



## *Farm Service Agency*

### *American Recovery and Reinvestment Act*



#### **American Recovery and Reinvestment Accounts Spending Plan**

##### **Maintaining and modernizing the FSA information technology system**

| <b>American Recovery and Reinvestment Act Funding Table</b>              |                     |
|--|---------------------|
| <b>Maintaining and modernizing the FSA information technology system</b> | <b>\$50,000,000</b> |
| Stabilization  | <b>\$31,000,000</b> |
| Modernization  | <b>\$19,000,000</b> |

#### **Objectives and Activities**

The American Recovery and Reinvestment Act (ARRA) provides \$50 million in funding it to support the FSA IT stabilization / modernization projects. This \$50 million is a portion of the funding required for these efforts. The required costs for the MIDAS and Stabilization projects are estimated at \$392 million. After receiving this \$50 million from the Recovery Act (ARRA), there is an estimated net requirement of \$342 million. The FY2010 Budget Request currently includes \$67 million for these projects. If enacted, the net funding requirement will be \$275 million.

The Stabilization effort includes improving the management, monitoring and performance of current and planned web-based system networks, hosting environments, applications, databases and reporting capabilities needed to support customer business transactions on USDA's Common Computing Environment.

MIDAS is an initiative to "Modernize and Innovate the Delivery of Agricultural Systems." Its objective is to streamline FSA business processes and develop an effective long-term IT system and architecture for FSA farm program delivery. MIDAS will support reengineered business processes to improve efficiencies, and reduce errors, and increase compliance with modern security, financial and privacy controls.

In the USDA Strategic Plan, 2005 – 2010, **Goal 2** is to "Enhance the Competitiveness and Sustainability of Rural and Farm Economies". In the FSA Strategic Plan, FSA Goal 1, "Supporting Productive Farms and Ranches" reinforces commitment to competitive and sustainable farm and rural economies. The three Objectives of FSA Goal 1 further specifies the scope and strength of this commitment:

#### **Objective 1.1 – Improving Access to Capital**

Because the aging technology, infrastructure, and equipment at FSA create inefficiencies and threaten the delivery of fundamental services to producers, the primary public benefit is the ability to continue providing to farmers and ranchers acceptable levels of service that support and implement the above USDA and FSA Goals.

The funding will also enable FSA to begin a customer-centric modernization initiative that will ultimately provide USDA customers with faster, more secure, and more accurate program payments that enhance the competitiveness, sustainability and productivity of farmers and ranchers.

Implementation of MIDAS will eventually modernize and improve service delivery for many FSA business processes and current systems including Cotton management System, Direct and Counter Cyclical Enrollment and Payment System, Commodity Management Systems, Geographic Information Systems, Price Support Systems, Consolidated Natural Disaster Relief Programs and Conservation Systems.

Use of this Recovery Act money to maintain and modernize the FSA information technology system enables FSA to fulfill USDA's Strategic Management Initiatives and FSA's commitment to their crosscutting management objectives supporting FSA strategic goals:

#### USDA Management Initiatives

Expand Electronic Government  
Establish Budget and Performance Integration

#### FSA Crosscutting Management Objectives

Objective 3: Improving Strategic Accountability  
Objective 4: Improving Business Process Effectiveness  
Objective 5: Improving Stakeholder Satisfaction

Continued stabilization of this electronic government environment provides a necessary foundation for all future Modernization efforts including optimal data processing times and capacity loading.

Funding of modernization efforts will foster applications and systems that build upon reengineered business processes and provide faster, more secure and accurate benefits and services to FSA customers.

#### **Characteristics**

Of the \$50 million, \$31 million is planned for Stabilization and \$19 million is planned for modernization (MIDAS). Contractors are the targeted type of recipient and it is expected that \$50 million will go to non-federal recipients.

Immediate beneficiaries are FSA customers (farmers and ranchers) and secondarily internal FSA staff (Headquarters, State and county). With optimal performance of the current web-based system of networks and Common Computing Environment, internal staff can be more productive and efficient in performing their duties servicing customers. With enhanced staff performance, FSA customers can receive their benefits and services in a more timely fashion.

As stated previously most of the funding will be used for contracted services. With this funding, FSA will exercise contract options for existing Stabilization support services contracts as well as yearly Hardware/Software (HW/SW) licenses and maintenance contract renewals. New contracts that utilize these funds will comply with USDA acquisition policies and Federal Acquisition Regulations.

#### **Delivery Schedule**

| <b>Project Investment</b> | <b>Totals</b> | <b>FY09 Q3</b> | <b>FY 09 Q4</b> | <b>FY10 Q1</b> | <b>FY10 Q2</b> |
|---------------------------|---------------|----------------|-----------------|----------------|----------------|
| 1.0 Stabilization         | \$31,000,000  | \$8,268,550    | \$6,727,054     | \$13,308,157   | \$2,696,239    |
| 2.0 MIDAS                 | \$19,000,000  | \$1,500,000    | \$3,500,000     | \$2,000,000    | \$12,000,000   |
| Grand Total               | \$50,000,000  | \$9,768,550    | \$10,227,054    | \$15,308,157   | \$14,696,239   |

Stabilization procurements are planned for completion by the end of 2<sup>nd</sup> Quarter, FY 2010. Funding will be used to continue ongoing support, maintenance, and licensing of infrastructure hardware and monitoring tools and contractor services that provide ongoing support, maintenance, upkeep of hardware, software and infrastructure to manage FSA's Web Environment system's performance.

Funding will be also be used for continuation of the Infrastructure Stabilization Data Warehouse (ISDW) project initiated in FY 2008. FY 2009 ISDW project funding supports two major initiatives: (1) definition of the FSA Enterprise Data Strategy, and (2) migration of the existing data marts to the newly acquired data warehouse environment.

The MIDAS program is currently in the planning and acquisition phase. In FY2009, MIDAS plans to complete the required management, business process improvement, requirements management and software procurements. In early FY 2010, MIDAS plans to complete the large-scale system integration procurement. MIDAS system integration planning and execution milestones will be approved after contract award. Actual obligation figures are contingent on contract negotiations.

## Environmental Review Compliance

FSA has reported to the Council on Environmental Quality that the IT Stabilization/Modernization appropriation of ARRA funds can be considered categorically excluded based on the fact that the program provides funding for the stabilization and modernization of computer systems and falls under routine activities [7 CFR 1b.3(a)(1)]. Therefore this program and its activities are excluded from the preparation of environmental assessments or environmental impact statements.

Please contact Matthew T. Ponish, FSA National Environmental Compliance Manager, at 202-720-6853 or [matthew.ponish@wdc.usda.gov](mailto:matthew.ponish@wdc.usda.gov) if you have additional questions.

## Savings or Cost

After implementation, MIDAS is expected to reduce yearly operational costs by eliminating the maintenance contract for the legacy AS400/S36 system, reducing processing costs, reducing improper payments, and reducing paper and electronic storage costs. However, after MIDAS is fully funded and achieves full operating capability, maintenance costs are expected to be approximately \$20 million per year. These maintenance costs are expected to be covered by FSA IT operations.

MIDAS is also expected to result in a reduction in costs and burden on the customer. Program availability on the web will result in decreased out-of-pocket expenses, such as travel, and will eliminate time lost due to the unavailability of the web to transact program activity.

Continued operation and success of the Stabilization initiative (especially the managing, monitoring and testing components) will avoid the costs of unscheduled “outages”, diminished data processing times, and underutilization of optimal capacity.

Also by continuing support of effective managing, monitoring and testing practices and resources, FSA expects reductions in costs of untimely and premature replacements of current web-based system networks and hosting environments.

## Measures and Monitoring/Evaluation

The main outcomes of the ARRA are to create jobs and promote economic recovery, especially to those areas most impacted by the recession.

| TYPE    | Measure  | Frequency |
|---------|--|-----------|
| Outcome | Issue annual payments to farmers and ranchers within specified timeframe                         | Annual    |
| Output  | Number of quarters without delay or disruption to availability of the current web-based programs | Quarterly |
| Outcome | Number of jobs created for IT contractor services  | Annual    |
| Output  | Provide timely payment to non-federal recipients   | Quarterly |

Data will be collected from financial systems and IT performance management and monitoring systems.

FSA expects to report these metrics on a quarterly and annual basis. Data will be collected and reported in accordance with the specified requirements in the Recovery Act reporting guidance.

The MIDAS project, which will modernize and improve service delivery for FSA farm programs, has stringent oversight processes in place. Monitoring and control at both project and management level is currently being performed by governance bodies responsible for controlling project performance and risk management. Examples are listed below:

- Project Design/Decision Committee (PDDC);
- Senior Management Oversight Committee (SMOC);
- OMB Circular A-11 reviews;
- MIDAS Project Management Reviews; and,
- Conformity and compliance with all applicable NIST ANSI/EIA-748-A Earned Value Management System Guidelines.

MIDAS project performance metrics are monitored on an ongoing basis, with formal reporting performed weekly, monthly, quarterly, and annually.

Stabilization has stringent oversight processes in place. Monitoring and control at both project and management level is currently being performed by governance bodies responsible for controlling project performance and risk management.

In the Stabilization project, FSA performs continuous oversight at several levels to evaluate risk, impact and performance, both short and long-term. Oversight strategies include approved (1) project management processes, (2) contract management, reviews and evaluations, (3) continued reporting to project, mid- and top-level management, Administrators, USDA management and stakeholders (4) configuration management procedures and practices (5) change impact analysis (6) utilization of reporting and evaluative procedures of System Development Life Cycle (SDLC) and (7) daily management, monitoring and evaluation of system performance to ensure compliance with project objectives and goals.

## **Transparency and Accountability**

Dennis Taitano serves as the Farm Service Agency's executive accountable for ensuring proper implementation of ARRA. FSA has established its own public-facing website which will report additional information on the Agency's success in ARRA-related matters. <http://www.fsa.usda.gov/recovery>

FSA has plans in place to organize program cost. A separate Treasury symbol has been established to track Recovery Act spending for FSA IT Stabilization/Modernization. In addition, FSA has established specific organization and project codes within this Treasury symbol to track IT Stabilization/Modernization spending at a detailed level within the Federal Financial Information System (FFIS). Information will be stored in the FFIS, the FSA Budget Performance Management System (BPMS) and the USDA Office of Chief Information Officer (OCIO) Sharepoint Detailed Lifecycle Costs Database. Reporting capabilities exist at various levels including Agency, program, investment and system.

FSA will comply with all Recovery Act reporting and transparency requirements to make performance information available at applicable recipient levels.

FSA intends to use program plans to hold managers accountable for achieving Recovery Act program goals. Individual performance plans of all managers and employees are tied to the Agency mission and goals contained in the FSA Strategic Plan. FSA Notice PC-2606, "FSA Performance Management Program," contains detailed guidance on development of employee performance plans, including the requirement that performance be linked to the Agency's strategic goals and objectives.

Accountability mechanisms that FSA will use include weekly project management meetings and monthly meetings by the Senior Management Oversight Committee (SMOC). For stabilization, FSA and USDA OCIO ITS have weekly meetings between stabilization sponsors and project managers. They review and discuss the cost, schedule and performance progress of the stabilization initiative. Recommendations are made and corrective actions are taken as needed. The SMOC is made up of senior members from USDA and FSA. They assess the cost, schedule and performance progress of MIDAS and Stabilization to ensure that expenditures for operations and initiatives are efficient and effective.

If appropriate and needed, individual performance plans of the applicable managers can be tied to the program goals of the projects receiving Recovery Act funding.

FSA will explore using action plans for improvement. Based on information and issues raised in the above accountability process, applicable corrective actions will be identified and taken in a timely and focused manner as the need arises.

### **Barriers to Effective Implementation**

Federal hiring regulations and practices may delay recruiting information technology staff required to effectively plan, execute, control and evaluate the modernization spending.

The Modernization project team will investigate hiring authorities provided by OPM as a result of the Recovery Act.

Regarding Stabilization, barriers are minimal since once the funding is apportioned, contracts can be continued in fulfillment of the initiative's objectives.

### **Federal Infrastructure Investments**

FSA is committed to compliance with energy efficiency and green building requirement. As explained in USDA Green Information Technology Strategic Plan, the MIDAS IT investment project will reduce the CO2 emissions related to the delivery of farm program benefits associated with:

- Hardware/software
- Paper consumption
- Travel to and from local offices

For more information please refer to USDA Green Information Technology Strategic Plan located at: [http://www.ocio.usda.gov/USDA\\_Green\\_IT\\_Strategic\\_Plan.pdf](http://www.ocio.usda.gov/USDA_Green_IT_Strategic_Plan.pdf)