

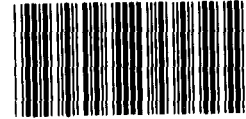
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United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-238361



147317

August 7, 1992

The Honorable Glenn English
Chairman, Subcommittee on Conservation,
Credit, and Rural Development
Committee on Agriculture
House of Representatives

Dear Mr. Chairman:

This letter responds to your July 7, 1992, request for our views on issues affecting the consolidation of field offices within the U.S. Department of Agriculture's (USDA) Soil Conservation Service (SCS). Specifically, you asked us how we thought the benefits of SCS's technical assistance and other services should be evaluated and to what extent certain workload indicators should be considered in developing plans to consolidate the field offices.

In summary, we believe that issues affecting the consolidation of SCS's field offices need to be examined within the larger context of USDA's mission and goals. Over the years, USDA has acquired responsibilities in certain aspects of environmental quality and international trade, and its client base has grown, yet its large, decentralized, multiagency organization--including its vast network of farm service agency field offices--has remained largely unchanged. To meet its current responsibilities and assist its clients effectively, USDA needs to first review its mission and goals and then design an organizational structure to achieve them.

Opportunities do exist for USDA to streamline its field structure, which may currently require farmers and others to deal with different offices, employees, and administrative procedures. In our series of reports on the management of

GAO/RCED-92-254R, Soil Conservation Service Reorganization

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USDA,¹ we have recommended that the Department take advantage of the efficiencies and cost savings that could be achieved by consolidating and collocating existing field offices. Furthermore, we have suggested that USDA officials and the Congress need seriously to consider integrating the Department's system for delivering farm services so that multiple agencies can operate as a unit at local levels.

For purposes of determining how to consolidate SCS's field offices, it would be difficult to place a dollar value on the technical assistance and other services that SCS provides to its clients. Any such value would be assigned arbitrarily and would not constitute a reasonable basis for deciding how to consolidate SCS's field offices. Reliable statistics on SCS workload factors, such as the amount of highly erodible land in an area served by a field office, together with other factors, such as the availability of funds, would serve as more relevant indicators for determining how to streamline SCS's operations.

BACKGROUND

Of the 36 separate agencies within USDA, the 5 basic farm service agencies--the Agricultural Stabilization and Conservation Service, Extension Service, Farmers Home Administration, Federal Crop Insurance Corporation, and SCS--operate one of the federal government's oldest, largest, and most decentralized field structures. In fiscal year 1989, four of the farm service agencies spent about \$2.4 billion and employed about 63,000 staff to administer programs in over 11,000 county offices.

For fiscal year 1993, SCS alone has budgeted about \$884 million and planned to employ about 14,000 full-time-equivalent staff. SCS carries out a national soil and water conservation program in cooperation with farmers and others in more than 3,000 conservation districts covering 2 billion acres in 50 states, Guam, Puerto Rico, and the Virgin Islands. Among other activities, SCS provides technical

¹Between October 1989 and September 1991, we issued reports on various management issues at USDA and recommended ways to improve the Department's organizational structure, management systems, and strategies. The enclosure contains a list of these reports.

assistance to landowners to map soil resources and to develop conservation plans and install conservation systems as the basis for continued participation in various other USDA programs.

In January 1991, we issued a report entitled U.S. Department of Agriculture: Farm Agencies' Field Structure Needs Major Overhaul (GAO/RCED-91-09, Jan. 29, 1991), which evaluated the field office structure of USDA's farm service agencies. Our report found that millions of dollars could be saved by restructuring these decentralized agencies: Consolidating county offices could increase efficiency, and adopting departmentwide strategies and organizational structures could further improve coordination and reduce costs.

Several internal USDA studies have also called for changes in USDA's organization. One of the most recent, which senior USDA managers conducted in 1985, advocated reexamining the continuing relevance of existing agencies, noting that agencies established long ago may have outlived their usefulness. The report recommended a more integrated system for delivering farm services. The Secretary of Agriculture convened a task force to develop basic guidance and policies for reorganizing the Department's farm service agencies' field offices.

CHANGES IN USDA'S MISSION AND GOALS
POINT TO A NEED FOR REORGANIZATION

Changes in the world and the agricultural sector, which have led to changes in USDA's responsibilities and client base, point to a need for reviewing USDA's mission and goals as a first step toward developing an efficient organizational structure for the Department. Unless USDA takes this first step, it risks altering its existing structure in ways that are not conducive to meeting its current and emerging responsibilities. For example, 10 USDA agencies have acquired authority in water quality matters, but the Department has not developed a cross-cutting strategy or mechanisms for coordinating these matters.

Nowhere is the need for developing a cohesive strategy more apparent than in the field offices of USDA's farm service agencies. Individual agencies operate independent field offices all over the country, often right next door to each other. Because these agencies' efforts have not been integrated, farmers must supply the same information in

different formats to different agencies; agencies' computer systems do not communicate with one another; and agencies sometimes work at cross purposes on common issues. To minimize these problems for farmers and others and to reduce administrative costs, USDA could streamline its current field structure. We have recommended that USDA take advantage of the efficiencies and cost savings that could be achieved through consolidations and collocations within the existing field structure. Moreover, we have suggested that senior USDA officials and the Congress need seriously to consider integrating the Department's system for delivering farm services so that multiple agencies can operate as a unit at local levels.

FINANCIAL VALUE OF SCS'S ACTIVITIES
IS NOT DIRECTLY APPLICABLE
TO CONSOLIDATION DECISIONS

In discussing the advantages of consolidation as a step in reorganizing USDA's farm service field agencies, we indicated in our January 1991 report that if appropriate criteria were used to determine which field offices should be combined or closed, farmers and other beneficiaries of the agencies' services should see no diminution in the level or quality of the assistance or services available to them. Although we stated that a comparison of the value of program benefits with the administrative costs of delivering them might serve as a criterion for making consolidation decisions, we did not indicate that this criterion alone should be used or that it would be applicable to all such decisions. For consolidation decisions affecting SCS--which furnishes technical assistance rather than financial support--it would not be applicable.

The benefits that SCS provides--identifying soil erosion, water quality and wetlands problems; developing plans and practices to address these problems; and monitoring compliance--are indisputably valuable, but they cannot readily be evaluated in dollar terms. Therefore, unlike the monetary benefits that some of the other farm service agencies provide, such benefits cannot easily be compared with the administrative costs of delivering them. Such an analysis would be subjective and could lead as readily to justifications for retaining field offices as for consolidating them.

WORKLOAD INDICATORS ARE RELEVANT
TO CONSOLIDATION DECISIONS

Reliable workload indicators--including measures of program requirements and demands for service such as you cited in your letter--are, however, relevant to consolidation decisions. Measures of program requirements that you cited include the number of acres of highly erodible land and wetlands in an area served by a field office, the number of conservation plans in place on agricultural land in an area, and the number of acres in a conservation reserve program. Recent farm bills and other legislation have, in fact, increased such program requirements: The conservation compliance and conservation reserve programs, which affect millions of acres, require assistance by SCS employees on a farm-by-farm basis. Measures of demands for service that you cited include the number of requests for assistance received by an office each year and the number of on-site visits made by staff assigned to an office.

In addition to these workload indicators, USDA needs to examine several other factors as it identifies opportunities for consolidating local offices. These factors include farm trends; county size; budget considerations, including administrative costs; and program benefits (financial and nonfinancial). In establishing the boundaries of the area to be served by a particular office, criteria such as the number of farms and farmers to be served, the geographic area to be covered by an office, the amount and kind of crops grown, and the accessibility of the office to farmers also need to be considered.

USDA IS CONSIDERING CERTAIN
SCS WORKLOAD INDICATORS

The Secretary of Agriculture has convened a task force comprising representatives of the major county-based farm service agencies to develop basic guidance on the mission, needs, principles and policies for reorganizing field offices. According to SCS' Associate Deputy Chief for Administration, who is a member of the task force, USDA headquarters will not identify specific field offices to be closed. Rather, the Department task force will provide

guidelines to state Food and Agriculture Councils² (FAC) for determining how offices within each state should be reorganized. He noted that USDA headquarters does not have adequate data on local program requirements and SCS activities to determine how its field offices should be restructured. He stated that these data are available at SCS state offices and should be used by the state-level FACs when they reorganize. The Associate Deputy Chief stated that the SCS workload indicators identified in your July 1992 letter will be documented on a local level and considered on a state-by-state basis. USDA has developed a database on the farm service agencies' county offices as part of this effort. The database contains some of the conservation-program and workload indicators that you are interested in.

METHODOLOGY

We interviewed officials and gathered documentary information at USDA's Office of Information Resources Management and SCS headquarters in Washington, D.C., to determine what SCS workload indicators were being considered as part of the Department's field structure review and what data were available about SCS field offices.

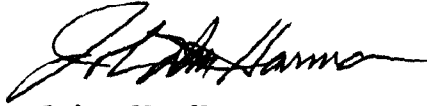
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²USDA established these councils in 1982 to serve as a single forum for promoting interagency coordination and cooperation in each state. Each state council comprises senior officials of the individual USDA agencies in the state.

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If you have any questions concerning this letter, please contact me at (202) 275-5138.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John W. Harman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John W. Harman
Director, Food and
Agriculture Issues

Enclosure

GAO'S GENERAL MANAGEMENT REVIEW REPORTSUSDA MANAGEMENT REVIEW REPORTS

U.S. Department of Agriculture: Revitalizing Structure, Systems, and Strategies (GAO/RCED-91-168, Sept. 3, 1991).

U.S. Department of Agriculture: Strengthening Management Systems to Support Departmental Goals (GAO/RCED-91-49, July 31, 1991).

U.S. Department of Agriculture: Improving Management of Cross-Cutting Issues (GAO/RCED-91-41, Mar. 12, 1991).

U.S. Department of Agriculture: Farm Agencies' Field Structure Needs Major Overhaul (GAO/RCED-91-09, Jan. 29, 1991).

U.S. Department of Agriculture: Strategic Marketing Needed to Lead Agribusiness in International Trade (GAO/RCED-91-22, Jan. 22, 1991).

U.S. Department of Agriculture: Need for Improved Workforce Planning (GAO/RCED-90-97, Mar. 6, 1990).

U.S. Department of Agriculture: Status of the Food and Agriculture Councils Needs to Be Elevated (GAO/RCED-90-29, Nov. 20, 1989).

U.S. Department of Agriculture: Interim Report on Ways to Enhance Management (GAO/RCED-90-19, Oct. 26, 1989).

OTHER USDA REPORTS

U.S. Department of Agriculture: Overhauling the Farm Agencies' Field Structure (GAO/T-RCED-92-87, July 30, 1992).

U.S. Department of Agriculture: Restructuring Will Impact Farm Service Agencies' Automation Plans and Programs (GAO/T-IMTEC-92-21, June 3, 1992, and GAO/T-IMTEC-92-23, June 23, 1992).

U.S. Department of Agriculture: Revitalizing and Streamlining the Department (GAO/T-RCED-92-76, June 23, 1992).

Financial Audit: Department of Agriculture's Financial Statements for Fiscal Year 1988 (GAO/AFMD-91-65, Aug. 13, 1991).

ENCLOSURE

ENCLOSURE

Information Resources: Management Improvements Essential for Key
Agriculture Automated Systems (GAO/IMTEC-90-85, Sept. 12, 1990).

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