Bruce Nelson, FSA Administrator NASCOE Annual Meeting Corpus Christi, TX August 11, 2011

I appreciate the opportunity to be with you today. Those of you who work in our County Offices in every corner of the country are my heroes. This is a great opportunity for dialogue that couldn't come at a more important time. I know that you and your colleagues – just like hardworking employees in other agencies – are watching the news of the past weeks very closely. I know you have a lot of questions about the future.

I spent 8 years serving Montana FSA in the 1990's, and 2 years serving under the current Administration before I was asked to come to Washington, D.C. And as a lifelong farmer, I also know FSA from the other side of the counter. FSA county office employees do real work with farmers and ranchers. At the district, state and national office level, our job is to make sure you have the support to get the work done. I understand that that when you don't get good communications from the leadership in Washington, D.C., you feel like you have no support. That's especially true during times like these.

So let me start off today by reiterating something very important to you all. They throw a lot of priorities my way back in Washington, and I do my best to get the job done. But I have not, and I will not, forget my number-one priority – and that's the folks in county offices serving producers.

As we watch the tectonic plates shifting debate in Washington, and as we adapt as necessary to meet our obligations in the future, I will do my best to communicate with you. So today, let me take a few minutes to give you an update on where we stand in Washington.

<u>Budget</u>

Let me start off by telling you what we know about the budget: there's a lot yet to be decided. FSA's funding for fiscal year 2011 was significantly below its 2010 funding, but thanks to your belt tightening, we still got the job done. We anticipate further cuts in the future.

While the Congressional appropriations process for the 2012 fiscal year is far from complete, it is clear things will continue to be tight. As Secretary Vilsack has emphasized – we have two choices: we can either sit back and wait for a tidal wave of change to roll over us; or we can take the initiative and shape this change to our advantage.

Recently, I formed an SED planning task force to find more cost savings going into next year. We know we'll likely need to make a significant reduction to stay within our budget. That's why we're looking at the best ways to achieve a mandatory reduction with the least impact on our county office employees and on service to producers. We've already been granted authority to offer early retirement under Voluntary Early Retirement Authority (VERA), and we're working with OPM on our request to offer Voluntary Separation Incentive Payments (VSIP) for employees.

In the face of budget constraints, I want all of our employees to have the same set of options on the table. To ensure equitable opportunity for the VERA and VSIP programs, FSA made the determination to extend the request to include a comparable percentage of county employees. We will continue to keep all of you updated as new developments take place over the next several weeks and into the next fiscal year. Unfortunately, the reality is we won't know for some time exactly what reductions Congress will send our way during the budget process.

I am committed to working closely with NASCOE, other employee associations and unions as the budget process moves forward. The sooner we know what we'll have to work with, the better – but for the time being, the best we can do is manage prudently to reduce the surprises as much as possible.

Information Technology

As we deal with these ever-tightening budgets, a top priority must be modernizing our information technology apparatus in the field offices. I know that it's a major challenge for FSA – and for the farmers and ranchers we serve – to implement new systems for the first time in more than two decades. I've sat across the desk with county office employees in Montana over the past two years. While I know you have to be there every day to understand the real challenges posed by IT modernization, I understand loud and clear the price you've paid when the transition process is handled poorly. It was incredibly frustrating not being able to get payments out in fall of 2009 – and what was worse, we couldn't even tell producers why we weren't able to make the payments. Everyone in the field has a skeptical, almost cynical view of MIDAS – and why wouldn't you? None of the new systems ever seemed to work, and you can't make the case for modernization when the modernization isn't done right. That's why we're working hard to get that turned around. I hope all of you have the chance to see the MIDAS demo here at the convention, and I look forward to hearing feedback from you on what you saw.

The MIDAS team has been traveling around the county and to Capitol Hill to conduct demos of the progress we're making, and everyone has been impressed. I ask that you all help us with this process. I want you to question and challenge our team as we bring modernization projects online. I want to hear about it if things aren't working well. And I want our whole team, in every office, to help bring solutions to the table when problems are identified. Modernization is essential for this agency; but we need to do it right. The computers are supposed to be working for us – not the other way around.

I have stressed, and will continue to stress in testimony and meetings, how critical the investment is in the MIDAS project to the delivery of FSA programs and how the project will make life a little easier for our employees and our producers. MIDAS must deliver, and it's more crucial for our county office employees than anything else. I won't forget that.

Cultural Transformation

We're also moving forward on the way we do business. Secretary Vilsack has identified cultural transformation as one his most important goals as Secretary – and I share his commitment. I know folks are wondering what cultural transformation is and how they go about implementing it. In other words – "What's it got to do with me?" It's pretty simple. Cultural transformation is based on the Golden Rule. For employees, the values that make up Cultural Transformation at USDA have always been a way of doing business: we're respectful of our customers; we treat folks with dignity; and we see the job through. We ensure all our customers are provided with the opportunity to succeed. We're respectful to each other. We treat each other with courtesy, dignity and respect.

But Cultural Transformation goes deeper than that. Cultural transformation means that our Agency looks like a modern-day snapshot of America. It means that our workforce reflects the demographic make-up of our customers. It means that our Agency must adapt to the technological advancements of social media and recognize their implications on what we do to communicate. It means ensuring that we respond to our customers needs using the latest techniques at our disposal. It means management needs to embrace and promote important opportunities such as tele-work, job sharing and flexible work hours. This is particularly true in today's budget environment. And most importantly – for both employees and customers – it means we're not going to leave anyone by the wayside. We're not going to forget those who aren't tech-savvy, even as we innovate. We aren't going to abandon folks who prefer the traditional workday – neither employees nor the producers they serve.

This is how we show America that our USDA field staff gets the job done and has a tremendous impact on rural America. It's how we show folks that we can innovate with the best of them. And it's how we move past the old stereotypes of this agency. In turn, as part of a transformation in FSA's top management that began well before I took over, I'm continuing a focus on new communication tools for our employees. I'm going to be sure I'm in touch with you at least every 6 weeks.

We've rolled out an agency blog to communicate relevant news to you all, and to interested farmers and ranchers. We've implemented an agency suggestion box that my staff monitors constantly, responding where they can. You have the best ideas for improvements in the field offices, and it's very important for our folks in Washington to hear these ideas. And finally we've developed two Twitter accounts – one for FSA and one for FSA's energy programs – and we've signed up almost 7,000 people between the two.

Disaster/Thank You for Service

As we discuss these high level strategic issues, it's important to remember that times are still tough across the country, and that this remains particularly true for many of the farmers and ranchers all of you serve. As you all know, once again this year, we're helping record numbers of farmers and ranchers to obtain credit or participate in a farm program.

The stress of this high demand was amplified by the widespread disasters we've experienced across the country this year. While some parts of the country were inundated by flooding, others have struggled with drought – particularly here across the state of Texas. Without all of you working hard on information gathering in disaster-stricken areas, we could not respond to these disasters.

You're the reason we're able to react as a Department as quickly as possible. And your commitment to producers allows us to deliver an incredible amount of support. I know we can count on you to get the job done no matter what the circumstances. My priority is to make sure you can count on the national, state and district offices to help you get the job done. We're all in this together.

I hope this has helped to give you an idea of my priorities – but more importantly, I hope I've expressed clearly my gratitude to all of you for the work you do.