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REPORT BY THE U.S.

General Accounting Office

Organizational, Personnel, And Office Location Changes Made By The Food And Nutrition Service

The Department of Agriculture's Food and Nutrition Service has made some organizational and personnel changes since January 1981 and has moved its headquarters from Washington, D.C., to Alexandria, Virginia. This report responds to specific questions about employee qualifications and positions; White House involvement in Service personnel actions; changes in the structure, name, and/or activities of some Service organizations; and the impact of the relocation of Service headquarters.

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY
AND ECONOMIC DEVELOPMENT
DIVISION

B-208771

The Honorable Carl D. Perkins
Chairman, Subcommittee on Elementary,
Secondary, and Vocational Education
Committee on Education and Labor
House of Representatives

Dear Mr. Chairman:

As requested in your May 19, 1982, letter (see app. III) and subsequent agreements with your office, we have obtained information on certain organizational and personnel changes made since January 1981 at the Food and Nutrition Service, U.S. Department of Agriculture (USDA), and on the move of the Service's headquarters from Washington, D.C., to Alexandria, Virginia.

Because your subcommittee has jurisdiction over the special nutrition group of programs the Service administers (as explained below), we agreed to focus our work on the major organizational and personnel changes affecting those programs at the Service's headquarters and at one regional office that we would select. We also agreed to focus our work on changes in the Service's top management structure and in the management of the special nutrition programs down to and including the branch chief level between January 1, 1981, and a cutoff date we would select (Oct. 31, 1982).

The Service's food assistance programs are intended to provide families and persons with low incomes access to a more nutritious diet and to encourage better eating patterns among the Nation's children. These programs are divided into two groups: special nutrition programs--which include the School Lunch, Breakfast, and Special Milk Programs; Child Care Food Program; summer food program; and the Special Supplemental Food Program for Women, Infants, and Children--and family nutrition programs which basically consist of the Food Stamp Program.

As of October 31, 1982, the Service had 2,489 employees; it was headed by an Administrator and an Associate Administrator; and its major functions were coordinated by deputy administrators for financial management, family nutrition programs, special nutrition programs, regional operations, and management. (On January 5, 1983, the Administrator's position became vacant, and the Associate Administrator became the Acting Administrator until his appointment as Administrator on April 3, 1983.) The Service's programs are administered from its national headquarters in Alexandria, Virginia, and seven regional offices. The programs operate through the appropriate agriculture, education, welfare, or health agencies of State governments and through designated local agencies that provide direct services to program participants.

Your questions on the Service's organizational and personnel changes and on its move to Alexandria are presented below with our summarized answers. A more detailed discussion of the information we obtained and a description of the scope of our work are contained in appendix I.

1. What career food and nutrition employees have been reassigned from their area of expertise to other areas and what is the background[1] of the individuals taking those positions?

As of October 31, 1982, some changes had been made in the Service's 15 Senior Executive Service positions that managed overall agency operations and in the 20 management positions that dealt with the special nutrition group of programs as follows.

--10 had a new incumbent,

--5 were either vacant or eliminated, and

--20 had no change.

Six of the 10 new incumbents joined the Service in the late 1960's and early 1970's and served in various management and specialist positions in either the family or special nutrition programs. The other four new incumbents held various management positions in the military service, State government, or private industry. (See app. I, pp. 3 and 4.)

2. Which staff positions have been eliminated and at what grade level?

One management position (GS-14) in the special nutrition group of programs--that of Deputy Director, Nutrition and

[1]Because of the personal nature of an individual's background and work experiences, we are providing this information on the 10 new incumbents and their predecessors to you under a separate letter; therefore, the information should not be considered a part of this report.

Technical Services Division--had been vacant since November 1980 and was eliminated in March 1982. Three other management positions in this group (two GM-14's and one ES-1) had been filled before January 1981 but were vacant (not eliminated) in October 1982. (The term "GM" designates employees in the Federal merit pay system.) (See app. I, p. 4.)

3. Which staff positions have been filled on direct recommendation of the White House?

We did not find any evidence of employees being hired at the direct recommendation of the White House. However, the Administrator, the Associate Administrator, and the Director of the Office of Analysis and Evaluation are political appointees, as were their predecessors, and USDA personnel officials told us that the Service's Schedule "C" employees (six) had to be approved by the White House prior to being employed. Schedule "C" positions are noncompetitive positions of a confidential or policy-advisory character. Schedule "C" employees generally report directly to the head of a department or agency or to other key officials. (See app. I, p. 4.)

4. Which program divisions have had significant staff reductions or increases?

As shown in the table below, between January 1981 and October 1982, total Service employment dropped from 2,815 to 2,489 employees, a 12-percent decrease. According to a Service official, this decrease was due primarily to a Government-wide hiring freeze. (See app. I, p. 5.)

Organization	Number of employees		Decrease	
	Jan. 1981	Oct. 1982	Number	Percent
Office of the Administrator (includes the Offices of Public Information, Analysis and Evaluation, and Government Affairs)	102	91	11	11
Deputy Administrator for:				
Management	161	134	27	17
Financial Management	243	193	50	21
Special Nutrition Programs	232	191	41	18
Family Nutrition Programs	224	220	4	2
Regional Operations	1,853	1,660	193	10
Total	2,815	2,489	326	12

5. Why was the name of the Office of Policy, Planning, and Evaluation changed to the Office of Analysis and Evaluation, and how has this change affected the types of analysis and evaluation work the office normally does?

Service officials said that the name change was made to eliminate any ideas that the Office of Policy, Planning, and Evaluation was responsible for setting Service policy. Also, the office's economic analysis staff was transferred to the financial management area. According to the then Associate Administrator, this transfer was made to provide top management with better statistical information on program operations. The renamed office still performs analyses and evaluations of program aspects, but the Director said that more work is now focused on identifying approaches for reducing program fraud, waste, and abuse. (See app. I, pp. 5 to 10.)

6. How has decentralization of some functions of the financial management area affected the former operations and staff of that office?

Effective April 1982 the Service transferred day-to-day financial management operations, including accounting, awarding grants (other than discretionary grants), approving computer purchases, and controlling State food stamp program operating expenses, to its regional offices and reorganized its headquarters financial management organization. These changes were in line with recommendations of a joint Service, USDA, and Office of Management and Budget study started in 1976. Headquarters and regional personnel in both the financial management and program management areas said that, although its impact on overall agency operations had not yet been measured, the decentralization should streamline and improve agency operations.

Thirty-five employees' positions were abolished because of the decentralization. Two of these employees transferred to a regional office, 20 were placed in vacant positions within the Service, 7 transferred to available positions in USDA or in other Federal agencies, 5 retired, and 1 resigned.

To help make vacancies available to the financial management employees whose positions were to be abolished, the Service had obtained authority from the Office of Personnel Management to grant early optional retirements to other Service employees not otherwise affected by the decentralization. Nineteen Service employees chose early optional retirement, and 6 of the vacated postions were filled by employees whose positions had been abolished.

With the reduction of 35 employee positions, the Service anticipates saving about $900,000 annually and has spent about $184,000 to effect this change. Also, although not a direct cost to the Service, the 5 discontinued service retirements and the 19 early optional retirements will cost the Civil Service Retirement Fund (according to Office of Personnel Management criteria) an additional $1.1 million over time. (See app. I, pp. 10 to 16.)

7. How many persons not working directly for the Service have their salaries paid from the Service's budget? In what capacity do these persons work and at what cost to the Service?

As of October 31, 1982, the Service was paying the salaries of four employees who were not working directly for the Service. One was detailed as a researcher to the Congressional Research Service, a second worked as a staff assistant in the White House Press Office, a third worked as a chauffeur for USDA's Office of the Assistant Secretary for Food and Consumer Services, and the fourth worked for USDA's Office of the Inspector General to aid in investigating fraud and abuse in USDA's food assistance programs. The Service payments of salary and other benefits for two of these employees--the White House staff assistant and the Office of the Inspector General investigator--appeared improper. After we questioned the propriety, an agreement between the Service and the offices involved was reached in both cases to repay the Service for the salaries and other benefits paid to these employees. (See app. I, pp. 16 to 18.)

8. What problems has the relocation of the Service's headquarters offices created for its employees and what efforts have been made to remedy them?

The Service had limited options in relocating its headquarters from a private building near the USDA complex in Southwest Washington, D.C., to Alexandria, Virginia. The new location is less accessible to USDA's downtown headquarters, public transportation during rush hour, and eating facilities. The Service has tried to alleviate transportation problems by establishing shuttle service between its Alexandria headquarters and USDA headquarters, arranging for express public bus service during rush hour, and providing more free parking spaces to its employees. However, despite efforts by the Service and the lessor, employee access to eating facilities remains a problem. (See app. I, pp. 18 to 23.)

AGENCY COMMENTS

At your request we obtained written comments on our draft report. (See app. II.) USDA said that our report was very factual and complete and that no serious discrepancies were noted. USDA proposed some additional language to our draft report which we have incorporated in the appropriate sections of this final report.

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As arranged with your office, unless you publicly announce its contents earlier, we plan to distribute this report 2 days after its issue date. At that time we will send copies to the House and Senate Committees on Appropriations; the Senate Committee on Agriculture, Nutrition, and Forestry; the Secretary of Agriculture; the Director, Office of Management and Budget; and other interested parties.

Sincerely yours,

J. Dexter Peach for
Director

C o n t e n t s

ABBREVIATIONS

GAO	General Accounting Office
GHI	Group Hospitalization, Inc.
GSA	General Services Administration
OAE	Office of Analysis and Evaluation
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OPPE	Office of Policy, Planning, and Evaluation
USDA	U.S. Department of Agriculture
WIC	Special Supplemental Food Program for Women, Infants, and Children

ORGANIZATIONAL, PERSONNEL, AND OFFICE LOCATION CHANGES MADE BY THE FOOD AND NUTRITION SERVICE

Objective, scope, and methodology

Our objective in this review was to obtain information on certain organizational and personnel changes made by the Food and Nutrition Service, U.S. Department of Agriculture (USDA), since January 1981 and on the move of its headquarters offices from Washington, D.C., to Alexandria, Virginia. We agreed to focus our work on organizational and personnel changes affecting the special nutrition programs[1] and to limit our review to those positions at the branch chief level and above. Any other organizational and personnel changes were considered only if they might affect the special nutrition programs or overall Service operations. We included changes made up to our cutoff date of October 31, 1982, the date when the data gathering phase of our work was completed. Our review was made in accordance with generally accepted government auditing standards.

In obtaining information on personnel changes, elimination of positions, White House recommendations for employment, and payment of salaries of individuals not working directly for the Service, we compared Service organization charts and personnel rosters for January 1, 1981, and October 31, 1982. Where personnel changes were indicated, we reviewed job history data in the employees' official personnel folders and obtained information on such things as positions held, location of employment, grade, and job series. We identified other work experiences the employees might have had, including previous Federal, State, and/or local government employment, as well as job-related private industry and volunteer work.

Where elimination of management positions was indicated, we spoke with the Service's Personnel Director to obtain information on why the positions were eliminated. To determine staff level changes, we reviewed the Service's monthly employment reports and discussed reasons for changes with management officials of the affected organizational units and with Personnel Division officials.

In trying to identify which staff positions had been filled on the direct recommendation of the White House, we reviewed the Service's official personnel folders for previous and present incumbents in positions that had experienced a personnel change. In reviewing these personnel folders, we looked for indications that an individual might have been hired because of

[1]Special nutrition programs include the School Lunch, Breakfast, and Special Milk Programs; Child Care Food Program; summer food program; and the Special Supplemental Food Program for Women, Infants, and Children (WIC).

a White House recommendation. In interviews with Service and USDA officials, as well as in interviews with former employees, we asked whether the interviewees knew of any such hires. We also reviewed the Service's Schedule "C" appointments because of their political nature.

To determine whether the Service was paying the salaries of individuals not working directly for the Service, we looked at employee personnel files, records kept on employees officially assigned to one office but detailed to another location or office, and the Service's payroll registers. We interviewed former and current supervisory Service employees and USDA and Service personnel officials.

Concerning the Service's headquarters relocation, we reviewed available files and discussed pertinent aspects of the move with Service, USDA, and General Services Administration (GSA) officials. We discussed the availability and need for public transportation with Service, USDA, and Washington Metropolitan Area Transit Authority officials. We also looked into the availability of parking and eating accommodations at the new headquarters building and in its vicinity.

In examining organizational changes the Service made, we reviewed decentralization and reorganization studies and plans and interviewed financial management and program officials at Service headquarters and at its Mid-Atlantic Regional Office in Robbinsville, New Jersey. We asked about the impacts these changes might have on Service personnel and on the benefits the Service anticipated would result from its decentralization and reorganization actions. We reviewed available documents supporting the changes, past and future work plans, organization charts, and statements explaining the functions of the affected organizational units. We discussed the past and current operations of the Office of Policy, Planning, and Evaluation with current, former, and acting directors of that office.

We did our work at the Service's headquarters in Alexandria, Virginia, at its Mid-Atlantic Regional Office, and at USDA headquarters in Washington. We also did work at GSA's headquarters and regional office in Washington, D.C.

1. <u>What career food and nutrition employees have been reassigned from their area of expertise to other areas and what is the background of the individuals taking those positions</u>?

Some personnel changes have been made in the Service's appointed and career management positions since January 1, 1981, affecting the special nutrition programs. As of January 1, 1981, the Service had 15 top management positions at the Senior Executive Service level and 20 management positions involving special nutrition programs at the branch chief level and above. The status of these 35 positions as of our cutoff date of October 31, 1982, was as follows.

--10 had a new incumbent,

--20 positions had no change,

--4 positions were vacant (3 had been filled in January 1981), and

--1 position (vacant in January 1981) had been eliminated.

Following is a list of the 10 positions that had a change of incumbents.

Senior Executive Service

Noncareer appointments

1. Administrator
   (On January 5, 1983, this position became vacant, and the Associate Administrator became the Acting Administrator until his appointment as Administrator on April 3, 1983.)

2. Associate Administrator

3. Director, Office of Analysis and Evaluation

Career appointments

4. Deputy Administrator for Family Nutrition Programs

5. Regional Administrator, Mid-Atlantic Region

6. Deputy Administrator for Special Nutrition Programs

Special Nutrition Programs

Career positions

7. Director, Food Distribution Division

8. Branch Chief, Program Analysis & Monitoring Branch, Child Care and Summer Programs Division

9. Branch Chief, Program Analysis & Monitoring Branch, School Programs Division

10. Branch Chief, Policy & Program Development Branch, Supplemental Food Program Division

Six of the 10 new incumbents joined the Service in the late 1960's and early 1970's and served in various management and specialist positions in either the family or special nutrition programs. The other four new incumbents held various management positions in the military service, State government, or private industry. Because of the personal nature of an individual's work experiences and background, we are providing this information on the incumbents in these positions on January 1, 1981, and October 31, 1982, under a separate letter to the chairman.

2. Which staff positions have been eliminated and at what grade level?

Since January 1981 one staff (management) position--Deputy Director (GS-14), Nutrition and Technical Services Division--vacant since November 1980, was officially eliminated in March 1982. A Service Personnel Division official said that because of recent budget decreases and staff-ceiling constraints, vacant deputy director positions were either eliminated or left vacant.

Three other positions that were filled in January 1981 were vacant on October 31, 1982. Two were special nutrition program deputy director positions (GM-14's)[2]--one in the Food Distribution Division and the other in the Child Care and Summer Programs Division. The third was the Deputy Administrator for Regional Operations (ES-1). According to the Personnel Division, the Service, at the time of our review, had no immediate plans to fill these positions; however, as of April 1983, the Service was recruiting for the position of Deputy Director, Food Distribution Division.

3. Which staff positions have been filled on direct recommendation of the White House?

We did not find any evidence of individuals being hired at the direct recommendation of the White House. However, the Administrator, the Associate Administrator, and the Director of the Office of Analysis and Evaluation are political appointees, as were their predecessors. In addition, six other Service employees were hired through the Schedule "C" process as confidential or staff assistants to the Administrator.

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[2]The term "GM" designates employees in the Federal merit pay system.

Members of Congress, the White House, Department Secretaries, or other Federal officials can submit to the White House the names of individuals to be included in a list of prospective Schedule "C" appointments. USDA personnel officials said that the White House screens Schedule "C" candidates and approves the final hiring. According to the Federal Personnel Manual, Schedule "C" positions are noncompetitive positions of a confidential or policy-advisory character. Schedule "C" employees generally report directly to the head of a department or agency or to other key officials. As a general rule, when administrations change, incumbent Schedule "C" employees are replaced with new Schedule "C" employees of the incoming administration.

4. Which program divisions have had significant staff reductions or increases?

Between January 1981 and October 1982, the overall Service employment level dropped from 2,815 to 2,489 employees, a decrease of 326 employees (12 percent). According to a Service official, this reduction was primarily a result of a Government-wide hiring freeze and, to a much lesser extent, a decreased need for employees in the area of financial management.

The following table shows, by major organization, staff level changes that occurred.

Organization	Number of employees Jan. 1981	Number of employees Oct. 1982	Decrease Number	Decrease Percent
Office of the Administrator[a]	102	91	11	11
Deputy Administrator for:				
Management	161	134	27	17
Financial Management	243	193	50	21
Special Nutrition Programs	232	191	41	18
Family Nutrition Programs	224	220	4	2
Regional Operations	1,853	1,660	193	10
Total	2,815	2,489	326	12

[a]Includes the Offices of Public Information, Analysis and Evaluation, and Government Affairs.

A Government-wide hiring freeze was imposed on January 20, 1981. Although some hiring was permitted, the purpose of the freeze was to significantly reduce the size of the Federal civilian work force. As of the time of our review, the overall Federal work force had been reduced by about 68,000 employees. Although Service officials could not give us the exact number, they told us that a large part of the overall decrease in Service employment was a result of the hiring freeze.

In addition to the hiring freeze, decentralization of some of the Service's financial management activities reduced total employment. Between April and October 1982 certain financial management activities previously conducted at Service headquarters were transferred to the Service's regional offices. With this transfer the Service was able to reduce employment by 35. More information on this decentralization is presented on pages 10 to 16.

The Service has made other staffing changes in its internal organizational units that did not affect total employment levels.

--On December 17, 1981, the Office of Management and Budget (OMB) approved the transfer of regional office responsibility for Service programs in New York from the Service's Mid-Atlantic Regional Office (Robbinsville, New Jersey) to its Northeast Regional Office (Boston, Massachusetts). As a result of the change, 62 employees of the Mid-Atlantic Regional Office were assigned to the Northeast Regional Office. These employees continued to work in New York and were not required to physically relocate.

--Effective February 12, 1982, the Administrative Review Staff consisting of 24 employees was transferred from the Office of Deputy Administrator for Management to the Office of Deputy Administrator for Regional Operations.

--In March 1982 seven employees were transferred from the Office of Policy, Planning, and Evaluation to the Office of Deputy Administrator for Financial Management and became part of a new financial management information division. (See p. 7.)

5. Why was the name of the Office of Policy, Planning, and Evaluation changed to the Office of Analysis and Evaluation, and how has this change affected the types of analysis and evaluation work the office normally does?

In December 1977 USDA established the Office of Policy, Planning, and Evaluation (OPPE) to provide economic analysis and to plan and coordinate program and management evaluations of the special and family nutrition programs. In March 1982 OPPE's name was changed to the Office of Analysis and Evaluation (OAE). According to the Service's Associate Administrator, this change was made to eliminate impressions that this office set Service policy. Also, OPPE's economic analysis staff was transferred to the financial management area to provide top management with better statistical information on program operations. However, the OAE Director said that the renamed office still makes, and plans to continue performing, analyses and evaluations of various program aspects as it did previously but with more emphasis on identifying approaches for reducing program fraud, waste, and abuse.

Reason for name change

According to the Associate Administrator, the Service did not want the name of this office to contain the word "policy." The Service wanted it understood that the Administrator, the Associate Administrator, and the Office of the Secretary, not career employees in OPPE (as its name might indicate), set Service policy. A former OPPE Director and two former Acting Directors said that, despite the word policy in its name, OPPE did not set policy. The former Director, who had helped the Service establish the Office, said that OPPE did analytical work as requested and provided alternative policy recommendations for top management to consider in making its decisions. The former Director also said that the word policy as used in OPPE meant prospective policy or options presented to other higher level officials who would then choose from among the different policy options presented by sources both within and outside USDA. One former Acting Director, who is now the Deputy Administrator for Special Nutrition Programs, said that what the Office did before January 1, 1981, and what it was doing in October 1982 was basically the same; that is, the Office analyzed policy alternatives. The other former Acting Director, currently with OMB, said that OPPE did not set policy but provided policymakers with analyses and evaluations of various policy alternatives.

Transfer of functions to financial management

In March 1982 the Service transferred seven employees of OAE's economic analysis staff and their functions to the Office of Deputy Administrator for Financial Management. According to the Associate Administrator, this change was made because the Administrator was not getting the type of economic statistical information needed to properly manage the Service's programs. He said that the best way to obtain the needed information was to transfer the economic analysis staff to the financial management area where most of the Service's basic data on school meal participation rates, food stamp coupon issuance and redemption rates, and the spending levels of the special and family nutrition programs was compiled.

Effect of changes on operation

The areas of work dealing with the special nutrition programs that OAE is either currently doing or plans to do in fiscal years 1983 and 1984 is basically the same as OPPE performed in the past 2 fiscal years, although, according to the OAE Director, more work is now focused on identifying approaches for reducing program fraud, waste, and abuse.

As of January 1981 OPPE had a number of evaluation studies under way in the special nutrition programs area. These studies included assessments of (1) the Nutrition Education and Training Program, (2) school meal costs and the need for kitchen equipment, (3) the costs and effects of the Child Care Food Program, (4) statistical models that predict participation in the School Breakfast and Lunch Programs, and (5) various aspects of the Special Supplemental Food Program for Women, Infants, and Children--including studies dealing with the health and nutritional impact of the WIC program and acceptable types of cereal in the WIC infant and child food packages.

Some work that was either just started or planned for fiscal year 1982 was canceled because the Assistant Secretary for Food and Consumer Services decided that the work would not be needed because of various proposed changes, such as replacing the School Breakfast and Child Care Food Programs with a block grant and eliminating the summer food program. The Service is planning work for fiscal years 1983 and 1984 that, according to the OAE Director, is in line with USDA's emphasis on the need to control fraud, waste, and abuse and tighten up management of the programs.

Following are listings showing the studies in the special nutrition programs area that were (1) ongoing as of January 1981 and were either continued or canceled after that date, (2) started between January 1, 1981, and September 30, 1982, and (3) planned for fiscal years 1983 and 1984.

Studies ongoing as of January 1981

1. Assessment of the Nutrition Education and Training Program's impact.

2. Assessment of school meal costs and the need for kitchen equipment.

3. Assessment of the costs and effects of the Child Care Food Program.

4. Assessment of the impacts of the School Lunch and Breakfast Programs and development of statistical models for forecasting participation.

5. Evaluation of the Assessment Improvement and Monitoring System.

6. Evaluation of the health and nutritional impact of the WIC program.

7. Study of feasibility of transporting pregnant WIC participants to clinics.[3]

8. Evaluation of the Commodity Supplemental Food Program.

9. Preparation of a bibliography on WIC nutrition education material.

10. Determination of acceptability of cereal types for use in WIC packages.[3]

11. Development of data base describing participation and administrative features of the WIC program.[3]

12. Determination of what aspects of the WIC program affect pregnancy outcomes.

<u>Studies started between January 1981 and September 30, 1982</u>

1. Test, through demonstration and evaluation, of the cost effectiveness of current commodity donation system relative to cash and letter-of-credit systems.

2. Study of the feasibility of using a computer to convert food-use data back through the production and processing chain.

3. Development and test of alternative quality assurance procedures for school meal application process.

4. Determination of the feasibility of donating surplus commodities to food banks.

<u>Studies planned to start in fiscal years 1983 and 1984</u>

1. Study of school food usage.

2. Replication of the National Evaluation of School Nutrition Programs.

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[3]Canceled after January 1981 because of a proposed plan to transfer WIC to the Department of Health and Human Services.

3. Study of management practice in the commodity donation program.

4. Assessment of the role of the WIC program as a determinant of breast feeding and the relationship between infant feeding practices, growth, and serious illness.

5. Development and test of measures of food intake and body measurements for infants and young children.

6. Study of WIC participants' characteristics and targeting of benefits to those persons most in need.

7. Estimation of the number of eligible WIC participants by each State.

8. Development, demonstration, and evaluation of a WIC management information system.

9. Follow-up study of infants born to WIC participants to assess benefits of the program.

10. Assessment of the impact of the WIC program on the demand for farm level commodities.

11. Development of model specifications for WIC nutrition education.

12. Evaluation of multiple assistance programs participation on children.

6. How has decentralization of some functions of the financial management area affected the former operations and staff of that office?

In April 1982 the Service transferred its day-to-day financial management operations to its regional offices and retained the functions of developing financial management policies, procedures, and fiscal accounting systems. The decentralization was part of a plan that began in 1976 to improve the Service's financial management. Although the impact on overall agency operations of decentralizing the financial management functions has not yet been measured, Service headquarters and Mid-Atlantic Regional Office officials said that financial management operations should be improved. As part of this change, Service employment was reduced by 35 and headquarters financial management operations were reorganized into four divisions.

Background of the decentralization

A joint study begun in April 1976 by OMB, USDA, and the Service identified eight major problems involving many aspects of the Service's financial management operations. Two of the problems identified were that regional offices were not fully used and that the existing accounting and financial management system was fragmented and ineffective. The report recommended, among other things, that:

--Regional administrators be given greater authority to manage the financial and program aspects within the regions. This included giving regional administrators the authority to approve State plans, allocate funds among States, issue letters of credit, and take effective action against States that did not use proper procedures to request funds against the letters of credit.

--A strong centralized financial management group be established within each region.

--A new headquarters financial management division be established as an interim step leading to the establishment of a controller responsible for all of the Service's financial management activities.

In line with these recommendations, the Service in 1977 created a new position of Deputy Administrator for Financial Management and in 1979 consolidated its regional financial management functions under a director of financial management in each region.

Organizational and operational changes

In January 1982 the Acting Administrator announced the transfer of the following activities to the Service's regional administrators: (1) control over the financial management functions of accounting and grant awards, (2) authority to approve advance planning documents for computer acquisitions, and (3) control over State food stamp operating expense funds. The transfer became effective in April 1982.

Before the reorganization, the financial management headquarters group consisted of a Deputy Administrator for Financial Management and the following five organizational units.

1. Financial Management Development Staff

2. Accounting and Reporting Division

3. State Financial Control Division

4. Budget Division

5. Automated Systems Division

As a result of the decentralization, two of the Accounting and Reporting Division's four branches and two of the State Financial Control Division's three branches had most of their functions transferred to the regions. Also, OAE's financial analysis functions became part of the remaining headquarters financial management group.

The decentralization eliminated some duplication and/or streamlined functions in overseeing State administration of Service programs and redefined the Service's role in developing financial management policy, procedures, and fiscal accounting systems.

The Food Stamp Program is an example of how decentralization works among States. State agencies are required to maintain an inventory of food coupons and to reimburse the Federal Government for any coupons lost. State agencies are required to identify such losses through a monthly reconciliation process and to submit a report of losses to the appropriate regional office. Upon receipt, the regional offices enter this data into the Service's computer system and then mail the State agencies' reports and supporting data to Service headquarters. Semiannually, the computer system generates a statement of account, summarizing each State's coupon losses.

Before decentralization, the Service's Accounting and Reporting Division was responsible for (1) reviewing and reconciling statements of account, (2) checking original documents, (3) consulting regions for further information, and (4) making adjustments as necessary. After reconciling this information, the Division distributed the reconciled statements of account to the regional offices and to State food stamp agencies for their review and further correction. After the Division, the regions, and the State agencies established the amount of coupons lost, the Division prepared a bill and sent it to the State agency, through the regional office, for collection.

After decentralization, the regional offices reviewed and reconciled a State's statements of account, checked original documents, made adjustments, and resolved the claims with the State agency. The chairman of the study group that recommended changes in the Service's financial management operations and the financial management director in the Mid-Atlantic Regional Office told us that the revised process will reduce the time required to reconcile Service and State records dealing with lost food coupons.

Effective July 19, 1982, the Service's headquarters financial management group was reorganized to reflect the transfer out of some functions to the regions and the transfer in of certain financial analysis functions from OAE. According to the Deputy Administrator for Financial Management, the headquarters group and its functions were reorganized to emphasize the analysis and reporting of management information and to improve the quality and completeness of program and financial data derived from the Service's reporting systems.

After the changes were made, the headquarters financial management group was organized into the following four divisions, each with a defined role in the financial management process.

Budget Division--prepares and manages budget systems for allocating resources.

Management Information Division--prepares management reports dealing with historical or projected funding levels required under current legislation for existing programs.

Automated Data Processing Division--develops automated systems for all Service programs.

Accounting Division--accounts for dollars spent and establishes financial accounting policies and procedures.

Cost and savings of decentralization

As a result of the decentralization of financial management functions, 35 headquarters financial management employee positions were eliminated. The annual salaries and benefits of these employees amounted to about $900,000. However, discontinued service retirements granted to 5 of the 35 employees and early optional retirements authorized by the Office of Personnel Management (OPM) to the Service to make vacancies available to help place the other 30 employees will, over time, cost the Civil Service Retirement Fund an estimated additional $1 million, computed using OPM criteria.

Initially, the Service identified 50 headquarters employees whose positions would be abolished as a result of transferring the financial management functions to the regional offices. These employees were notified on April 15, 1982, of their options to either (1) transfer to the regions with their functions, (2) be terminated if efforts to place them in other positions with the Service, USDA, or another Government agency were unsuccessful, (3) retire, or (4) resign.

As the functions were being transferred to the regional offices, however, the Service decided that 15 of the 50 employees were needed in the headquarters financial management area. The following table shows the options chosen by the remaining 35 employees whose positions were abolished and the annual salaries and benefits saved or avoided.

Options chosen	Number of employees choosing the option	Annual salaries and benefits saved or avoided
Transferred to a regional office	2	(a)
Placed in vacant positions within the Service[b]	20	$456,105
Transferred to available positions in USDA or in another Federal agency	7	207,949
Retired[c]	5	206,967
Resigned	1	29,381
Total	35	$900,402

[a]These employees did not fill vacancies in the regional offices; therefore, no savings can be claimed.

[b]Because the Service filled existing vacancies with employees whose positions were abolished, hiring new employees to fill the existing vacancies was avoided.

[c]Discontinued service retirement authorized under 5 U.S.C. 8336(d)(1).

If employee positions in an agency are abolished, any incumbent employee with 25 years of service or those age 50 or more with 20 years of service can choose to retire before they normally would have been eligible to retire.[4] This is known as discontinued service retirement. For example, a Service employee who would have been eligible to retire on July 22, 1993, at age 55 with 36 years of service chose to retire under this provision on July 30, 1982, at age 44 with 25 years and 1 month service.

As shown in the table on page 14, five headquarters financial management employees chose the option of discontinued service retirement. Because these employees chose to retire earlier than they normally would have been eligible to retire, OPM has determined, based on actuarial studies, that additional costs will accrue over time to the Civil Service Retirement Fund. According to OPM criteria, Federal agencies are to use a factor of 130 percent times the annual salaries paid to the employees at the time of the discontinued service retirement to calculate this total additional cost. The Service calculated that this cost would be about $246,000 for the five discontinued service retirements.

To help make vacancies available to the headquarters financial management employees whose positions were to be abolished, the Service had obtained authority from OPM under 5 U.S.C. 8336 (d)(2) to grant early optional retirements to 59 other Service headquarters employees who were given the option of voluntarily retiring before they normally would have been eligible to retire based on age and years of service.[4] Nineteen of the 59 Service headquarters employees chose early optional retirement.

As shown in the table on page 14, 20 headquarters financial management employees filled vacant positions. Six of these 20 vacancies that were thus filled resulted from employees choosing early optional retirement, and the remaining 14 vacancies that were filled resulted from other personnel actions, such as resignation of employees whose positions were not abolished, transfers out of the Service, and an upward mobility movement.

Like discontinued service retirement, early optional retirement enables employees to retire earlier than they normally would have been eligible to retire. For the 19 early optional retirements, the Service calculated that about $867,000 in additional costs will accrue over time to the Retirement Fund.

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[4]Retirement eligibility is normally established when an employee is either (1) 62 with at least 5 years of service, (2) 60 with at least 20 years of service, or (3) 55 with at least 30 years of service.

The Service incurred some one-time costs, amounting to about $78,000, for a consultant's study, travel, employee transfers, severance pay, and records shipment, as shown below.

Consultant contract to study decentralization	$37,231
Travel to provide training for regional office financial staff	20,893
Relocation costs to transfer two headquarters employees to regional offices	14,120
Severance pay for one employee	4,495
Shipment of headquarters financial records to regional offices	1,484
Total	$78,223

In addition, lump-sum leave payments that had accrued to employees who chose either early optional or discontinued service retirements amounted to $105,319.

7. <u>How many persons not working directly for the Service have their salaries paid from the Service's budget? In what capacity do these persons work and at what cost to the Service?</u>

As of October 31, 1982, the Service was paying the salaries of four employees who were not working directly for the Service.

--One was detailed as a researcher to the Congressional Research Service.

--A second worked as a staff assistant in the White House Press Office.

--A third worked as a chauffeur for USDA's Office of the Assistant Secretary for Food and Consumer Services.

--A fourth worked for USDA's Office of the Inspector General as an investigator.

These four cases are discussed below.

Of the two employees who were on detail assignment, one was a supervisory program analyst (GM-15) detailed as a researcher to the Congressional Research Service, Library of Congress. The detail started in February 1982 and ended in January 1983 when the employee accepted a position in another USDA agency (Food Safety and Inspection Service). The employee's annual salary and benefits amounted to about $62,000.

Generally, details are made for limited periods of time and can be justified as a means of relieving situations where personnel shortages or an exceptional work volume are delaying public business, or when an agency has a temporary need for staff especially qualified to do a particular job or to handle other need-determined contingencies.

The second employee was a GS-9 USDA staff assistant detailed to the White House in August 1981 and was being paid by USDA at that time. In March 1982 the employee, who remained on detail to the White House, was put on the Service's employment roster and was paid by the Service from that time on. The employee's annual salary and benefits amounted to $21,000.

Although 3 U.S.C. 107 (Supp. III, 1979) allows temporary details to the White House to work on agency-related matters, a White House official said that this individual was working as a staff assistant in the White House Press Office. Under 3 U.S.C. 112 (Supp. III, 1979) when an employee assigned to the White House is performing services that normally would be performed by personnel of the White House, Office of the Vice President, Executive Residence, Domestic Policy Staff, or Office of Administration, the White House reimburses the detailing agency for the employee's salary expense after the first 180 calendar days in any fiscal year. At the time of our inquiry, this employee's White House assignment had exceeded the 180-day criterion. The White House agreed to reimburse the Service for the salary and benefits incurred after the 180-day period when the Service provides that information to the White House. As of May 31, 1983, however, USDA had not submitted the information to the White House.

In the third case a Service employee classified as a motor vehicle operator was assigned to provide chauffeur services for the Office of the Assistant Secretary for Food and Consumer Services and to perform other duties such as making messenger trips and mail pick ups. According to the employee, he had provided chauffeur services for the Assistant Secretary's office for about 10 years. At the time of our review, the employee was paid $8.37 an hour and generally worked 40 hours a week. His annual salary and benefits amounted to about $20,000.

According to the Assistant Secretary, this employee is now located at the Service's headquarters office in Alexandria, Virginia, and, although he still occasionally drives for her Office, he has been assigned other duties.

The fourth case involves a former Service employee who was transferred to USDA's Office of the Inspector General (OIG) in April 1982 to aid in investigations of fraud and abuse in the Food Stamp Program and other USDA food assistance programs. Although the individual became an OIG employee in April 1982, the Service agreed to reimburse OIG for the employee's GM-15, step 10, salary and benefits and, on September 29, 1982, transferred about $29,000 to OIG for this purpose.

The transfer of these funds is improper under 31 U.S.C. 1301 (Public Law 97-258, Sept. 13, 1982) which prohibits an agency from using its appropriated funds to pay the expenses of another agency. After we brought this matter to the Service's and OIG's attention, OIG agreed to pay the employee's salary and benefits, and it plans to return the reimbursed funds to the Service.

8. What problems has the relocation of the Service's headquarters offices created for its employees and what efforts have been made to remedy them?

In November 1981 the Service began relocating its headquarters offices from leased office space in Southwest Washington, D.C., to leased space in Alexandria, Virginia. The move, not completed until October 1982, caused employee concerns about the availability of eating facilities, parking, public transportation, and access to USDA facilities in Washington. The Service has been working to alleviate these concerns, but some problems concerning the availability of eating facilities remain.

Between June 1970 and November 1981 the Service occupied rental space in the Group Hospitalization, Inc. (GHI) building in Southwest Washington under a lease that GSA administered for USDA. The Service also occupied space in USDA's Auditors Complex on 14th Street and Independence Avenue

Relocation to Alexandria, Virginia

The lease for Service-occupied office space in the GHI building expired in July 1980 and could not be renewed. GSA negotiated with GHI to permit the Service to remain in the building until GSA found replacement space. USDA requested GSA to obtain over 94,000 square feet of space in the Southwest D.C. area. According to the Assistant Secretary for Food and Consumer Services, GSA urged USDA to expand the area of consideration because it believed that the market for available space in Southwest Washington was limited. The Service therefore selected the Northern Virginia area as an alternative because it was inside the beltway and close to public transportation. On November 17, 1980, GSA solicited offers to obtain the needed office space in the two areas specified. No offers were received for space in Washington, D.C., but three were received for space in Northern Virginia--in Crystal City, on Columbia Pike, and at Park Center.

Before a final selection was made, GSA informed USDA in February 1981 that space in the Donohoe Building at 6th and D Streets, S.W., Washington, D.C., would be available and that USDA was being considered. However, GSA eventually assigned this space to the Federal Emergency Management Agency and the Federal Labor Relations Authority.

According to the GSA official who handled the leasing arrangements, Park Center in Alexandria was selected over the other two offers because one of them did not have enough space and needed to be renovated by GSA, and the other had too much space and was more expensive than Park Center.

In May 1981 USDA accepted the space at Park Center for the Service and subsequently requested an additional 41,000 square feet of space to accommodate about 250 Service personnel still located in Southwest Washington. This move was made because USDA decided that the Service should consolidate all of its activities at Park Center. Most of the Service headquarters employees moved to the new office space in November and December 1981, but the entire move was not completed until almost a year later because of delays in completing computer facilities at Park Center. In October 1982 employees of the Service's Automated Data Processing Division were moved to Park Center, completing the move of all headquarters employees.

Access to USDA headquarters

When they were in the GHI building and the Auditors Complex, Service employees had easy access to USDA's South Agriculture and Administration Buildings on Independence Avenue. Employees in the GHI building could walk to the South Agriculture Building in about 5 minutes and to the Administration Building in about 10 minutes. The Auditors Complex is across the street from both buildings. Also, a Government bus operating between these four buildings took about 5 minutes to make the run.

Service officials said that before the Service moved to Park Center, they realized that Government-furnished transportation for employees on official business would be needed between Park Center and USDA headquarters. An 11-hour shuttle service was established in November 1981, beginning at the GHI building at 7 a.m. and departing every hour thereafter. The return trip was made on the half hour, with the last trip starting at 5:30 p.m.

The Service official in charge of the shuttle service said that the schedule and the seating capacity of the vehicle were more than adequate to handle the number of persons using the shuttle service for official business except during the early morning and late afternoon trips. The Associate Administrator said that the Service suspected that some employees were using the shuttle to commute to and from work.

In an effort to reduce any such unofficial use of the shuttle, the Service, on March 29, 1982, revised the schedule to cover a 9-hour period, with the first shuttle leaving Park Center at 8 a.m. and hourly thereafter until 4 p.m. and the return shuttle leaving the GHI building at 8:30 a.m. and hourly thereafter until 4:30 p.m. Passengers using the 8:30 a.m. and 4 p.m. shuttles were required to sign a log stating their name, purpose of travel, and supervisor's name and telephone number. Service officials said that shortening and revising the schedule and instituting the passenger log record have alleviated the problem of the shuttle not being able to accommodate employees on official business in the early morning and late afternoon.

We made a limited review of the seating capacity and passenger log records for the 46 operating days starting August 16 and ending October 21, 1982. We found that during the 34 days that an 11-passenger van was used, the van was completely full 15 times on the 8:30 a.m. run; some seats were available on the 4 p.m. run; and, on the average, five to six passengers used the shuttle during each trip the rest of the day. For the 12 days that a 14-passenger van was used, a few seats were empty each day on the 8:30 a.m. and 4 p.m. runs. On the average, four to six passengers used the shuttle during each trip the rest of the day. In commenting on our draft report, the Assistant Secretary for Food and Consumer Services said that, as a point of further clarification, the Service's Administrative Services Division scrutinizes the logs regularly and reports any instances of apparent abuse to appropriate division directors.

Eating facilities at or near Park Center

Before the Service moved to the Park Center building, eating facilities were unavailable in the building and the GSA lease did not include space for an eating facility. GSA officials said that space in Government-leased buildings can be leased for food service facilities--generally cafeterias. However, the officials said that in order to support the cost of developing and operating a cafeteria where a lessor does not plan to establish eating facilities in the building, GSA has established a general rule that an agency should have a minimum of 1,400 employees working in the building. (The Service had slightly over 800 headquarters employees at Park Center). GSA said that in November 1981 when the Service was moving to Park Center, the lessor was negotiating with potential restaurant/cafeteria operators and expected to have an eating facility operating within 90 days. However, these discussions were unsuccessful. Subsequently, the lessor advised the Service and GSA of further talks with different restaurant/cafeteria firms in an attempt to arrange for eating facilities in the building. However, we were told that nothing definite has resulted from such talks.

As a partial, short-term solution, the lessor arranged, at USDA's request, for a mobile food service unit to stop several times daily outside the building. This service started operating in November 1981 and offers a variety of sandwiches, salads, snacks, milk, juice, and coffee. The lessor also arranged to have installed in the building vending machines that offer milk, yogurt, fruit, and sandwiches. A convenience store located on the plaza floor of the building opened November 22, 1982, and sells prepared sandwiches, foods for microwave cooking, and snacks.

Service employees are officially allowed 30 minutes for lunch. The nearest eating facilities to Park Center--a delicatessen and a pizza parlor--are within a 14-minute walk (one way), and four other eating facilities--all fast-food chain restaurants--are within an 18-minute walk (one way). Service employees with automobiles can drive to the delicatessen and pizza parlor in about 7 minutes (one way) and to the four fast-food chain restaurants in 9 minutes (one way). If employees drove another 4 minutes (or a total of 13 minutes from Park Center), about 24 other eating facilities--ranging from restaurants to fast-food chains, delicatessens, and a convenience store--would be available to them. Walking from Park Center to and from the delicatessen, the pizza parlor, and the four fast-food chain restaurants for lunch on a regular basis within the official

30-minute lunch period would be unrealistic. It would be difficult to do even if the lunch period were somewhat "liberalized." Even driving from Park Center to the same eating facilities on a regular basis would take a large part of the time available to employees for lunch.

When the Service was located in the GHI building, Service employees could choose to eat in a small cafeteria in the building or walk to nine other eating facilities--four cafeterias and five fast-food restaurants--located within 8 minutes (one way) from the building. Within an additional 5-minute walk (one way), 20 other eating facilities--including cafeterias, restaurants, fast-food chains, specialty food stores, and snack bars--were available. The Assistant Secretary for Food and Consumer Services noted that a survey conducted in April 1982 by the Service on various aspects of employee acceptance of the move indicated that about 33 percent of the employees left the GHI building for lunch and that, although not mentioned in the survey, very few Service employees used the cafeteria in the GHI building.

Parking

Employees have more parking spaces available to them at Park Center than when they were located in the GHI building. Before the relocation, Service employees competed with about 12,400 other USDA employees for 821 USDA-controlled parking spaces. Except for executive and other special purposes, USDA assigns its parking spaces using a point system which considers driving distance, number of persons in a carpool, number of trips, and whether carpool members are USDA employees. USDA officials said that because of the limited number of spaces compared with the number of applications received, only carpools with four or more persons are issued a parking space permit.

Service employees at Park Center have a greater opportunity to obtain free parking spaces. GSA leased 334 parking spaces in the Park Center complex for the Service's 800 employees. In October 1982, when the 334 spaces were completed, the 224 parking applications received for carpools with two or more persons were approved and an additional 97 spaces were assigned to employees who drove alone. Of the remaining 13 spaces, 6 were reserved for visitors and 7 were to be assigned at a later date. Service officials who assigned the parking spaces said that they did not use USDA's point system because enough parking spaces were available for all applications for carpools with two or more riders.

In commenting on our draft report, the Assistant Secretary for Food and Consumer Services pointed out that the parking spaces are normally verified and reassigned every 6 months and that during April 1983 new applications were submitted and the spaces were reassigned. At that time the 253 parking applications received for carpools with two or more persons were approved and an additional 71 spaces were assigned to employees who drove alone. A total of 673 Service employees were included in the carpool requests of which 595 were in the 324 carpools (including the drive alones) that received free parking spaces.

Availability and use of public transportation

Although a new metro bus route was established to serve Park Center, ridership has reached only about half the number that was expected to use the service. Before the relocation, public transportation to Park Center was limited to a local metro bus that ran every 30 minutes from the Pentagon and stopped about two blocks from Park Center. Because the frequency of this service during the morning and evening rush hours would be inadequate for employees normally using the metro system, USDA requested the assistance of the city of Alexandria and the Washington Metropolitan Area Transit Authority to establish a better bus service to Park Center. On November 21, 1981, the Transit Authority approved an express bus service from the Pentagon to Park Center, consisting of six trips during both the morning and afternoon rush hours. Arrivals at Park Center were scheduled from 6:45 a.m. to 8:30 a.m. and departures from 3:30 p.m. to 5:30 p.m.

According to Transit Authority records, ridership counts taken in March, April, and May 1982 showed that the number of passengers using the service was about half of what the Authority expected. Therefore, in September 1982 the Transit Authority eliminated two morning and two evening trips, effective January 1983.

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

May 3, 1983

Mr. J. Dexter Peach
Director
General Accounting Office
Washington, D.C. 20548

Dear Mr. Peach:

Thank you for the opportunity to review in draft form the GAO report entitled "Information on Organization, Personnel and Location Changes Made by the Food and Nutrition Service." In general we find the report to be very factual and complete. No serious discrepancies were noted. A few minor suggested editorial changes have been given to Robert Mancuso by telephone.

Enclosed are our specific comments.

Sincerely,

Mary C. Jarratt
Assistant Secretary for Food
and Consumer Services

Enclosure

Comments to GAO Draft:

(1) On page 17 paragraph 4 regarding the motor vehicle operator, although your observation was accurate at the time of the audit, this man has since been reassigned to Park Office Center. Although he does still occasionally drive for the Secretary's Office he has since been given other duties to perform.

[GAO COMMENT: This information was added on page 18.]

(2) On page 18 the fifth paragraph second sentence we suggest rewording as follows: "GSA negotiated with the GHI to permit the Service to remain in the building until GSA found replacement space. The Department asked GSA to obtain over 94,000 square feet of space in Southwest D.C. GSA urged that we expand our area of consideration because of their knowledge of the limited space market inside Southwest D.C. We then selected Northern Virginia because it was inside the Beltway and close to public transportation."

[GAO COMMENT: This information was added on pages 18 and 19.]

(3) On page 20 at the end of the 4th paragraph as a point of further clarification the Administrative Services Division (ASD) scrutinizes the logs regularly and reports any instances of apparent abuse to the appropriate Division Director.

[GAO COMMENT: This information was added on page 20.]

(4) On page 22 at the end of the first paragraph we suggest adding the sentence: "A survey conducted in April of 1982 by the Service on various aspects of employee acceptance of the move indicated that approximately 33 percent leave the building for lunch."

On page 22 at the end of the first paragraph we suggest adding: "However it should be noted that very few Service employees utilized the GHI Catefteria."

[GAO COMMENT: This information was added on page 22.]

(5) On page 22 at the end of the third paragraph we would like to point out that these spaces are normally verified and reassigned every six months. The applications were resubmitted and reassigned during April of 1983. At that time all two person or more carpools were accommodated with free spaces (253) and (71) single drivers were accommodated. There were a total of 673 FNS personnel requests for parking space in the Building, of which 595 received a space.

[GAO COMMENT: This information was added on pages 22 and 23.]

GAO Note: USDA's references to pages and paragraphs in the draft report have been changed to correspond to those in the final report.

APPENDIX III

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
COMMITTEE ON EDUCATION AND LABOR
SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION
B-346C RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

May 19, 1982

The Honorable Charles A. Bowsher
Comptroller General
U.S. General Accounting Office
Washington, D.C.

Dear Mr. Comptroller General:

During the past year, the Food and Nutrition Service of the Department of Agriculture has been undergoing a major reorganization in terms of personnel changes and the restructuring and dismantling of program divisions.

I am writing to request the General Accounting Office to review the changes that have been made in the Food and Nutrition Service since January, 1981. I am concerned that these changes are affecting the programs administered by the Food and Nutrition Service, particularly the child nutrition programs that are under this Subcommittee's jurisdiction.

I would like your review to include the following:

- What career food and nutrition employees have been reassigned from their area of expertise to other areas and what is the background of the individuals taking those positions.

- Which staff positions have been eliminated and at what grade levels.

- Which staff position have been filled on direct recommendation of the White House.

- Which program divisions have had significant staff reductions or increases.

- Which program divisions have been redefined in terms of their function and what is the Department's rationale for these changes. For example, the Office of Policy, Planning and Evaluation has now been changed to the Office of Analysis and Evaluation. What was the reason for this change and how has it affected the Office's operation.

- Which program divisions have been eliminated or decentralized and what is the rationale for, and the effect of, this elimination or decentralization. For example, the Office of Financial Management has been decentralized. How has this affected operations and staff formerly working in this office.

- How many persons not working directly for the Food and Nutrition Service have their salaries paid from the Food and Nutrition Service budget. For example, there may be Food and Nutrition Service paid personnel who work out of the White House, the Secretary's or Assistant Secretary's offices. In what capacity do these persons work and at what cost to the Food and Nutrition Service budget.

- What problems has the relocation of the Food and Nutrition Service created for its employees and what efforts have been made by the Department to remedy these problems.

Since the reorganization and budget limitations have affected both the Washington and regional offices, I would ask that you include regional offices in your review.

I would appreciate hearing from you as soon as possible regarding my request.

Sincerely,

Carl D. Perkins
Chairman

CDP:js

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