

Testimony

Before the Information, Justice, Transportation, and Agriculture Subcommittee, Committee on Government Operations, House of Representatives

For Release on Delivery Expected at 9:00 a.m., EDT Thursday April 22, 1993

REVITALIZING USDA

A Challenge for the 21st Century

Statement of Robert A. Robinson, Associate Director, Food and Agriculture Issues, Resources, Community, and Economic **Development Division**





Mr. Chairman and Members of the Subcommittee:

We are pleased to participate in this hearing on the management and structure of the U.S. Department of Agriculture (USDA). Our testimony today is based on our general management review of the Department and the events that have occurred since we issued our reports. Unlike traditional audits and evaluations of individual programs, management reviews examine the overall effectiveness of the management processes and systems of departments and agencies. Between October 1989 and September 1991, we issued a series of reports on various management issues at USDA and recommended ways to improve the Department's organizational structure, management systems, and planning mechanisms.

Our testimony today will focus on

- -- USDA's need to overcome problems in organizational structure and management systems,
- -- recent efforts to streamline USDA, and
- -- issues to consider in revitalizing USDA.

In summary, USDA today encompasses a much broader range of missions and programs -- from food and agriculture to such crosscutting issues as rural development and biotechnology--than it did in the 1930s, when the present structure was put into place. that time, agriculture was dominated by small, family-owned farms that sold their products domestically. Today, agriculture is dominated by larger and more sophisticated business operations that compete in a consumer-driven world economy--one in which American agriculture no longer dominates. Recent efforts to streamline USDA should be implemented as an important first step if USDA is to address some of the challenges if faces. However, these efforts do not address fundamental problems facing USDA. To revitalize the Department, and to make it a strong leader into the 21st century, a wholesale restructuring is needed. To achieve this, we believe that the Congress and the Department now need to reexamine USDA's overall mission and to develop an action plan that will reinvent USDA for the 21st century.

Such restructuring is not an easy task. It will take several years to accomplish. This restructuring must overcome long-standing problems in organizational culture and systems. It must also deal with simplifying agricultural programs that have become increasingly difficult to administer. This restructuring cannot be accomplished without determined, creative, and sustained efforts by the leadership in the Congress, USDA, and the Office of Management

App. I contains a list of GAO's general management review reports and other GAO management-related reports on USDA.

and Budget (OMB). If done properly, however, restructuring USDA can once again make the Department the model for other federal departments that it was in the 1930s.

BACKGROUND

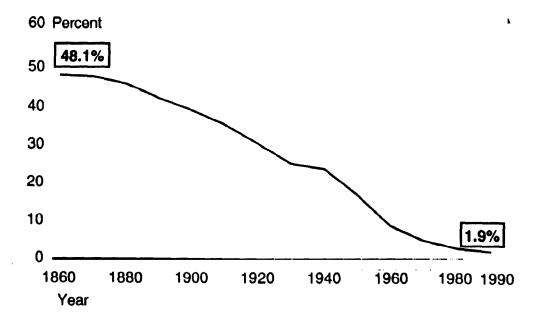
With the third largest civilian agency budget in the federal government, USDA affects the lives of all Americans and millions of people around the world. USDA oversees a food and agriculture sector of major importance to the nation's economy, accounting for 17 percent of the gross national product, 20 million jobs, and 10 percent of export dollars. To carry out its missions in 1992, USDA reported that it spent about \$60 billion. USDA controlled assets of about \$140 billion and employed or paid the salaries of about 124,000 full-time staff in about 15,000 locations worldwide.

USDA administers its programs and services through one of the federal government's largest and most complex organizational structures. Former Secretary Madigan described it as a confederation with nine subcabinet offices; 42 constituent agencies, of which 26 are operating agencies; and 250 separate programs. USDA's agencies vary in size from less than 10 employees in the Office of Energy to 48,000 full- and part-time employees in the Forest Service.

<u>USDA's Operating Environment Has</u> <u>Fundamentally Changed Since the 1930s</u>

The structure of USDA is a product of the 1930s, when communication and transportation systems were greatly limited by geography. Since then, as figure 1 shows, the farm population has declined sharply; only one in 50 Americans lived on a farm in 1990, compared with 1 in 4 in 1935. Furthermore, only 16 percent of the nation's counties were designated as farm counties in 1986, down substantially from the 63 percent so designated in 1950. Not only does USDA have far fewer farm clients to serve, but telephones, computers, and highways have also greatly increased farmers' access to information and assistance programs.

Figure 1: Changes in Farm Population



Source: Economic Research Service, USDA.

Agricultural export markets, key to rural America's vitality, are increasingly competitive. The United States is no longer assured of a dominant position in global agricultural markets. For example, 27 countries exported grain in 1991, compared with only 4 -- the United States, Canada, Australia, and New Zealand--in the early 1970s. During the 1980s alone, the U.S. share of global exports fell from 24 to 19 percent. This new competition has weakened the comparative advantage that allowed U.S. farms to prosper through the 1970s.

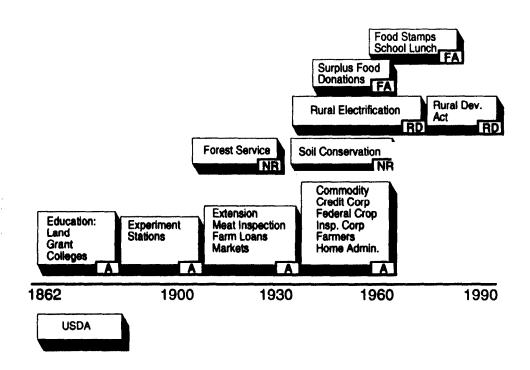
While the world outside USDA has changed dramatically, USDA's basic structure has changed little since the 1930s. The basic farm service agencies operate in 1993 in much the same decentralized fashion as they did decades earlier. Operating this decentralized field network is costly. In fiscal year 1989, the four farm service agencies alone spent about \$2.4 billion, with over 43,000 employees to administer their programs in over 11,000 county offices.

² These agencies are the Agricultural Stabilization and Conservation Service, Soil Conservation Service, Farmers Home Administration, and Federal Crop Insurance Corporation.

<u>Current Programs and Activities Range</u> <u>Far Beyond USDA's Original Mission</u>

When President Lincoln signed the legislation creating USDA in 1862, the Department's mission was to improve agricultural productivity by conducting scientific research and providing farmers with technology in the form of new seed varieties and information on farming practices. In the ensuing years, USDA has taken on a broad range of new programs and missions. (Fig. 2 presents the changes in USDA's mandates over time.) Public land management and forestry came with the transfer of the Forest Service to USDA in 1905; responsibility for the stabilization of farm incomes and rural development were added to the Department during the New Deal. International food assistance and foreign market development programs appeared in the 1950s, and large-scale domestic food assistance, principally in the form of the Food Stamp Program, became part of USDA's mission in the 1960s. Today, only a small proportion of USDA's budget and staff are devoted to the original mission.

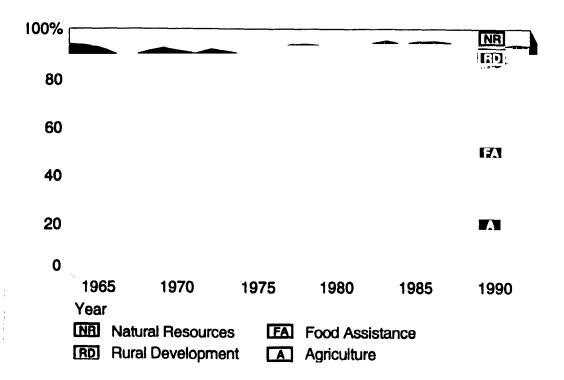
Figure 2: Chronology of Major Events



Source: U.S. Department of Agriculture.

As shown in figure 3, trends in USDA's budget over the last 3 decades illustrate the dramatic change in USDA's activities. In 1963 agricultural programs accounted for over 80 percent of the Department's budget. By 1992 agricultural programs had fallen to 30 percent, while food assistance programs had risen from 4 to over 50 percent of the budget. About one-half of USDA's employees work in the natural resources area. In short, the title "U.S. Department of Agriculture" no longer reflects the full range of activities carried out by the Department today.

Figure 3: Outlay Percentages by Major Activity



Source: Office of Management and Budget.

USDA NEEDS TO OVERCOME ORGANIZATIONAL STRUCTURE AND MANAGEMENT SYSTEM PROBLEMS

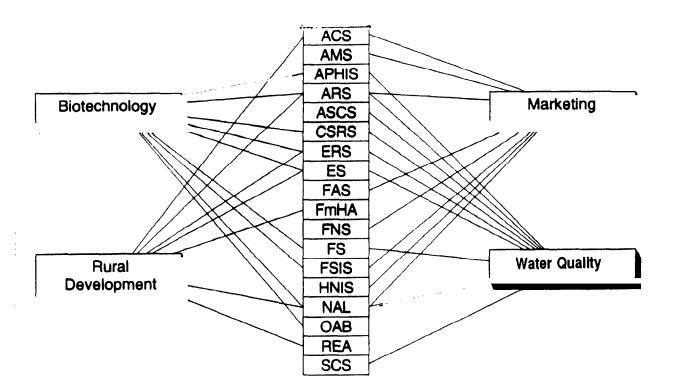
The USDA of the Great Depression, primarily structured to serve the large number of small, widely disbursed, family-owned farms, accomplished great things in its time. It helped assure the nation of an abundant supply of food and fiber. But our series of

studies on the general management of USDA shows that the Department is poorly equipped to deal with today's increasingly complex issues. It is hamstrung by problems of inappropriate structure and inadequate management systems.

Emerging Issues Not Efficiently Addressed in Current Organizational Structure

USDA has had difficulty in dealing with issues that cut across its traditional production-based organizational structure. Figure 4 depicts the large number of USDA agencies that need to coordinate their activities on four cross-cutting issues.

Figure 4: Coordination Needed on Four Emerging Issues



For example, during our management review we found that nine USDA agencies and offices have responsibilities for biotechnology issues. Biotechnology allows scientists to transfer genes between organisms to improve plants, animals, and their environment. Biotechnology has the potential to revolutionize the food and fiber production process and to contribute to a better balancing among production, environment, and human health. Responsibilities for agricultural biotechnology cut across many USDA programs. Numerous conflicts among individual agencies have blocked development of a single strategy in this important area.

Our management review found that a similar condition exists in the environmental area. Agricultural irrigation alone uses almost 70 percent of the nation's consumed groundwater. Ten USDA agencies have some authority in water quality matters. The result is that at USDA water quality and other environmental issues tend to fall through the cracks. USDA struggles to develop comprehensive, timely, and effective strategies and coordinating mechanisms in these and other cross-cutting areas, largely because of the difficulty of exerting leadership and improving communications in so large and diverse an organization.

USDA has not developed an approach for managing the many emerging issues that cut across traditional structural lines. Rather than develop departmentwide strategies, management generally relies on ad hoc groups or individual agencies to develop policies and plans. Such uncoordinated agency efforts fail to achieve integrated, departmentwide perspectives. Consequently, USDA is not effectively addressing today's complex, changing, and globally interdependent issues.

<u>USDA Operates Without Sound Management Systems</u>

Major USDA agencies have historically established their own information, financial, and human resources management systems to meet individual agency needs. This has occurred because individual agencies focused their efforts on developing systems to meet their own specific legislative mandates. However, these multiple agency efforts failed to achieve departmentwide efficiencies. Moreover, USDA management has not been able to break through the individual, agency-focused culture. From a management standpoint, we see today's Department as data-rich but information-poor. The Secretary's office does not have the management information it needs to make informed decisions.

USDA has substantially increased its use of information technology. But most of the information system expenditures to date have been for automating the systems associated with providing program benefits. However, these systems are not providing managers with the data they need to manage and make decisions, nor is the information produced in a form that can easily be shared with other agencies. Acknowledging this problem, departmental

officials have initiated a new strategic planning process to address USDA's information needs.

Similarly, USDA's financial management systems suffer from significant weaknesses in internal and accounting controls--from the Food and Nutrition Service's not ensuring that food stamp payment are proper and correct to the Farmers Home Administration's not maintaining accurate and complete accounting and financial information on acquired property. These weaknesses, which are often long-standing, substantially increase the risk of mismanagement, fraud, waste, and abuse in USDA programs.

Finally, because most human resource functions at USDA reside with individual agencies, the Office of Personnel's role is limited to monitoring and setting guidelines for human resource functions USDA-wide. As of March 1993, there were 258 personnel offices throughout USDA; 240 in the field, 17 in headquarters, and an overall USDA office. As a result, independent agencies have recruiting and training efforts that are duplicative at times, competitive at others. Moreover, individual agencies' personnel forms and regulations add to an already overly complex federal personnel system. According to USDA's Director of Personnel, USDA must deal with 110 pounds of personnel regulations.

<u>Conditions in Farm Service Agencies</u> <u>Exemplify Structural and Systems Problems</u>

Nowhere is the struggle to get a handle on the structural and management system problems more apparent than in USDA's farm service agencies' field offices. Multiple agencies operate independent field offices all over the country, often right next door to each other. Individual agencies, not the Department, are represented at the field level.

In the fall of 1991, the Ranking Minority Member of the Senate Agriculture Committee asked three simple questions:

- -- where are the staff under the current headquarters and field structure?
- -- how much of the taxpayers dollars are they spending?
- -- what work are they doing?

The USDA response is indicative of the broad ramifications of the Department's system and structural problems. The Department could not produce accurate information in a timely fashion. On the issue of how many people worked for the Department, for example, USDA said it could not come up with an accurate number. Definitional and data differences among the individual agencies' human resources, financial, and information management systems make it

difficult for the Department to respond to the Senator's basic management questions.

Weaknesses in information systems have also proven to be important obstacles to any reform of the farm service agencies. These weaknesses are demonstrated by the farm service agencies' different and incompatible hardware, software, telecommunications, and data bases. Therefore, to successfully operate as a single farm service agency, as proposed in USDA's fiscal year 1994 budget, USDA needs to develop a plan to make a transition from its current multiple computer systems to one that will support the work of the consolidated farm service agencies, both at headquarters and in the field. A new system will enable employees to efficiently and effectively access the information required to serve customers' needs.

In the past, the farm service agencies seldom took into account the need to exchange information with each other when they acquired information technology and developed information systems. Instead, these agencies independently acquired computer equipment and information systems that were incompatible with each other. As a result, the farm service agencies could not easily share information. This often translated into increased time and paperwork burdens for office staff, increased risk of financial errors, and undue hardship on agency customers. In such an environment, the needed information was exchanged principally by mailing or carrying documents from one agency's office to the next. At best, USDA was spending more than it needed to; at worst, its clients were not being well served. (See app. II for information on recent initiatives to streamline information management.)

RECENT EFFORTS TOWARDS STREAMLINING USDA

Since our management review reports were issued, a number of efforts to reform certain aspects of USDA's operations have been launched by the Congress and the executive branch. The Senate Committee on Agriculture took the lead in calling for a streamlined USDA. In a February 1992 floor speech, the Committee's Ranking Minority Member called for a thorough review of USDA and for a plan to make the Department a "leaner, healthier size." In April and June 1992, the Chairman led hearings that focused on USDA's field office structure and on computer operations. He introduced legislation in May 1992 to form a bipartisan commission to decide which field offices to close and to make recommendations to improve USDA field and headquarters operations. The Chairman also delivered a September 1992 floor speech that proposed his vision for the future Department of Agriculture.

On the House side, this Subcommittee held an oversight hearing on the status of USDA's Food and Agriculture Councils in February 1990. Representative Glickman introduced bills in April 1992 and March 1993 to form a single farm agency, streamline headquarters,

and reduce paperwork. The full House Committee on Agriculture held a related hearing in June 1992. The House Committee on Agriculture's Subcommittee on Wheat, Soybeans, and Feed Grains, held a followup hearing in July 1992, and the Committee's Subcommittee on Department Operations and Nutrition held the most recent hearing on the subject in March 1993.

Field office reform became a central theme of the streamlining effort. Nearly 90 percent of all USDA employees work in locations outside Washington, D.C. The effort, in part, was fueled by our January 1991 report that highlighted 53 USDA Agricultural Stabilization and Conservation Service (ASCS) high-cost county offices. In fiscal year 1989, these offices spent more on overhead costs than they paid out to clients in program benefits.³

Former Secretary Madigan joined with OMB to further study the issue of consolidating USDA field offices. This decision was consistent with our report that highlighted high-cost ASCS county offices as one indicator of a possible problem in one agency. We called for USDA to develop additional criteria, such as work load data, farm trends, and county size in order to see if a larger problem, worthy of management attention, existed.

The USDA/OMB farm services agency team developed six criteria--program delivery costs, number of producers served, complexity of work, geographical service area, co-location status, and work load intensity--for each of the 14,307 local offices that deal directly with farmers and ranchers. Applying these criteria, Secretary Madigan recommended that 1,191 local offices be closed. He also recommended changes in the Department's headquarters structure, particularly reducing the number of operating agencies from 26 to 13 and the number of staff that report directly to the Secretary from 14 to 4. In his final press conference, Secretary Madigan compared the current system to 26 lanes of traffic merging into 1 at rush hour. He characterized the honking and jostling for position as wasted effort that results in policy gridlock.

Secretary Madigan also set up USDA/OMB teams to study the Department's farm service agencies' computer systems, the Forest Service, and the 11 other USDA agencies with a significant field office presence. Measurement criteria similar to that developed for the farm services agencies were developed for the 11 other USDA agencies and for the three major levels of Forest Service field structure.

³ASCS administers commodity and related land use programs that provide for commodity loans and price support payments to farmers; commodity purchases from farmers and processors; acreage reduction; cropland set-aside and other means of production adjustment; conservation cost-sharing; and emergency assistance.

Secretary Espy has continued the process for closing farm agency offices by requesting that individual states develop office-closing implementation plans by April 19, 1993. He also announced plans to consolidate three farm service agencies into a single agency. Secretary Espy has also vowed to present a plan to reform USDA headquarters. On February 11, 1993, he announced an initial step-consolidating the Department's public affairs functions, which are currently spread out in individual agencies, into a centralized Department-level Office of Communications.

REVITALIZING USDA: WHAT NEEDS TO BE DONE

The recent progress toward streamlining the USDA field structure is encouraging, but it only scratches the surface of the overall revitalization issue. A fundamental review of USDA's mission and a corresponding restructuring is now needed. Once developed, the mission statement must be continually reassessed and updated to address changing conditions.

In the days of personal computers, fax machines, and 700-plus-page farm bills, USDA needs to be fundamentally restructured, reinvented if you will, in the context of the newer management concepts that guide private sector corporations, state governments, and governments in other countries. The new management concepts emphasize flexibility, flattened hierarchies and a customer focus, and encourage competition and the achievement of results. In brief, the new management concepts call for rethinking the basic principles of the role of government. Streamlining constitutes only one part--albeit an important part--of the revitalization process.

As part of revitalization, the Congress and the administration need to address, among others, the following four issues: a consensus on USDA's mission; basic management information needs; the need for strategic information plans; and a manageable span of control.

A Consensus Needed on Mission

Closing offices and shifting boxes on a organization chart mean very little without a vision of the Department's mission. The Congress and the administration need to develop a consensus on USDA's mission. In the 19th century, USDA's mission was very clear: agricultural research and education. Today, the mission has been expanded far beyond agriculture to include rural development, food assistance, human nutrition, renewable industrial inputs, environment, forestry, food safety, agribusiness, and world trade.

The process of defining a mission needs to include examining USDA activities vis-a-vis those of other federal agencies and needs to precede major restructuring decisions. For example, a principal

function of the Forest Service--federal land management--is closely related to the federal land management functions of the Department of the Interior. Similarly, the food stamp and food assistance programs are, or should be, closely linked to the income maintenance functions of the Department of Health and Human Services. Further, in the areas of rural development and food safety, key program responsibilities reside among a number of other departments and agencies.

Effective Management Information Systems Needed

As we emphasized in our discussion of management systems, restructuring will not be successful without accurate and timely management information. The Secretary and the Congress need information on what is happening in the USDA agencies. need accurate and timely information on changing conditions in the food/agriculture sector. Earlier I noted how the Senate Committee on Agriculture could not obtain basic management information from USDA on the size, cost, and role of farm agency field offices in a timely manner. When this Subcommittee asked GAO last year to identify the revenues that USDA collects for the products and services it provides, your professional staff was concerned when we reported that such information was not available from the Secretary's office. We had to visit each USDA agency to obtain the needed data, and used these data to develop the compendium ourselves. You also recently requested that we provide USDA-wide information on the Department's employees in more detail than previously--who they are, what they do, and so forth. As indicated in your request letter, such information is necessary to make sound decisions regarding the downsizing and reorganization of USDA.

Strategic Plan for Acquiring Information Technology Needed

The current discussion about reinventing USDA also gives the Department an opportunity to take a fresh look at how it uses and manages information technology. Private sector firms regularly develop business plans and long-range technology plans to help meet their companies' missions. Once USDA's mission is established, such information technology planning can become the lever to move USDA to the next level of restructuring. If applied at USDA, such a strategic approach can assist the Department in better achieving its missions and serving its clients.

Span of Control Must Be Manageable

Revitalization also requires considerable attention to such basic management issues as span of control. Former Secretary Madigan discussed with us the importance of establishing a reasonable span of control for the Secretary of Agriculture. He noted that with the broad range of responsibilities the Secretary must undertake, he could only effectively manage a limited number

of senior agency officials. This concern was reflected in his suggested reorganization of USDA's headquarters in January 1993. Essentially, this reorganization called for four Under Secretaries and no Assistant Secretaries. In contrast, the organizational structure Secretary of Agriculture Espy inherited has two Under Secretaries and seven Assistant Secretaries.

Conceptually, the number of units reporting to the Secretary can be greater if effective management systems are in place to keep all informed. At present, however, we do not believe such systems have been developed to handle a large span of control.

CONCLUSIONS

In conclusion, some of the efforts to streamline the Department should be implemented quickly: They would significantly improve operations and save critical resources. But these efforts do not address the basic need to revitalize USDA so that it can be effective into the 21st century. These efforts only tinker around the edges of the Department's current organizational structure, which is based on a 1930s agrarian economy. Since agriculture is now a global enterprise, USDA must undergo a more fundamental change. For this task, the Congress and the administration need to redefine USDA's mission and to restructure the Department to carry it out. As part of this effort, the Congress and the administration need to address the four management issues we identified. Ultimately, we believe that USDA must be flexible in adapting to change and have reduced levels of management that are freer to manage. The Congress needs to be a full partner by helping to simplify agricultural programs that have become increasingly difficult to administer. The challenges and difficulties that lie ahead are daunting and should not be underestimated. However, because the Department's activities are vital to the rural economy and national well-being, we have little choice but to address these problems as vigorously as possible.

That concludes my statement. I would be happy to respond to any questions you may have.

RELATED GAO PRODUCTS

MANAGEMENT REVIEWS

- <u>U.S. Department of Agriculture: Revitalizing Structure, Systems, and Strategies</u> (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>U.S. Department of Agriculture: Farm Agencies' Field Structure</u> <u>Needs Major Overhaul</u> (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>U.S. Department of Agriculture: Need for Improved Workforce Planning</u> (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>U.S. Department of Agriculture: Interim Report on Ways to Enhance Management</u> (GAO/RCED-90-19, Oct. 26, 1989).

OTHER USDA ISSUES

<u>Crop Insurance Program: Nationwide Computer Acquisition Is Inappropriate at This Time</u> (GAO/IMTEC-93-20, Mar. 8, 1993).

<u>USDA Research and Extension Agencies: Missions, Structures, and Budgets</u> (GAO/RCED-93-74FS, Feb. 18, 1993).

<u>USDA Revenues: A Descriptive Compendium</u>, (GAO/RCED-93-19FS, Nov. 27, 1992).

<u>Pesticides: Information Systems Improvements Essential for EPA's Reregistration Efforts</u> (GAO/IMTEC-93-5, Nov. 23, 1992).

Sustainable Agriculture: Program Management, Accomplishments, and Opportunities (GAO/RCED-92-233, Sept. 16, 1992).

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

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

Geographic Information System: Forest Service Has Resolved GAO Concerns About Its Proposed Nationwide System (GAO/T-IMTEC-92-14, Apr. 28, 1992).

Environmental Enforcement: EPA Needs a Better Strategy to Manage Its Cross-Media Information (GAO/IMTEC-92-14, Apr. 2, 1992).

Food Safety: USDA's Data Program Not Supporting Critical Pesticide Decisions (GAO/T-IMTEC-92-9, Mar. 11, 1992).

Food Safety: USDA Data Program Not Supporting Critical Pesticide Decisions (GAO/IMTEC-92-11, Jan. 31, 1992).

<u>Pesticides: EPA's Information Systems Provide Inadequate Support for Reregistration</u> (GAO/T-IMTEC-92-3, Oct. 30, 1991).

Farmers Home Administration: Half-Billion Dollar ADP Modernization Lacks Adequate Planning and Oversight (GAO/T-IMTEC-92-2, Oct. 29, 1991).

ADP Modernization: Half-Billion Dollar FmHA Effort Lacks Adequate Planning and Oversight (GAO/IMTEC-92-9, Oct. 29, 1991).

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

Forest Service Is Making Progress in Developing a Nationwide Geographic Information System (GAO/T-IMTEC-91-11, Apr. 24, 1991).

ADP Procurement: Better Capacity Planning Needed at Agriculture's National Finance Center (GAO/IMTEC-91-14, Feb. 13, 1991).

Management Improvements Essential for Key Automated Systems at the Agriculture Stabilization and Conservation Service (GAO/T-IMTEC-90-13, Sept. 18, 1990).

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

Agriculture: USDA Needs to Better Focus Its Water Quality Responsibilities (GAO/RCED-90-162, July 23, 1990).

Agriculture ADP Procurement: Contracting and Market Share Information (GAO/IMTEC-90-62FS, June 27, 1990).

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Geographic Information System: Forest Service Not Ready to Acquire Nationwide System (GAO/IMTEC-90-31, June 21, 1990).

Forest Service Not Ready to Acquire a Nationwide Geographic Information System (GAO/T-IMTEC-90-10, May 2, 1990).

<u>Information Management: Issues Important to Farmers Home</u>
<u>Administration Systems Modernization</u> (GAO/IMTEC-89-64, Aug. 21, 1989).

Forest Service: Status of Geographic Information System Acquisition (GAO/IMTEC-89-27, Mar. 6, 1989).

APPENDIX II APPENDIX II

RECENT INITIATIVES TO STREAMLINE USDA INFORMATION MANAGEMENT

In 1985 the Secretary of Agriculture convened a task force on streamlining USDA. Among other things, the task force recommended that, where appropriate, serious attention should be given to methods for sharing information electronically. However, this recommendation went unheeded, and the farm service agencies continued to develop information systems that were not compatible. The task force also recommended that USDA ensure that agencies develop consistent data definitions. Consistent data definitions are a necessary step towards electronic information sharing and integration of data bases because nonstandard definitions make it difficult and time-consuming to combine information from separate data bases. This recommendation also went unheeded. Moreover, in an attempt to remedy the problem with incompatible systems and inconsistent data definitions, the 1990 farm bill requires the Secretary of Agriculture to take appropriate action to integrate the various data bases that relate to agricultural program data. Nevertheless, since the 1990 farm bill, USDA has made little progress in linking systems and integrating data bases.

Recently, the farm service agencies were planning to make significant investments in modernizing their computer systems despite departmental consideration being given to restructuring the farm service agencies' organization. However, in June 1992 the Senate Committee on Agriculture, Nutrition, and Forestry, noting that USDA was studying options for restructuring its organization, raised questions about whether USDA's farm service agencies should be making major information technology investments. We also expressed concern that the Department could waste millions on technology that might not meet its current or long-term needs. a result, the Committee's Chairman and Ranking Minority Member urged USDA to postpone purchases of computer technology beyond that which was necessary to maintain existing systems until the new structure of the Department was defined. In response, USDA agreed and created a consolidated program through which the farm service agencies could procure future computer systems.

USDA, however, allowed the Federal Crop Insurance Corporation (FCIC) to continue with its acquisition project, contending that it was needed to ensure the continued delivery of crop insurance to farmers. On March 8, 1993, we recommended that FCIC cancel its nationwide computer acquisition project. We reported that FCIC had neither performed the analysis needed to justify a nationwide procurement at that time nor determined its immediate information technology needs. USDA and FCIC concurred and canceled their planned modernization project, which had an estimated \$62 million life-cycle price tag.

APPENDIX II APPENDIX II

USDA has recently completed its first departmental strategic plan to manage information resources and has embarked on several information technology initiatives. As a start at system compatibility, USDA created a consolidated program--known as Info Share--to acquire, implement, and manage computer systems for the farm service agencies. With Info Share, USDA is striving to establish linked, compatible agency systems capable of serving the needs of each farm service agency as well as the Department. To help standardize data definitions, USDA has begun a program to identify, define, and organize data throughout USDA, coordinate data management initiatives, develop data policies and standards, and provide USDA with standardized data that may be shared across USDA agencies and with other federal agencies, where such a need exists.

USDA's current efforts to address long-standing problems with incompatible systems and difficulties in sharing data are a step in the right direction. However, by USDA's own estimate, it will be several years before these initiatives are fully implemented. For example, USDA's time frame for initial implementation of Info Share is June 1995, while the planned completion date of the data management program is September 1997. Moreover, these problems take on added significance in light of USDA's decision to streamline and reorganize its headquarters and field structure. Now that USDA has proposed moving towards a single farm service agency, the absence of compatible systems and the inability to share data will be more problematic.

Accordingly, once the decision to reorganize the farm service agencies has been made final, USDA will need to (1) take a fresh look at new ways to use information technology to improve operations and provide better service to the customer and (2) develop a transition plan for moving from separate incompatible systems and data to the type of system that meets the needs of its reorganized farm service structure.

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