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REPORT BY THE

Comptroller General

OF THE UNITED STATES

Colocating Agriculture Field Offices--More Can Be Done

Since 1962 the Department of Agriculture has had a colocation program providing that its agencies' field offices in the same community be located together in the same building. Although progress has been made, there is substantial potential for additional colocation of Agriculture field offices.

The Secretary of Agriculture and the Administrator, General Services Administration, should take action to increase colocation efforts and resolve conflicts between the two agencies concerning field office locations.

UNITED STATES GENERAL ACCOUNTING OFFICE

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-114824

The Honorable Thomas F. Eagleton
Chairman, Subcommittee on Agriculture,
Rural Development, and Related Agencies
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

This report discusses the Department of Agriculture's efforts to colocate its field offices so as to improve service delivery and better achieve program missions. We made this review to (1) ascertain the status of the Department's colocation program, (2) obtain the views of Agriculture officials, field office employees, and program recipients on current field office operations and organizational structures, (3) determine the impact of General Services Administration policies on colocation, and (4) identify other problems and barriers to colocation.

We made our review pursuant to a request by Senator Henry L. Bellmon of the subcommittee during hearings on the Department's 1979 appropriations.

In accordance with the request of your office to expedite the report, we obtained oral comments from Agriculture and General Services Administration officials. Their comments were considered and included in the report where appropriate. They generally agreed with the recommendations made.

We are sending copies of this report to Senator Bellmon; the House Committees on Appropriations, Agriculture, and Public Works and Transportation; the Senate Committees on Agriculture, Nutrition, and Forestry and Environment and Public Works; and other committees and Members of Congress.

Sincerely yours,

Elmer B. Staats

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE SUBCOMMITTEE ON
AGRICULTURE, RURAL DEVELOPMENT,
AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

COLOCATING AGRICULTURE
FIELD OFFICES--MORE
CAN BE DONE

DIGEST

Since 1962 the Department of Agriculture's method for providing the best possible service delivery to agriculture producers and other rural residents (program recipients) has been to colocate its agencies' field offices--locate the offices together in the same building whenever they are in the same community. Available Agriculture records show that although progress has been made, there is substantial potential for additional colocation. (See pp. 1 and 6.)

Section 603 of the Rural Development Act of 1972 emphasized the colocation effort. In response, the Secretary initiated a nationwide program to establish local agriculture service centers where field offices serving the same geographic area were to be colocated in one building, preferably in a multiagency open space arrangement.

In March 1978 the Secretary of Agriculture established a task force to study Agriculture's field structure and policies. In January 1979, on the basis of the task force's recommendations, the Secretary announced a new national policy supporting colocation and resource sharing and established a National Administrative Committee with delegated responsibility for implementing this policy. (See pp. 1 and 2.)

CONSIDERATIONS IN COLOCATING OFFICES

The new policy provides (1) for the highest level of service to farmers and members of the local community and (2) that within each county, the existing farmer-oriented Agriculture agencies be located in an easily accessible building with ample parking facilities.

Although these are important factors, GAO found that other local conditions need to be, but are not always, considered when deciding on changes in field office locations. These are (1) availability, expandability, and cost of office space, (2) potential for sharing personnel and other resources, and (3) views of current and potential program recipients. (See pp. 2, 8, 11, and 17.)

Colocation has benefited some communities and counties. In others the benefits may be marginal. GAO visited 12 locations. Program recipients and Agriculture employees at the eight colocated field offices GAO visited supported the concept.

At two of the colocated field offices, multiagency open space arrangements hindered service delivery and efficient office operations. At the four uncolocated field offices the potential for improved services through colocation differed because of the needs of program recipients and local conditions. The Secretary's task force made observations similar to GAO's. (See pp. 5, 8, 11, and 12.)

The Secretary should direct the National Administrative Committee to evaluate all pertinent local conditions to help in deciding whether a change in field office location would benefit the program recipients and help achieve program objectives. (See p. 17.)

ASSESSMENT AND REPORTING SYSTEM

Agriculture is developing a reporting system, called the Property Management Information System, to provide information on the number of field offices in each county and their locations. The system, however, does not disclose the geographical areas served by each field office, the field units of other Federal agencies located in the appropriate Agriculture field office, or the extent to which resources are interchanged. This information is necessary if Agriculture is to report on the progress made and the potential for additional colocation. (See pp. 14, 16, and 17.)

The Secretary should require that the Property Management Information System be expanded to include this information and require the National Administrative Committee to assess, at least semiannually, the progress made and the potential for additional colocation. Also, Agriculture should report to the Congress, as required by the Rural Development Act, the progress made in colocating field offices and in interchanging personnel and other resources, together with information on problems and any recommendations that may be appropriate. (See pp. 17 and 18.)

CONFLICTS WITH GENERAL SERVICES ON OFFICE LOCATIONS

Conflicts with the General Services Administration concerning locations should be resolved. Agriculture wants to colocate field offices in

--the outskirts of towns and cities, but General Services wants to locate them in the central business districts and

--county facilities under long-term leases, but General Services limits Agriculture to 1-year leases.

General Services bases its office-location decisions on the President's urban policy, the efficiency and economy of leasing arrangements, and effective use of Federal buildings. In requesting space for field offices, Agriculture agencies have cited convenience to program recipients as a basis for office locations. General Services does not consider convenience to be adequate justification.

The task force reported that leasing problems were a major barrier to achieving greater colocation. According to the task force, General Services' application of the President's urban policy--giving first consideration to central business districts of urban centers--does not allow Agriculture agencies to locate their offices in the outskirts of towns and cities, convenient to rural roads and commerce. The task force also concluded that additional delegated leasing authority is needed to make Cooperative Extension Service participation in colocation more feasible and to resolve problems with General Services concerning the cost and timeliness in delivering leased space for colocation. (See p. 19.)

Agriculture and General Services are negotiating a memorandum of understanding concerning location of Federal facilities. GAO is recommending some specific actions that Agriculture and General Services should take to resolve the conflicts between them and to enhance colocation of Agriculture field offices.

Agriculture is planning to propose legislation to obtain additional leasing authority. GAO does not object to increased Agriculture leasing authority. In deciding on any such legislation, the Congress should review the actions taken or proposed by the Secretary of Agriculture to (1) delineate rural areas that need development, (2) insure that field offices will be located in the delineated areas to achieve rural development objectives and program missions, and (3) give first consideration to using federally controlled space that is available and suitable. (See pp. 27, 31, and 32.)

AGENCY COMMENTS

GAO obtained comments from Department of Agriculture and General Services Administration officials and their comments were included in the report where appropriate. The officials generally agreed with the recommendations made. (See pp. 18 and 32.)

Contents

ABBREVIATIONS

ASCS	Agricultural Stabilization and Conservation Service
CES	Cooperative Extension Service
FCIC	Federal Crop Insurance Corporation
FmHA	Farmers Home Administration
GAO	General Accounting Office
GSA	General Services Administration
NAC	National Administrative Committee
SAC	State Administrative Committee
SCS	Soil Conservation Service
USDA	U.S. Department of Agriculture

CHAPTER 1

INTRODUCTION

The U.S. Department of Agriculture (USDA) has a large and complex field office system for delivering services locally to agricultural producers and other rural residents (program recipients). USDA's five major farmer-oriented agencies--the Agricultural Stabilization and Conservation Service (ASCS), the Soil Conservation Service (SCS), the Farmers Home Administration (FmHA), the Federal Crop Insurance Corporation (FCIC), and the Cooperative Extension Service (CES)--have a total of about 11,000 field offices. These and other USDA agencies' field offices are located in 3,370 towns and cities and in 2,935 counties in the United States and its territories. Over the years concern has existed that these field offices be located so as to provide the best possible service delivery to program recipients and achieve program missions most efficiently and effectively.

In February 1962 the Secretary of Agriculture initiated a program providing that USDA agency field offices in the same community be located together--colocated--in the same building. By 1972, according to USDA, this was accomplished to some degree in over 54 percent of the counties having USDA agency offices; however, the effort lacked uniformity and did not achieve the expected efficiency.

The Congress emphasized the colocation effort in section 603 of the Rural Development Act of 1972 (7 U.S.C. 2204a). This section requires that the Secretary of Agriculture, to the maximum extent practicable, (1) use USDA agency field offices to enhance rural development and (2) locate these offices together if they are concerned with rural development and cover similar geographic areas. The Secretary is also to make arrangements with other Federal agency heads for locating other field units which are concerned with rural development in the appropriate USDA agency offices. At the colocated offices, the agencies are to interchange personnel and facilities to achieve efficiency and provide the most effective assistance in developing rural areas in accordance with State rural development plans. Each year the Secretary is to report to the Congress, with any appropriate recommendations, the progress made in colocating USDA and other agencies' field offices and interchanging personnel and facilities.

In response to section 603, the Secretary initiated a nationwide USDA program in November 1973 to establish local agriculture service centers. Under the service center concept, USDA agency field offices serving the same geographic area were to be colocated in one building, preferably in a multiagency open space arrangement. (See p. 3 for an illustration of a multiagency open space arrangement.)

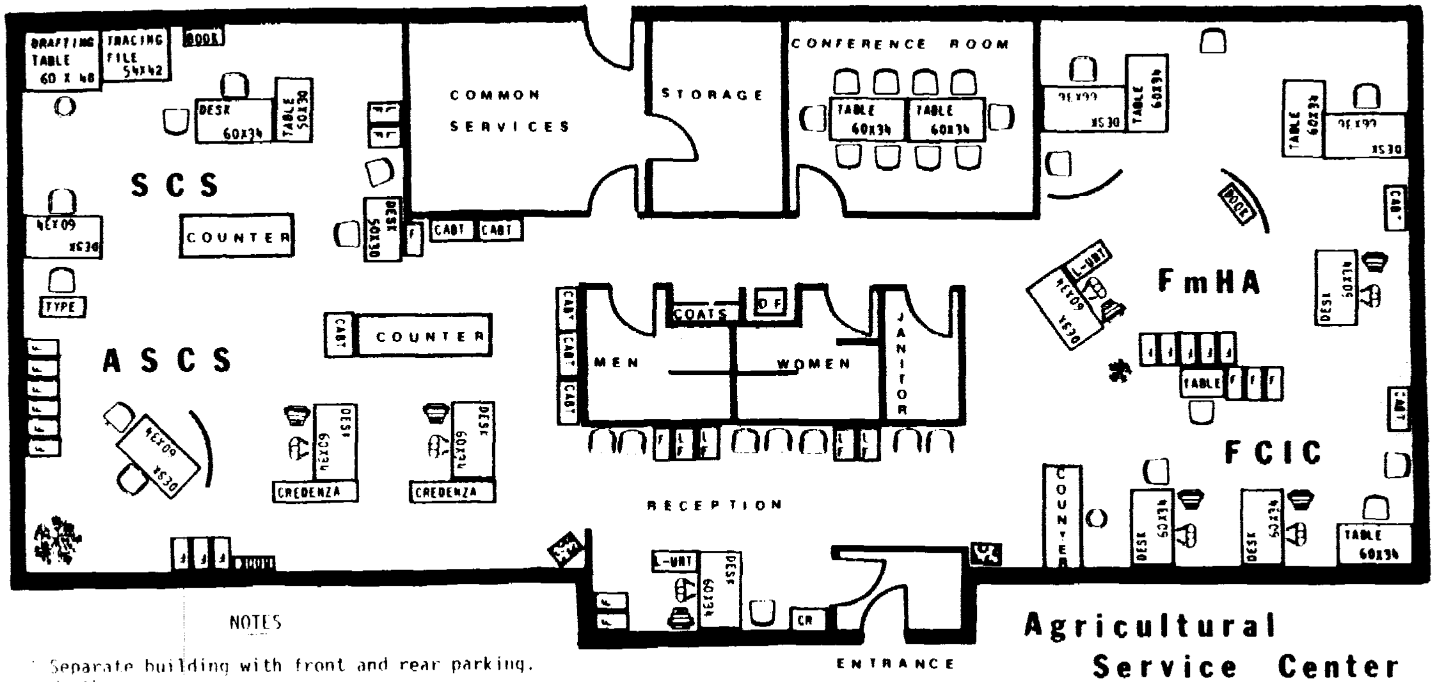
USDA reported that as of December 1976, about 800 service centers had become operational. However, there was increased field resistance and public opposition to the service center program and some viewed the program as a threat to agency identity because of the multiagency open space arrangement and mandated criteria, such as rotary telephone systems and common reception areas. According to USDA, its efforts to establish service centers slowed considerably by 1977, necessitating clarification or confirmation of the service center concept. In August 1977 the Secretary directed USDA agencies to continue to colocate field offices and to promote interagency sharing of work, equipment, and facilities. The multiagency open space arrangement, however, was no longer emphasized.

In March 1978 the Secretary established a Field Service Structure Task Force to review USDA's field structure and policies to determine if they were allowing field offices to do the best possible job of delivering services. The task force's objectives were to assist the Secretary in examining alternative mechanisms for establishing and administering a better coordinated, more efficient, and consolidated USDA field service delivery system, and to recommend specific headquarters and field office structures and procedures to operate the system.

In January 1979, on the basis of the task force study, the Secretary announced a new USDA county office service, location, and operation policy providing (1) for the highest possible level of service to farmers and members of the local community and (2) that within each county the existing USDA farmer-oriented ASCS, CES, FCIC, FmHA, and SCS offices should be located in a well-designed building that is easily accessible to and has ample parking for program recipients. He said that other Federal, State, and local agencies should colocate with these five when it is mutually beneficial and local situations permit. This policy is to be systematically implemented until only those offices with justified exceptions remain.

RESPONSIBILITIES FOR IMPLEMENTING COLOCATION POLICY

In 1962 a State Administrative Committee (SAC) was established in each State to implement USDA's colocation policy. SAC members included the heads of the ASCS, SCS, and FmHA State offices. If other USDA agencies, such as the Forest



88'x34'
SCALE 1/8" = 1'

Agricultural Service Center Shelby, Montana

NOTES

- Separate building with front and rear parking. weather entrances.
- 1 agency employee performs information referral/ reception duties, including answering telephones (3 common lines in rotary), for all agencies. Located at desk at entrance.
- One common services/storage room (with outside entrance for easy storage and removal of field equipment) and one conference room accessible to all employees.

SOURCE: DEPARTMENT OF AGRICULTURE

Service and the Agriculture Marketing Service, were located in a State, their heads were also to participate in SAC activities. USDA regulations were amended in 1975 to expand mandatory SAC membership to include the heads of the FCIC and CES State offices. Under the agriculture service center program, each SAC became responsible for establishing the centers, but each center had to be approved by the heads of the participating agencies and USDA. In 1977, however, USDA eliminated the requirement that agency heads and USDA approve each center.

In January 1979 a new policy was announced which was aimed at providing direction and creating conditions within agencies so that nearly all planning and actions are carried out at the county level. To implement the new policy announced in January 1979, the Secretary created a National Administrative Committee (NAC) comprised of the heads of ASCS, CES, FCIC, FmHA, and SCS and chaired by the Assistant Secretary for Administration. The NAC is to serve as the Secretary's USDA headquarters forum for establishing, implementing, monitoring, and improving the operating methods needed to carry out the policy. The methods developed are to be carried out through line officials within each agency with the SACs and county-level administrative committees serving as forums for coordination and problem resolution. Supervisory or middle-management (multicounty) levels are also to be involved.

Issues that may arise above the county level are to be constructively resolved at the supervisory/middle-management or State levels with the NAC resolving only significant issues of national importance.

PURPOSE AND SCOPE OF REVIEW

In response to a request by Senator Henry L. Bellmon of the Subcommittee on Agriculture, Rural Development, and Related Agencies, Senate Committee on Appropriations, during hearings on USDA's 1979 appropriations, we reviewed USDA's colocation efforts to

--ascertain the status of the colocation program;

--obtain the views of USDA officials, field office employees, and program recipients on current field office operations and organizational structures;

--determine the impact of General Services Administration (GSA) policies on colocation; and

--identify other problems and barriers to colocation.

We made our review at the Washington, D.C., headquarters of various USDA agencies, GSA, and the Office of Personnel Management; 1/ SACs in California, Georgia, Minnesota, Oklahoma, Oregon, and Washington; and selected USDA field office locations. We reviewed pertinent laws, regulations, policies, and procedures of the various agencies; examined agency records, reports, and publications; interviewed officials at the headquarters, State, and local levels; and discussed co-location of USDA field offices with program recipients. We also evaluated the results of USDA's task force.

In Georgia, Minnesota, Oklahoma, and Oregon we visited a total of eight locations that the task force had classified as having colocated field offices and four locations where the field offices were not colocated. In the initial stages of our review, we also visited field offices in California and Washington.

1/Reorganization Plan No. 2, effective Jan. 1979, divided the functions of the U.S. Civil Service Commission between two new agencies--an Office of Personnel Management and an independent Merit Systems Protection Board.

CHAPTER 2

MORE CONSIDERATION SHOULD BE GIVEN TO

LOCAL CONDITIONS IN MAKING COLOCATION DECISIONS

Available USDA records show that progress has been made in colocating USDA agency field offices at the local level. However, there is substantial potential for additional colocation of USDA agency field offices. More efficient and effective colocation could be achieved if USDA (1) considered local conditions when deciding on the need for a change in field office locations and (2) improved its system of assessing and reporting progress in colocating field offices.

POTENTIAL TO COLOCATE MORE USDA AGENCY FIELD OFFICES

The Field Service Structure Task Force found that no current data was available which described the number and types of offices at each location and that agency records did not provide information on colocation. Therefore, in June 1978 the task force asked the SACs for current data describing the number, types, and locations of USDA agency field offices. Some data was obtained for ASCS; FCIC; FmHA; SCS; CES; and other USDA agencies, such as the Forest Service, the Animal and Plant Health Inspection Service, and the Food and Nutrition Service. Limitations on this data are discussed on pages 14 and 15.

Defining colocation as a town/city or county in which all existing USDA agency field offices are under one roof, the task force summarized the information it obtained as follows.

Status of Colocation

	Town/city		County	
	Number	Percent	Number	Percent
All agencies colocated (note a):				
Contiguous space in same building	453	13	(b)	(b)
Separate space in same building	239	8	(b)	(b)
Subtotal	692	21	566	19
Additional colocations:				
All agencies colocated except for CES (note c) or FS, APHIS, and FNS (note d)	1,350	40	1,112	38
Subtotal	2,042	61	1,678	e/57
Partial colocations:				
At least two agencies in the same building	567	17	858	e/29
Single offices:				
Only one USDA agency in town	399	12	47	2
No colocation:				
Agencies in the town or county all in different buildings	362	10	352	12
Total	3,370	100	2,935	100

a/ASCS, CES, FCIC, FmHA, SCS, and other USDA agencies, when present.

b/Information not broken out separately.

c/CES located in courthouse or county government facilities.

d/The Forest Service, the Animal and Plant Health Inspection Service, and the Food and Nutrition Service.

e/Combining these two numbers to arrive at a total figure for colocations can be misleading. Of the total number of offices for the primary five agencies, 64 percent are in complete or partial colocations.

The task force compared the current data on colocations at the county level with similar data prepared in May 1975. It found that in 1975 ASCS, FCIC, FmHA, and SCS field offices were colocated in about 49 percent of the 2,974 counties having USDA field offices. In 1978 these field offices were colocated in 57 percent of the 2,935 counties having USDA agency field offices. On the basis of the above data, the task force concluded that while USDA is already highly colocated with respect to being in the same town and even in the same building, further improvements need to be made to increase the number of complete colocations and foster greater cooperation and sharing.

Our analysis of the data indicates that there is substantial potential for additional colocation of field offices. There are about 858 counties where field offices are partially colocated and 352 counties where field offices are not colocated. As discussed below, full colocation in all of these cases may not be beneficial. However, an additional 1,112 counties also have the potential to colocate CES or other agencies' field offices with the field offices that are already colocated.

LOCAL CONDITIONS SHOULD BE CONSIDERED FOR MORE EFFICIENT AND EFFECTIVE COLOCATION

More efficient and effective colocation could be achieved if USDA gave more consideration to local conditions when making decisions to colocate or relocate field offices. Although colocating USDA agency field offices can improve service delivery to program recipients and increase efficiencies from resource sharing in some towns and counties, in others the benefits may be marginal. At two of the eight colocated field offices we visited, multiagency open space arrangements had hindered service delivery and efficient office operations. In addition, the opportunity to obtain efficiencies through resource sharing was often limited. At the locations we visited that were not colocated, the potential for improved services through colocation differed based on the needs of program recipients and local conditions.

Service delivery hindered and resource sharing opportunities limited

USDA designated selected sites to serve as agriculture service centers. To be considered operational, however, each site had to meet specific criteria, such as sharing work and having a rotary telephone system, a common reception area, common equipment, and open office space. Most service centers that became operational during the program's early stages were at sites where USDA offices had previously been colocated. At some other locations, however, local USDA officials viewed the mandated criteria as too inflexible to meet local needs because service delivery and office operations were hindered.

In 1975 USDA issued instructions requiring departmental approval for establishing or relocating field office facilities. Facility location requests which USDA agencies submitted under this instruction did not always include specific information on the availability, suitability, expandability, and cost of office space; the potential for sharing personnel and other resources; the local traffic and parking conditions; and the views of current and potential program recipients. Nevertheless, additional service centers were established without considering the local conditions with respect to the type of office arrangement (separate offices in the same building or multiagency open space) that would be most practical and the extent of resource sharing that would be necessary or desirable.

Since 1977 the multiagency open space arrangement has not been emphasized and SACs have been responsible for designating and approving colocations. At that time the Secretary of Agriculture directed the SACs to continue to colocate local USDA agency field offices and promote interagency sharing of work, equipment, and facilities. The SACs were not required to obtain specific information on local conditions, although local committees, boards, and other appropriate public and producer groups were to be consulted in planning colocated offices. Also, such considerations as office design and type of telephone system were to depend on local needs and availability.

The program recipients and employees we talked with at the colocated field offices generally supported the colocation concept. At two of the three offices we visited having a multiagency open space arrangement, however, most recipients and employees said that such an arrangement hindered service delivery because of a lack of privacy in transacting business, crowded conditions during peak periods, and a disruptive work environment. At the other office, the recipients and employees did not have these complaints. This office had about 100 more square feet per employee than the other two offices.

The opportunity to obtain efficiencies through resource sharing was also often limited at colocated sites. Resource sharing, regardless of the type of office arrangement, generally consisted of sharing equipment (copying, addressograph, and mimeograph machines); space (storage and conference room areas); program information; aerial photographs; and maps.

Field office employees told us that, to a limited extent, personnel were shared for general clerical activities, such as answering the telephone and typing. They said that it was not feasible to share personnel for most program activities because of the complexities and technical aspects of the functions and duties.

Sharing personnel resources can also present legal problems relating to the rights and privileges of Federal civil service employees. According to 5 U.S.C. 2105, a Federal employee is defined as an individual who is (1) appointed in the civil service by a Federal officer, (2) engaged in a Federal function, and (3) under the supervision of a Federal officer or employee. County ASCS and CES employees perform a Federal function, but they are not Federal employees because they are neither appointed nor supervised by Federal officers or employees. We asked the Office of Personnel Management for its views on whether the supervision of a Federal employee by non-Federal personnel could result in the loss of rights and privileges to which Federal employees are entitled.

The Office of Personnel Management told us (see app. I) that as long as exchanged personnel perform limited or temporary support services or county employees direct Federal employees on where and how the Federal employees will be most useful to the operations, the rights of Federal employees will not be jeopardized, since they will not be "supervised" by county officials. However, when the county employees control the Federal employees in their work (e.g., assigns work, evaluates employees, and determines which Federal employees have the skills for particular jobs) or provide day-to-day supervision with the Federal employees responding to and being responsible to them, the Federal employees' status, in the Office's opinion, will be endangered. Consequently, the opportunity to share personnel at county level USDA offices is limited.

In some cases agencies have moved out of colocated sites because of increased agency activity and/or deteriorating office space. Available records showed that, during a recent year, 11 facility location requests were submitted to move USDA field offices out of colocated sites generally because more space was needed. In most cases, agencies were allowed to relocate their offices when space could not be obtained through agreement with other agencies. The following example illustrates the type of situation that leads to agencies moving out of colocated sites.

Under the agriculture service center program, SAC directed county FmHA, ASCS, and SCS officials in Sylvester, Georgia, to colocate offices. As a result, in February 1977 the three agencies were colocated in a multiagency open space arrangement. The agencies shared copying and mimeograph machines, supplies, telephones, and maps. The agencies encountered problems concerning the phone system, the common reception area, the storage of files, the distractions and noise levels associated with open space, the shortage of work space, and the negative client reaction to these problems.

In August 1977 the agencies notified SAC that the space was inadequate and that working conditions had reduced employee efficiency. In September 1977 SCS moved to its present offices in the same building as CES, about 4 blocks from ASCS and FmHA. In March 1978 local ASCS and FmHA officials notified SAC that work space at the colocated site was overcrowded because of increased business. In July 1978 FmHA moved to new offices across the street from SCS and CES. Field office employees told us that ASCS continued to share its copying machine with SCS and its mimeograph machine with FmHA.

Of the 15 local program recipients we interviewed, 14 said that they were pleased with the service they now receive as opposed to the service under the previous arrangement. They said that they had not liked the multiagency open space arrangement because of a lack of privacy, crowded conditions, and the confusion that existed in the office. They also were dissatisfied with the parking. Several program recipients said that colocation was not necessary in this small town--the population is only about 5,000--and that they have no problem getting from one field office to another.

Potential for improved services through colocation differed

At the locations we visited where the agencies were not colocated, the potential for colocation and the program recipient's views on improved services through colocation differed. The following examples illustrate these differences.

In one town, ASCS, FmHA, and SCS are separately located within 8 blocks of each other. CES is located about 2-1/2 miles away. The town has a population of about 20,000. The agencies do not share resources. The field office employees told us that the separate office locations do not permit them to share personnel, office space, and equipment. They pointed out that if they were colocated, they could share supplies; equipment; mailing lists; office space; and to a limited extent, clerical staff. They said that technical personnel could not be shared because of the different knowledge and background used in each agency's programs.

Program recipients said that they usually visit the ASCS, SCS, and CES offices on a trip to town, that this involves more than one stop, and that parking is often difficult, particularly around the ASCS office. Most of the recipients said that it would be much more convenient if all the field offices were located in one building. Many said that this would also provide them with better services because they would have access to all agencies at one location.

In another town, FmHA, CES, and FCIC were located in separate buildings within 3 blocks of each other. ASCS was located about 1-1/4 miles north and SCS was located about 1/2 mile southeast of the other three agencies. The five agencies did not share resources because it was not convenient to do so. Field office employees told us that they could share some resources, such as office equipment, if the agencies were colocated. They said that they could not share personnel, however, because each agency's programs require different skills and knowledge.

The local program recipients told us that they were not inconvenienced by the separate locations because (1) the town was small with a population of only about 2,000, (2) the USDA agency field offices could be found easily, (3) there was not much traffic, and (4) parking was usually available. They also said that no existing building was large enough to house the agencies and it would be unnecessary to incur additional costs to build one in such a small town.

Task force findings

USDA's task force also noted that resource sharing opportunities were limited at colocated offices and that because of the overcrowded conditions and lack of privacy for program recipients, service delivery was impaired at some locations where agencies were in a multiagency open space arrangement. Through questionnaires and selected field visits, the task force obtained the views of ASCS, FCIC, FmHA, SCS, and CES State Directors in each State and employees from about 6,600 USDA agency field offices on such matters as service to users, location of service delivery points, and work sharing. It also analyzed information that USDA's Office of Audit had obtained from 83 program recipients in 1976 during its study of USDA's service center program.

According to the task force, nearly all the field employees viewed colocation as benefiting USDA clients because it provided the clients a better opportunity to do their business at one site within a county. The task force reported, however, that much confusion, employee tension, noise problems, and work interference had existed in congested multiagency open space arrangements. It also reported that:

--Most field employees viewed the work sharing requirement as being overemphasized because some work is considered too detailed or technical for effective sharing and because conflicts occur in peak workload periods, internal agency management, and funding and staffing methods.

--Many employees wanted a separate phone listing for each USDA agency because they oppose having one person answering the phone for all agencies or rotating the phone answering service among agencies when one agency gets most of the calls.

--Most employees wanted each agency to purchase its own supplies and equipment because each agency's equipment purchase limitations and restrictions hinder cooperation.

--Nearly all employees agreed that equipment sharing was a good idea but viewed vehicle sharing as impractical.

--Many employees preferred separate agency offices with access through halls to common services, such as conference rooms, equipment, supplies, and reception areas, and many emphasized the need to have flexibility for expansion.

--Nearly all employees disliked multiagency open space, but wanted some open space within separate agency offices to provide flexibility.

--Most employees believed that colocated offices should have ample parking and be located on the outskirts of large towns with accessibility to farm areas and highways.

The task force also noted that most program recipients interviewed by the Office of Audit in 1976 used the services of more than one USDA agency and favored having the agencies located in the same building. The greatest advantage was found to be client convenience in terms of time savings and service. Convenience was also generally expressed by the clients in terms of adequacy of parking, accessibility, and proximity to the courthouse, bank, and shopping areas. GSA officials pointed out that the courthouse, bank, and shopping areas are usually found in the central business district of towns and cities.

NEED TO MAINTAIN INFORMATION ON FIELD OFFICE LOCATIONS AND SERVICE AREAS

Information on the number of USDA agency field offices in each county, their location, and the geographical areas they serve; the field units of other Federal agencies located in appropriate USDA agency field offices; and the extent that personnel and other resources are interchanged at colocated field offices is necessary if USDA is to adequately assess the progress made and the additional potential for colocating field offices and to annually report the progress to the Congress. USDA does not maintain information on the progress of field office colocations. As a result, it has not reported the progress made in colocating field offices and interchanging resources as required by the Rural Development Act of 1972.

Section 603 of the Rural Development Act requires the Secretary of Agriculture to include in an annual report to the Congress the progress made in interchanging personnel and other resources and in colocating all field units of Federal agencies, including USDA agencies, that are concerned with rural development and that cover similar geographic areas. As of March 1979 this information had not been included in the annual reports sent to the Congress. USDA officials responsible for preparing the annual reports told us that arrangements had not been made with the heads of the other Federal agencies to locate field offices in the appropriate USDA agency offices. In the Annual Report on Rural Development Goals for fiscal year 1975 USDA advised the Congress that information on the progress made in colocating field offices was not available and could not be readily obtained. USDA officials told us that the information on USDA's agency field office locations obtained by the task force will be provided to the Congress in the next annual report and that a system is being developed to provide this information in subsequent annual reports.

When USDA-wide information on the colocation program is needed, as was the case with the task force study, SACs are asked to supply it. SACs, however, do not always maintain current information showing at each location, the number of USDA agency field offices, their geographical service areas, and if they are colocated.

For example, the SAC-reported information on field office locations in Oklahoma and Georgia was confusing, inaccurate, and incomplete. In Oklahoma, SAC reported two ASCS and four FmHA field offices that did not exist. Oklahoma SAC members told us that these errors occurred because they did not take the time to check the data against each agency's organizational listing.

In Georgia SAC classified one town as a completely colocated site containing ASCS, FmHA, and SCS offices. However, a CES office in the town was overlooked. Also, SAC reported 15 FmHA field office locations in Georgia that would be staffed only if sufficient workload developed. Georgia SAC members told us that they believed office locations that do not provide regularly scheduled service should be counted as field office locations. They recognized, however, that unscheduled part-time offices were located generally in the offices of other USDA agencies. We believe, however, that such offices should not have been reported as separate field office locations because they were not available to serve the public on a scheduled basis.

Task force findings

The task force also noted the lack of a good management information system on the location of USDA agency field offices. It said that this resulted in confusion, misinterpretation, and wasted effort. The task force found that agency records generally did not provide data on colocation with other USDA agencies and that no system for identifying the number and types of USDA agency field offices existed. It said that a coordinated and stable reporting system was needed immediately to regularly furnish status information on field office locations. The task force also recognized some of the limitations in the data it obtained from the SACs. For example, about 84 percent of CES county locations and only a small percent of Forest Service and Animal and Plant Health Inspection Service offices were identified.

TASK FORCE CONCLUSIONS AND RECOMMENDATIONS

According to the task force, USDA field offices comprise a network of delivery systems with similar clients, programs, and service areas demanding a high degree of coordination which would be accomplished best by colocating county offices under the same roof, with common access to support equipment and conveniently accessible to clients. It recognized, however, that the agencies' programs are separate and distinct enough to warrant separate coordinated field office structures. It said that the necessary coordination could be achieved if worked out through interagency forums or committees and implemented through existing agency lines of authority. The task force concluded that the interagency committee structure already in place needed to be complemented by a similar structure at the national level.

The task force recommended that the Secretary of Agriculture issue a strong national policy statement supporting colocation and resource sharing and establish a NAC responsible for implementing this policy. The NAC would be assisted by the State and county administrative committees in administering specific guidance, establishing priorities, and reviewing agency efforts in colocation and resource sharing. The task force concluded that although schedules for achieving colocation and resource sharing need not be applied, negotiated time targets for each State would convey a greater urgency to the field and underline the intended strength of the national policy. The task force also concluded that most planning and actions in colocating field offices need to be carried out by local USDA agency field office managers to adequately consider local differences and constraints.

The task force recommended that in addition to creating NAC, the Secretary establish a State Policy and Administrative Committee, at the State level, as also recommended by the USDA National Rural Development Committee. According to the task force, this would replace or transform each SAC into a single USDA interagency committee dealing with the total range of program needs for agency interaction. We agree that this would provide a greater opportunity to integrate colocation and agency programs.

The task force also recommended that USDA establish a coordinated and stable reporting system to regularly furnish status information concerning USDA field office locations. This information will be available from USDA's Property Management Information System, which task force officials expect will be operational this fall.

On January 19, 1979, the task force briefed the Secretary of Agriculture and USDA's Program and Budget Review Board on the results of its study. The Secretary and Board agreed with the task force findings and conclusions and approved the task force recommendations. On January 26, 1979, Secretary's Memorandum No. 1971 announced a new USDA county office service, location, and operation policy and established NAC. (See pp. 2 and 4.) On March 13, 1979, Secretary's Memorandum No. 1977 established a State Policy Coordination and Administrative Committee at the State level.

OUR CONCLUSIONS

USDA could improve service delivery to program recipients and increase efficiencies from resource sharing by giving more consideration to local conditions when making decisions to colocate or relocate field offices. Colocation is beneficial in some towns and counties; in others the benefits may be marginal.

The new USDA county office location policy states that the local conditions that should be considered are (1) building design, (2) building accessibility, and (3) ample parking for program clients. To help decide whether changing the location of field offices would be beneficial, USDA needs to evaluate additional local factors such as the availability, expandability, and cost of office space; the potential for sharing personnel and other resources; and the views of current and potential program recipients.

The Property Management Information System being developed will provide the information on the number of USDA field offices in each county and their locations. The system, however, does not provide for information on the geographical areas served by each USDA agency field office, the field units of other Federal agencies located in the appropriate USDA agency field office, or the extent to which resources are interchanged. This information is needed at least semiannually for NAC to adequately assess the progress made and the additional potential for colocating field offices and for USDA to annually report the progress to the Congress.

OUR RECOMMENDATIONS

We recommend that the Secretary of Agriculture:

--Direct NAC to require that an evaluation be made of the (1) availability, expandability, and cost of office space, (2) potential for sharing personnel and other resources, and (3) views of current and potential program recipients to help in deciding whether a change in field office location would benefit the program recipients and help achieve program objectives.

--Require that the Property Management Information System being developed by USDA be expanded to include information on the geographical areas being served by each USDA agency field office, the field units of other Federal agencies located in the appropriate USDA agency field office, and the extent to which resources are interchanged; and require NAC to assess, at least semiannually, the progress made and the additional potential for locating field offices to best serve program recipients and achieve program objectives.

--Report to the Congress the progress made in colocating field offices and in interchanging personnel and other resources, together with information on problems and any recommendations that may be appropriate, in the annual report required under section 603 of the Rural Development Act.

AGENCY COMMENTS

We obtained comments from USDA's Assistant Secretary for Administration and other USDA officials. Their comments were considered and included in the report where appropriate. The USDA officials concurred in our recommendations.

CHAPTER 3

NEED TO RESOLVE CONFLICTS

WITH GSA ON OFFICE LOCATIONS

USDA could colocate more of its field offices by resolving conflicts with GSA concerning field office locations. These conflicts occur in situations where USDA agency officials want to colocate field offices in

--the outskirts of towns and cities, but GSA wants to locate them in the central business districts and

--county facilities under long-term leases, but GSA limits USDA to leases for 1-year periods.

GSA bases its office-location decisions, unless they would affect the efficient performance of missions and programs, on overall Federal policies such as the President's urban policy, the efficiency and economy of leasing arrangements, and effective use of Federal buildings. In requesting space for field offices, USDA agencies have generally cited convenience to program recipients as a basis for office locations. Although USDA believes that convenience is a program objective, GSA does not consider it to be adequate justification for locating offices in the outskirts of towns or cities.

The Field Service Structure Task Force reported that leasing problems were a major barrier to achieving greater colocation. According to the task force, GSA's application of the President's urban policy--giving first consideration to the central business districts of urban centers--does not allow USDA agencies to locate their offices in the outskirts of towns and cities convenient to rural roads and commerce. The task force also concluded that additional delegated leasing authority is needed to make CES participation more feasible and to resolve problems with GSA concerning the cost and timeliness in delivering leased space for colocation.

COLOCATING OFFICES ON THE OUTSKIRTS OF TOWNS AND CITIES

GSA's objective is to locate Federal agencies in the central business districts of towns and cities unless another location will enable an agency to better achieve its program mission. USDA agencies usually believe field offices should be colocated outside central business districts in areas that are convenient to the rural roads and commerce used by USDA program recipients. GSA does not consider convenience in such terms as accessibility and parking to be adequate justification for locations on the outskirts of towns or cities.

The objectives of the Rural Development of Act of 1972 provide a basis for colocating USDA agency field offices in rural areas that need to be made more desirable places in which to live and need to be provided increased employment and income. The Secretary of Agriculture has not delineated the areas that need improved livability and increased employment and income. Consequently, USDA has not used the Rural Development Act objectives as a basis to justify field office locations.

Since 1950 GSA has had the authority to (1) lease real property, (2) assign and reassign space, and (3) operate, maintain, and have custody of office buildings for other Federal agencies. GSA has delegated authority to USDA to lease general purpose space outside of areas it designates as urban centers. GSA has designated 287 areas as urban centers, including the complete jurisdictions of two States (Alaska and Hawaii), two territories (Puerto Rico and Virgin Islands), and about 500 counties (including 15 cities in States where the cities and counties are not in the same jurisdictions). For example, the urban center for the Washington, D.C., area consists of the District of Columbia and three cities and four counties in Maryland and Virginia.

USDA's delegated leasing authority is limited to space requirements for less than 2,500 square feet and to 1-year lease periods. To colocate field offices, USDA must obtain GSA approval for space acquisitions of 2,500 or more square feet. In such cases, USDA agencies submit a request for space to GSA. GSA will then screen the existing vacant federally owned or leased space and if no space such as that requested is available, GSA will usually lease space in the central business district of a town or city in areas designated as urban centers. In areas outside urban centers, USDA agencies may acquire the space themselves under authority delegated to them by GSA. As of March 1979 USDA leased nearly 4 million square feet of space on its own and GSA assigned USDA an additional 11 million square feet of leased and Government-owned space. Consequently, GSA provided about 73 percent of the leased space occupied by USDA.

According to the Federal Property Management Regulations (section 101-17.104), agencies may request the appropriate

GSA Regional Administrator to formally review GSA's space assignment actions. The USDA agency head may make any final appeal to the GSA Administrator.

A White House memorandum to the heads of departments and agencies, dated March 9, 1979, requires any agency which intends to acquire or use space under its own authority to notify the GSA Administrator and provide a description of the intended action. The Administrator, within 30 days after such notification, must review the action and advise the agency head in writing whether or not it conforms with the President's urban policy. Although GSA has not promulgated regulations to implement these practices, they could result in GSA applying the President's urban policy in towns and cities outside of urban centers.

GSA officials told us they usually want the USDA agency field offices to be located in central business districts of cities or towns because the President's urban policy objectives are to strengthen the Nation's cities and to make them attractive places to live and work. The President's urban policy, Executive Order 12072, dated August 16, 1978, 1/ provides that in meeting the needs for Federal office space in urban centers, officials shall give first consideration to a central business district. In implementing this policy GSA is required to consider (1) the efficient performance of the agencies' missions and programs (2) the nature and functions of the facilities involved, (3) the convenience of the public served, and (4) the maintenance and improvement of safe and healthful working conditions for employees. This policy often results in conflicts between USDA agency and GSA officials over USDA agency field office locations.

For example, in Clinton, Oklahoma (population about 10,000) GSA proposed in September 1978 to move ASCS, FmHA, and SCS county offices and other SCS offices (watershed and area offices) into a vacant U.S. Post Office building it was renovating and modernizing. The post office building is located in the central business district and the USDA field

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1/Executive Order 12072 reinforces a GSA policy, initiated in February 1976 that provides that the area delineated for the acquisition of space be restricted to central business districts, provided the space conforms to agencies' missions and programs.

offices are located in leased space outside Clinton's central business district. A GSA official told us that GSA wanted to eliminate the need to lease space by locating all Federal agencies, including USDA agency offices, in the vacant post office building, in the city's central business district. A map showing the locations of the USDA agency field offices, the central business district, and the vacant post office building is on page 23.

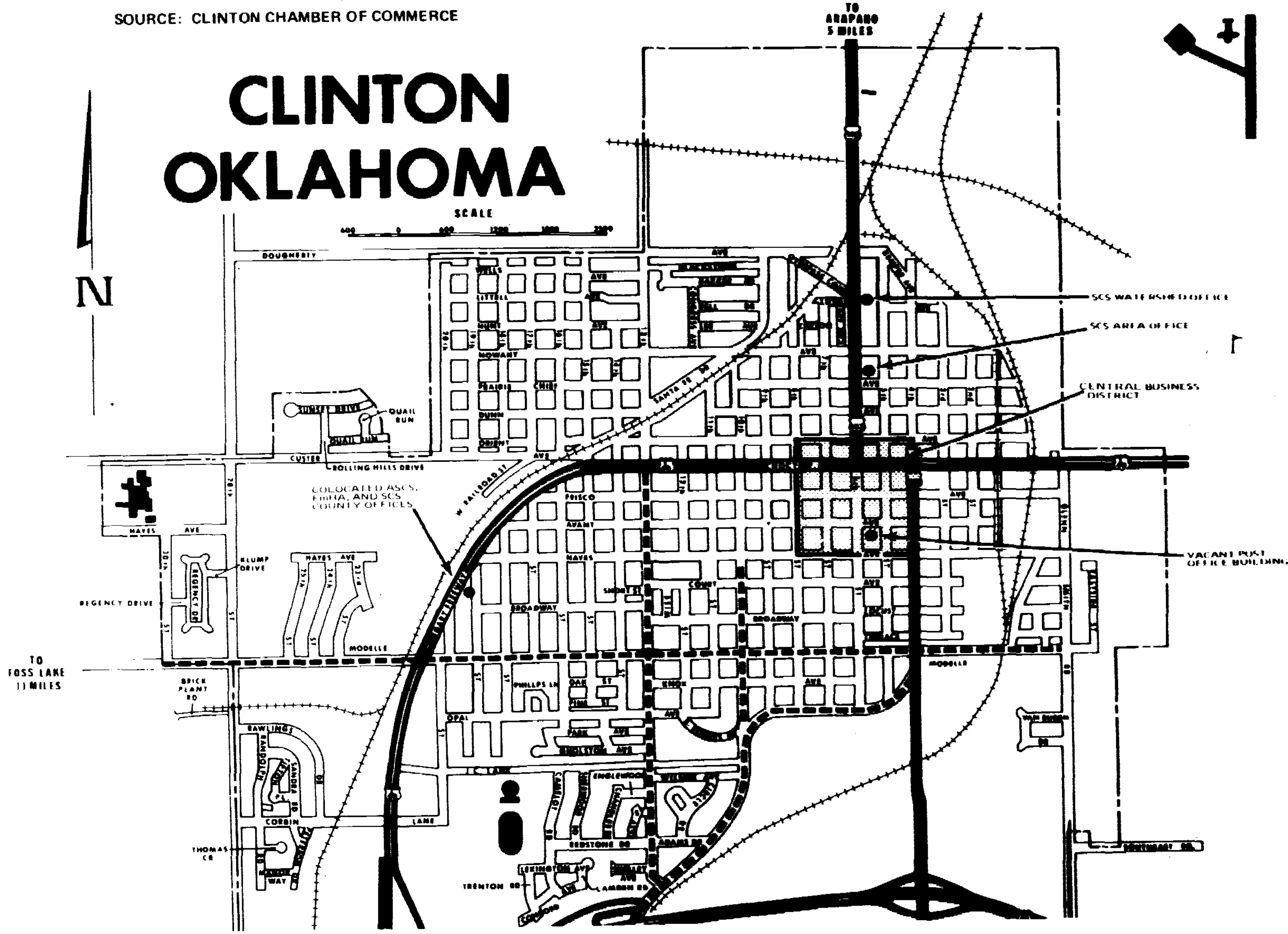
USDA agency officials are resisting the move to the central business district because they believe the proposed location is in a congested area while their present locations have ample parking and offer easy access for program recipients. No agreement had been reached as of February 1979.

Also, in the designated urban center consisting of all of Fresno County, California (population over 150,000) USDA agency officials in 1976 requested space at a location considered to be accessible to program recipients to colocate the FCIC, FmHA, SCS, and ASCS field offices. The field offices were colocated in a Federal building in Fresno's downtown area. USDA agency officials told GSA that there was inadequate parking at the Federal building and that they wanted to move to the requested location where their offices would be more convenient to USDA program recipients.

GSA initially stated that the USDA agencies must stay in the Federal building to avoid creating vacant space which other Federal agencies could not fill. Later GSA found other Federal agencies to occupy the space and told USDA officials they must relocate in the downtown area. A GSA official told us that a central business district had not been formally delineated and GSA eventually agreed to advertise for space outside of the downtown area. The location offered by the lowest responsive bidder was unacceptable to USDA agency officials because they believed the ease of access for program recipients was not comparable to the location they requested. Later GSA conferred with city planners and formally delineated a central business district of Fresno. The location requested by the USDA officials is outside the delineated central business district. GSA officials told us that USDA agencies now must relocate within the central business district. A final site selection had not been made as of March 1979.

GSA headquarters officials told us that GSA will colocate agencies in the central business district of urban centers unless the agencies present clear evidence that another

SOURCE: CLINTON CHAMBER OF COMMERCE



location will best serve program missions. According to the officials, however, most USDA requests for locations in the outskirts of towns or cities refer mainly to the convenience of USDA program recipients, in such terms as accessibility and parking, which GSA does not consider to be adequate justification. GSA officials told us that convenience is only a valid reason for locating agencies in space outside the central business district of a town or city when it can be demonstrated that because of inaccessibility, program recipients are not seeking services. USDA officials told us that convenience to program recipients is a program objective and does affect missions, particularly for voluntary USDA programs such as conservation and set-aside programs. However, USDA has not shown the specific impact which location has on program recipients or on program missions. USDA and GSA need to resolve this matter.

COLOCATING CES WITH OTHER FIELD OFFICES IN COUNTY SPACE

In some cases USDA agency officials have been successful in getting counties to agree to provide facilities for colocation within the limited terms of the leasing authority GSA delegated to USDA (1-year lease periods). When USDA agency officials are unable to obtain such an agreement, however, the benefits from colocating field offices in county-owned space and risks associated with longer term leases were not evaluated to determine if a request should be made to GSA for a long-term lease.

Improved service delivery to USDA program recipients can sometimes be achieved by colocating CES and other USDA field offices in county-owned space. When county space is not available, county officials are sometimes willing to build facilities for colocating field offices or to provide additional space in buildings planned for construction, but at times they want a long-term lease to help insure that their investment in such facilities will be repaid.

GSA is authorized to execute leases for periods up to 20 years. GSA guidelines encourage long-term leasing because it can result in lower rental rates, eliminate paperwork, and save time by reducing the need for numerous renewals and other lease actions. GSA officials told us, however, that there are greater risks associated with longer lease periods because future changes in agency programs and space requirements are difficult to predict and unanticipated changes can result in rental payments for unused space.

Most CES and other USDA agency officials and program recipients at the locations visited told us that they would benefit if CES was colocated with other USDA agency field offices. CES offices are usually provided by counties in county-owned space as a part of the counties' share of joint USDA, State, and county financing of CES activities. If CES is to be colocated with the other USDA agencies' field offices in counties which do not always want to pay for CES space in noncounty facilities, moving the field offices of the other USDA agencies into county facilities may be one solution.

CES basic mission is to help people identify and solve their farm, home, and community problems through research findings and USDA programs. CES has offices in nearly every county and its educational and advisory activities are an integral part of USDA services. For example, USDA officials told us that when ASCS provides funds for a conservation project, SCS and CES often provide technical advice.

At one location--a city of about 13,000 where CES was located about 1 mile from ASCS and SCS offices--officials of the USDA agencies told us that if CES had been located with ASCS and SCS, technical information could have been exchanged more among the field office employees and recipients could have been provided better service. Some of the program recipients told us that they need CES services and would use them more if CES was located with the other agencies.

Some counties had either provided existing county space at little or no cost or constructed facilities without a long-term rental agreement so that other USDA agencies could be colocated with CES. USDA agency officials told us that the county officials recognized the benefits of colocating CES with other USDA agency field offices. In counties where county officials were unable or unwilling to provide space in existing or planned county facilities without a long-term lease, however, the USDA agencies we visited did not determine if a long-term lease would be warranted so that a lease request could be made to GSA.

For example, in one county, USDA agency field office officials stated it would be very desirable for the CES office to be colocated with ASCS, SCS, and FmHA field offices. County officials wanted to provide space in a facility they were planning to build. The county proposed to finance construction by issuing bonds that would be repaid, partly from USDA agency rentals. To guarantee the county's investment, the county officials wanted ASCS, SCS, and FmHA to lease space in the facility for 20 years. The USDA agency officials said they were unable to enter into a 20-year lease because GSA has limited USDA's leasing authority to 1-year periods. This was unacceptable to the county and the CES office is still located in the county courthouse more than 1 mile from the other USDA field offices.

The USDA agency officials told us that they never thought of determining if a request for a GSA lease could be justified. An analysis of the benefits and risks would show whether a request for a GSA long-term lease would have been warranted. GSA officials told us long-term leasing can be accomplished, if adequately justified, but no such action should be taken when Government-owned space is available.

TASK FORCE FINDINGS AND RECOMMENDATIONS AND USDA ACTIONS

The task force reported that leasing problems were a major barrier to achieving greater colocation. According to the task force, GSA's application of the President's urban policy does not allow USDA to locate its offices in the outskirts of towns and cities. It also concluded that additional delegated leasing authority is needed to make CES participation in colocation more feasible and to resolve problems with GSA concerning the cost and timeliness in delivering leased space for colocation. The task force recommended that USDA pursue, to the fullest extent possible, additional delegated local leasing authority from GSA.

Need to locate offices in the outskirts of towns and cities

According to the task force, the major problem in achieving colocation is the conflict between USDA's goal--giving first priority to locating offices in rural areas--and GSA's goal--giving first consideration to the central business districts of urban centers. It said that GSA's application of the President's urban policy does not allow USDA agencies to locate their offices in the outskirts of towns and cities convenient to rural roads and commerce. It concluded that this situation seriously challenges the delivery of agriculture programs to USDA program recipients.

The provisions of the President's urban policy do not appear to prevent USDA agencies from locating field offices outside the central business districts of urban centers. The policy provides that Federal agencies can locate their offices wherever necessary to meet their missions and programs efficiently and effectively. USDA has justified field office locations on the basis of convenience for program recipients. Although USDA believes that convenience to program recipients is a program objective, GSA does not consider it to be adequate justification for locating offices in the outskirts of towns and cities. USDA has not shown how this specifically affects its program missions. GSA officials advised us that unless USDA demonstrates how inconvience affects its program missions, GSA will give first priority to sites within central business districts because inconvenience does not necessarily mean that the agencies' missions and programs will be impaired.

USDA and GSA are currently negotiating a memorandum of understanding concerning the location of Federal facilities. USDA is attempting to get GSA to recognize that certain USDA activities at the county office level should be located outside the central business area because of program objectives and clientele needs.

Additional delegated leasing authority needed

The task force concluded that additional delegated leassing authority is needed to make CES participation in colocation more feasible and to resolve problems with GSA concerning the cost and timeliness in delivering leased space for colocation. The task force recommended that once USDA obtains additional delegated leasing authority from GSA, it initiate a project to increase the number of county-built or -owned agriculture buildings to house USDA agency field offices.

The task force noted that nearly all field personnel thought that CES should be included in colocation. The task force pointed out that CES was housed with other USDA agency field offices at several locations because county governments, CES, and other USDA agency officials at the local level were willing to cooperate and saw a need to provide better services to USDA program recipients. According to the task force, the local political climate provides many opportunities to recognize and initiate the efforts for such facility development.

The task force noted, however, that colocating CES with other USDA agencies had not been widely achieved. According to the task force, this was because county governments were not interested in paying for relatively high-cost Federal space which GSA provided to CES. The task force believed the counties would be more inclined to provide space for other USDA agency field offices, as well as CES, in county facilities if USDA agencies could enter into long-term leases. It said that this would provide assurance that the counties could recover county funds spent to construct additional office space through leasing arrangements.

We agree with the task force's conclusion that long-term lease commitments would increase the likelihood of counties providing space for colocating CES with other USDA agency field offices. The advantages of long-term lease commitments, however, may be diminished by accompanying risks. Long-term lease commitments should be evaluated on an individual basis to assure that risks are minimized.

The task force also noted that USDA has had problems with GSA for a number of years concerning the provision of space, especially the cost and timeliness in the delivery of leased space. The task force provided us with specific cases in which USDA agencies had problems with GSA officials over the cost of leased space and the delays in acquiring leased space for colocating and relocating field offices.

Much of the higher cost of GSA-leased space was the result of Public Law 92-313, dated June 16, 1972, (40 U.S.C. 490), which requires GSA to charge agencies comparable commercial rates for space, not the actual rate GSA is paying. Also, much of the space GSA acquires is in urban areas with higher rentals than the space USDA acquires in rural areas.

In many of the cases, delays in GSA acquisition of leased space had occurred. However, the USDA agencies often had problems with the accessibility and suitability of the leased space GSA offered. Therefore, the delays were caused partly by the USDA agencies. We believe that such problems could be resolved earlier if USDA agencies, rather than GSA, acquired the space.

Based on an issue paper on leasing problems developed by the task force, USDA's Assistant Secretary for Administration sent a letter, dated August 4, 1978, to the GSA Administrator proposing that GSA grant a general delegation of leasing authority to USDA at the county level. The Administrator responded on September 12, 1978, that it would be inappropriate to delegate any authority pending final recommendations from a study being made for the President. An administrative services study is being made of GSA management and delivery of administrative services to Federal agencies. Among the areas to be covered are GSA functions that could be enhanced by increased delegation of authority to other Federal agencies.

USDA is currently planning to propose legislation that would authorize the Secretary of Agriculture to lease real property determined necessary to carry out USDA's programs, provided that existing Government-owned or controlled space suited to the intended purpose is unavailable. In addition, space requirements in Washington, D.C., and space requirements of more than 5,000 square feet in certain areas would be obtained through GSA. Under this proposed authority, lease agreements could be made binding on the Government for up to 20 years.

In a January 9, 1978, report to the GSA Administrator (LCD-78-303), we noted that GSA's lease delegation practices are somewhat inflexible and inconsistent. An example of inflexible delegation practices was GSA's refusal to allow USDA to lease any of about 100 service centers in the "urban" category, although USDA has been delegated authority for about 1,000 such offices in the nonurban areas. We also noted that Federal agencies had experienced delays in acquiring space because of GSA's untimely processing of space actions. We recommended that the Administrator of GSA adopt a more flexible approach on lease delegations which would consider the most economical and efficient acquisition procedure and the best use of GSA's leasing staff.

The Administrator responded that the average time GSA takes to execute leases had gradually increased to an unacceptable level because (1) its staffing levels have not kept pace with an ever-expanding workload and (2) the leasing program has become more complex by statutory and other mandates that introduce time delays such as the National Historic Preservation Act of 1966 (16 U.S.C. 470), the Architectural Barriers Act of 1968 (42 U.S.C. 4151), and Executive Order 12003, issued July 20, 1977, entitled "Energy Policy and Conservation." The Administrator also responded that there was little doubt that USDA agencies could have leased service center space within urban centers, but that in dealing with urban centers, it is necessary to look at factors beyond the individual leasing action. The Administrator said that in addition to the President's urban policy, some of the factors which must be considered in such cases include (1) the availability of space in GSA's inventory which might satisfy USDA's needs, (2) assuring that the duration of the USDA lease conforms to any plan for future construction of a Federal building, and (3) combining leased space needs of other Federal agencies with those of USDA in order to obtain better lease terms and lower rentals.

If the Secretary of Agriculture delineates rural areas, USDA agencies may be able to identify rural areas within GSA-designated urban centers that should be given priority to achieve the improved livability and increased employment and income objectives of the Rural Development Act of 1972. In our report to the Congress entitled "Progress and Problems in Giving Rural Areas First Priority When Locating Federal Facilities" (CED-76-137), dated September 7, 1976, we recommended that the Secretary delineate rural areas. According to USDA agency officials, rural areas have not been delineated because of insufficient data and a problem in determining which urbanizing areas qualify as rural areas.

OUR CONCLUSIONS

USDA could colocate more of its field offices to provide better service delivery to its program recipients and best achieve its rural development objectives and program missions by resolving conflicts with GSA over the location of field offices.

USDA's field offices should be located wherever they are most needed to meet rural development objectives and agency program missions efficiently and effectively. Delineating rural areas in need of development may help USDA agencies identify those rural areas in urban centers that should be given priority in locating USDA field offices. To speed up colocations, the delineation of rural areas could be done as the need to colocate field offices is identified, on a case-by-case basis.

Long-term leases would provide a basis for colocating USDA field offices with CES in county facilities and GSA leasing policies are sufficiently flexible to achieve such colocations. However, long-term leases involve certain risks which are of concern to GSA. USDA agencies need to evaluate the costs, benefits, and risks associated with a long-term lease to insure that rural development objectives, USDA's program missions, and GSA's goal to use federally owned space will be served efficiently and effectively.

USDA is planning to propose legislation to obtain additional leasing authority. We do not object to increased USDA leasing authority provided the Secretary of Agriculture (1) delineates rural areas that need development, (2) insures that field offices will be located in the delineated areas to achieve rural development objectives and program missions effectively and efficiently, and (3) gives first consideration to the use of federally controlled space that is available and suitable to meet USDA agency objectives and missions. These same considerations must be reviewed in determining USDA field office locations, regardless of whether GSA or USDA has leasing authority.

OUR RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE AND THE ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION

We recommend that the Secretary of Agriculture:

--Delineate rural areas, with State and local government assistance, that need to be made more desirable places to live and that need to be provided increased employment and income and direct USDA agencies to colocate their field offices to the fullest extent practicable in the identified areas.

--Determine how USDA program missions can be best served from office locations in the outskirts of cities or towns in delineated rural areas and use this data as a basis for seeking agreement from GSA on the best location for field offices.

--Determine, with GSA's assistance, the cost, benefits, and risks associated with long-term lease commitments and direct USDA agencies to make necessary evaluations and request GSA to obtain leased space to colocate field offices in county facilities when the evaluation shows that a long-term lease is warranted.

We recommend that the Administrator, General Services Administration:

--Approve USDA proposals to locate field offices in the outskirts of cities and towns when its proposals show that (1) there is no federally controlled space in the central business area that is available and suitable to meet USDA's objectives and missions, (2) most of its clients will be best served by such a location, and (3) state rural development plans have been considered.

--Enter into long-term leases for the colocation of field offices when USDA adequately demonstrates that a long-term lease is warranted.

If USDA is unable to resolve the conflicts with GSA through normal review and appeal procedures, even after USDA has justified its colocation proposals on the basis of its rural development objectives and program missions, the Secretary should advise the Congress of the unresolved conflicts and actions taken or proposed to be taken to resolve them.

OUR RECOMMENDATION TO THE CONGRESS

We recommend that in deciding on any legislation to increase USDA's leasing authority, the Congress should review the actions taken or proposed to be taken by the Secretary of Agriculture to (1) delineate rural areas that need development, (2) insure that field offices will be located in the delineated areas to achieve rural development objectives and USDA's program missions effectively and efficiently, and (3) give first consideration to the use of federally controlled space that is available and suitable to meet USDA's objectives and missions.

AGENCY COMMENTS

We obtained comments from USDA's Assistant Secretary for Administration, GSA's Acting Deputy Assistant Commissioner for Space Management, and other USDA and GSA officials. Their comments were considered and included in the report where appropriate. The USDA and GSA officials generally agreed with the recommendations made to their agencies.

United States of America
Office of Personnel Management Washington, D.C. 20415

In Reply Refer To:

MAR 20 1979

Mr. H. L. Krieger
Director
Federal Personnel and Compensation
Division
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Krieger:

This is in response to your letter to Director Campbell inquiring as to the impact, if any, on civil service laws, rules, and regulations of the Department of Agriculture's (hereafter DOA) colocation program. You refer particularly to the definition of Federal employee in 5 U.S.C. § 2105. Specifically, you are concerned about the effect on rights of Federal DOA employees of their being "supervised" by non-Federal employees, i.e., by county Agricultural Stabilization and Conservation Service, (ASCS hereafter) employees.

Section 2105 of title 5, United States Code, requires that a Federal employee must be 1) appointed in the civil service by a Federal officer, 2) engaged in a Federal function, and 3) under the supervision of a Federal officer or employee.

County ASCS employees, although they perform a Federal function, are not Federal employees because they are neither appointed nor supervised by Federal employees.

Your letter sets out the following system of administration of the ASCS program:

> The Soil Conservation and Domestic Allotment Act (Public Law 46, 74th Cong., 49 Stat. 163, approved Apr. 27, 1935), as amended, 16 U.S.C. 590h, directs the Secretary of Agriculture to utilize the services of local and State committees for administering ASCS programs... In each State there is a State committee composed of three to five farmers who are appointed by the Secretary. At the local level, however, farmers within local administrative areas designated by the

> Secretary annually elect a community committee composed of not more than three farmers. The members of the community committee, in a county convention, nominate and elect a county committee consisting of three members who are farmers in the county.
>
> The county committee, subject to the general supervision and direction of the State committee, is responsible for carrying out ASCS programs in the county. In doing so the county committee employs a county executive director who is responsible for supervising the activities of the community committee, executing the policies established by the county committee, and employing the personnel of the county office...".

You reference excerpts from legislation calling for cross-utilization of personnel for our consideration. The Rural Development Act of 1972 (7 U.S.C. § 2204a) calls for the location of both Agriculture and other Federal agencies concerned with rural development in single field offices and provides for:

> the interchange of personnel and facilities in each such office to the extent necessary or desirable to achieve the most efficient utilization of such personnel and facilities and provide the most effective assistance in the development of rural areas in accordance with State rural development plans.

The Agriculture and Related Agencies Appropriations Act for fiscal year 1978 (P.L. 95-97) provides that:

> notwithstanding any other provision of law, employees of the agencies of the Department of Agriculture, including employees of the Agricultural Stabilization and Conservation County Committees, may be utilized to provide part-time and intermittent assistance to other agencies of the Department, without reimbursement, during periods when they are not otherwise fully utilized.

In addition, you note that a December 1975 memorandum of understanding between ASCS and three other Agriculture agencies provides for the interchange of personnel assistance at the local level when available, and to the extent necessary to provide the most effective assistance in the development of rural areas.

With regard to the types of assistance that the interchanged personnel are to provide, the various acts and the memorandum of understanding are silent. Your letter states that it is your understanding that arrangements for sharing personnel at the county level are usually informal and the types and amount of sharing vary considerably. The most common types of assistance include telephone answering, reception, and typing services. However, you have reason to believe that the assistance sometimes extends into technical areas, such as when ASCS county employees assist DOA employees process emergency loan applications, develop resource conservation plans, accept producer certifications of crop damage or process applications for various kinds of loans.

While there is no definition of the term "supervision" as it relates to the requirements set out in 5 U.S.C. § 2105, you have been informally advised by a member of my staff that if the supervision received by Federal employees by county ASCS employees is of the day-to-day type, the Federal employees may no longer meet the requirements of 5 U.S.C. § 2105. Hence, they may no longer be entitled to the rights and privileges of Federal civil service employees. I concur.

To ascertain whether this county/Federal relationship is tantamount to supervision, not finding any judicial precedents for application of section 2105(a)(3), we look to the common law test for determining the existence of an employer-employee relationship as that test is applied by the courts. Under the common law, an employer-employee relationship generally exists when an employer has the right to control the manner in which the work is to be performed. The courts seem to be in agreement that the right to control the manner in which work is to be performed is the determining factor in ascertaining the existence of the relationship. NLRB v. Abell Company, 327 F.2d 1 (4th Cir. 1964); Saiki v. U.S., 306 F.2d 642 (8th Cir. 1962); Loeb v. U.S., 209 F. Supp. 22 (D.C. La. 1962).

In the relationship of mutual assistance created by the various acts, we find that the county employees do not necessarily have the right to control the manner in which the work is to be performed. In fact, in most instances, the legislation is generally silent on this point, and the acts you have cited to us are no exception. However, while not specifically spelled out, the types of services and assistance contemplated by the acts appear to be support-type services (e.g., reception, typing and telephone answering services) because these are the types of needed services that agencies have in common. Moreover, these same acts generally authorize DOA and its components to hire their own employees (who are clearly Federal employees) to perform the technical work and to carry out DOA's mission. This fact provides the basis for another argument that use of exchanged personnel should be limited to support services.

Accordingly, we believe that so long as exchanged personnel are utilized to perform limited or temporary support services, or county employees merely indicate in casual directions to Federal employees where and how the performance of the Federal employee functions will be most useful to the operations, the rights of Federal employees will not be jeopardized, since they will not be "supervised" by county officials. However, when the county employees control the Federal employees in the performance of their work (e.g. giving work assignments, making employee evaluations, and determining which Federal employees have the skills for particular county jobs), or provide day-to-day type supervision with the Federal employees responding to and being responsible to them, the Federal employees' status as such, in our opinion, will be endangered.

We note in passing that the Comptroller General, in deciding whether a relationship is that of an employer-employee or employer-independent contractor, applies the basic common law test, the supervisory element, in addition to other principles. See B-180303, February 1, 1974.

I trust this information will be of some assistance to you in making your report to Congress.

Sincerely yours,

Margery Waxman

Margery Waxman
General Counsel

(02238)

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