R. 1319 from the existing structure include the establishment of an:

- Under Secretary for Farm Programs which would have jurisdiction over ASCS/FmHA farm programs/FCIC/related ES programs.
  - Under Secretary for Rural Development which would have jurisdiction over RDA/FmHA community and housing programs/REA.
  - Under Secretary for International Programs which would have jurisdiction over FAS/OICD.
  - Under Secretary for the Natural Resources and Environment area which would have jurisdiction of SCS/ASCS conservation cost-share programs/FS/related ES programs.
  - Under Secretary for Consumer and Marketing Services which would have jurisdiction over domestic feeding programs (FNS) and the Department's traditional marketing functions (APHIS, AMS, FSIS, etc.).
  - Under Secretary for Research which would have jurisdiction over all physical and economic research and statistics activities.
- Congressman English has introduced H.R. 1440 the Site Specific Agricultural Resources Management Act of 1993. This legislation among its provisions would appear to require the existence of the Soil Conservation Service as a separate agency.
  - H.R. 2264, the Omnibus Budget Reconciliation Act of 1993, would among other provisions, transfer the Rural Electrification Administration functions to the Rural Development Administration.

- Provisions of the House Fiscal Year 1994 Appropriations Bill are expected to impact directly on the Department's organization. An initial markup by Chairman Durbin's appropriations subcommittee, on June 14, 1993, provides general support for the Secretary's efforts to consolidate Washington and field offices. However, the bill would also mandate specific actions to:
  - Merge OICD with FAS
  - Merge ACS with AMS
  - Merge HNIS with ARS
  - Return RDA functions to FmHA

JUNE 1993

REINVENTING USDA

---

**ISSUES  
AND  
OPTIONS**

## **INTERNATIONAL PROGRAMS**

Should there be a separate subcabinet level post for the Department's international functions?

- Maintain international and domestic functions under the same subcabinet official.
- Move the international functions to a new subcabinet official.

## **FARM SERVICES, SOIL AND WATER CONSERVATION**

What are the appropriate components of a farm services mission/agency for the Department of Agriculture and the relationship of that mission/agency to the Department's soil and water conservation programs?

### **Conservation**

- Include SCS in FSA.
- Include SCS farm related technical assistance functions in FSA and transfer balance of SCS functions to Rural Development.
- Include SCS farm related technical assistance functions in FSA and retain balance of SCS functions in Natural Resources.
- Include SCS farm related technical assistance functions in FSA, transfer Resource Conservation and Development to Rural Development and retain watershed and river basin programs in Natural Resources.
- Retain SCS under the Natural Resources subcabinet official and transfer ASCS conservation programs to Natural Resources.
- Establish new Office of Pesticide Policy and the Council on Environmental Quality under Natural Resources.

### **FmHA**

- Include in FSA.
- Include farmer loan programs in FSA, retain housing programs under Rural Development.
- Include disaster program services in FSA and retain remainder of farm lending and housing programs under Rural Development.

### **FCIC**

- Include in FSA.

### **Extension Service (ES)**

- Include in FSA.
- Retain in Science and Education.

## **RURAL DEVELOPMENT**

What are the appropriate components of a strengthened Rural Development mission for the Department of Agriculture?

- If a FSA is created, retain the FmHA housing programs within Rural Development.
- Include Agricultural Cooperative Service (ACS).
- Include SCS Resource Conservation and Development program and /or the watershed and river basin programs.
- Include Alternative Agricultural Research and Commercialization (AARC).

## **NUTRITION, FOOD SAFETY, INSPECTION AND MARKETING SERVICES**

Should organizational changes be made to the food safety and inspection programs?

- Place FSIS under the same subcabinet official as FNS.
- Combine all of the grading and inspection programs currently carried out by FSIS, APHIS, PSA, FGIS and AMS into one agency under the marketing and inspection subcabinet official.

## ECONOMICS

Should a separate subcabinet position be maintained for the Economics area?

- Maintain current structure except change Assistant Secretary to Chief Economist.
- Place under same subcabinet official as Science and Education agencies.
- Combine WAOB, EAS, and OE under a chief economist reporting to the Deputy/Secretary. Place ERS and NASS under Science and Education.
- Divide ERS into functional areas and place under related agency or subcabinet area.

## RESEARCH/EDUCATION

What should be the research/education structure? With the exception of the discussion of transferring of ES to FSA and AARC to rural development, the previous options assume retention of the current structure of research and education.

- Strengthen current consolidated research functions by adding FS research, OICD research, HNIS research, and AMS research.
- Strengthen current education functions by adding HNIS information and education, OICD training and technical assistance, ACS, SCS RC&D, FNS nutrition education, and OCA.
- Divide ARS, CSRS, and ES into functional areas and place under related agency or subcabinet area. For example, move all food and nutrition related research under subcabinet official with responsibility for FNS.

## SMALL AGENCIES

Should smaller agencies be combined with agencies with similar functions?

- HNIS
- ACS
- FGIS
- PSA
- OE
- EAS
- OCA
- OES
- WAOB

## **MANAGEMENT SERVICES**

Should management services be more centralized, either at the Department level or within each subcabinet area?

- Create a National Appeals Office.
- Establish a communications coordinator under each subcabinet official.
- Combine headquarters personnel offices.
- Centralize agencies' equal opportunity responsibilities under Departmental Administration.
- Management services under each subcabinet official would be combined.
- Management services at large field locations would be combined.

Should Department level staff offices be reorganized to separate policy functions from operational functions?

**TALKING POINTS**  
**NEXT STEPS**

The basic purpose of the Sunday session would be for the Secretary to give the policy staff his decisions and to assign responsibility for the development of a--

Presentation/implementation package, and

A supporting strategy.

The package would be designed to present a basic level of information in support of the Secretary's decision for use with a variety of audiences. This basic package could be expanded as necessary for dealing with specific audiences. It would include at least:

1. An analysis of the overall impact of the plan on the Department's subcabinet and agency headquarters structure. The package would make the case that the Secretary's plan is simpler and more rational than the current structure, meets the Secretary's commitment to deal with these areas of the Department first, and lays the basis for follow on actions regarding the Department's field structure.

2. A description of how the Secretary's plan will help the Department reduce spending, particularly for administrative expenses and overhead.

3. A legal analysis indicating what legislative help is necessary to implement the Secretary's plan.

The strategy would deal with the audiences for the plan and the timing and strategy for the release of information to those audiences which include:

The White House/OMB

The Congress

USDA Officials, agencies, & employees

USDA constituencies

The general public

The Deputy Secretary would be assigned overall responsibility for developing a package and recommending a strategy to the Secretary. Staff support could come from:

The Office of the General Counsel with respect to the legal aspects of the plan,

The Office of Budget and Program Analysis with respect to the overall impact on structure and budgets,

The National Performance Review Task Group,

The Assistant Secretary for Administration with respect to administrative impacts of the plan,

The Office of Public Affairs,

The Office of Congressional Relations,

The subcabinet.

The objective would be to enable the Deputy Secretary to present to the Secretary a proposed package and strategy within 2 weeks after the retreat.

\*\*\*\*\*

In proceeding with the above, there are a number of realities that will need to be recognized. For instance--

Disclosure of the Secretary's plan beyond the subcabinet and key staff officials should be withheld until the Secretary is ready for such disclosure.

It is assumed that to preserve confidentiality, most of the staff work on the basic package will need to be done at the Department level. Therefore, the package is not likely to be as detailed as some would like.

Decisions about the national level structure do not automatically result in decisions about regional, State and local structures. Analysis at this level of detail will need to be expedited after the basic plan is released.

A presentation strategy must be designed around the need to acquire the help/support of key decision makers. This means there must be a front end effort at the White House, OMB and Congressional levels. This effort must proceed on a confidential basis.