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Farm Service Agency

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Farm Service Agency

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Montana State Farm Service Agency
2007 Reorganization Plan
Executive summary

The Montana FSA is proposing to close 6 shared management offices and one smaller office and consolidate them with contiguous offices. Those offices are: Sanders into Lake; Ravalli into Missoula; Lewis and Clark into Broadwater; Meagher into Broadwater; Park into Gallatin; Sweet Grass into Stillwater and Treasure into Rosebud.

Background

The current Farm Service Agency was originally organized as the Agricultural Adjustment Administration (AAA) with the Agricultural Adjustment Act of 1938, and then as the Agricultural Stabilization and Conservation Service in 1961. At that time it was the intent to have an office in each county, administered by a farmer- elected County Committee charged with the Administration of the USDA programs intended for agricultural producers. Across the Nation the Farm Service Agency still delivers the majority of its program through this structure. Some offices have been consolidated as agricultural presence has diminished or changed, however most of these offices are still inexistence. In Montana 49 offices, out of 56 counties or 88%, are still operational.

Sixty-eight years later, the Farm Service Agency is facing challenges that make it question the need for change in the organizational structure of the agency, and how programs are now delivered to a changing agricultural industry.

The agricultural industry in which FSA operates is changing. Active producing farms are getting larger and fewer in number. Western Montana primarily, is seeing a great transition from commodity producing units to acreages for sub-division, urban development and recreation. Acreages are being marketed and sold at prices which make it impossible to sustain production agriculture.

The business world is changing with an emphasis on e-commerce and much of the agricultural industry is following suit. Business that yesterday needed and encouraged face-to-face interaction is today being replaced by phone, fax, and e-mail communication, and web-based processes. Although parts of rural Montana need enhanced infrastructure to be on a level playing filed with the rest of the world, they are headed in that direction.

USDA/FSA, along with most other federal agencies are being challenged to compete for a decreasing federal appropriation. That affects FSA most severely in the amount of staff we are able to maintain to deliver our programs. The attached presentation talks more specifically about these challenges, but FSA in Montana has seen a 19% reduction in staff since 2001. Workload, over that same period of time, has not reduced significantly.

In order to maintain adequate staff, other needs for resources such as equipment, supplies, official travel, etc. have suffered. We are also being challenged by having all offices understaffed, to the point that our current level of service may start to decline.

<u>Office Consolidation</u>

The fiscal challenges above point to the need to improve the efficiency of the organization. If Montana FSA is able to maintain current staffing numbers, one way to improve efficiency is to reduce the number of offices among which that staff needs to be distributed. This redistribution of staff allows a gain in efficiency in the areas of program expertise, training, and consistent service, as well increasing the staffing percentage as related to workload in all remaining offices. Workload in all offices necessary to just have the office available to clients, before any programs are delivered, averages approximately one staff year annually per office.

An intra-agency task force made up of employees from the state and county offices, as well as representatives from the state and county committees analyzed statistical data involving program participation, size of each office and the administrative cost of operation. From this analysis, which is included as an attachment to this summary, eight offices were selected for consolidation. After reviewing comments from meetings with affected COC's and staff, the STC approved the consolidation of seven of these eight offices. This will leave FSA with 42 offices in 56 counties, or 75%, that are operational.

The task force also went on the premise that overall producer service cannot be significantly impaired by the closure of an office. Travel distance to another office, agricultural and commercial trade centers, the number of producers, and travel routes were the primary considerations reviewed when looking at individual offices. The task force also considered the mobility of FSA clients, as well as the general populace today, and the increased ability to do business remotely, through either, phone, mail, fax or on the web. As a follow-up to the task force evaluation Montana FSA also pin-pointed and mapped the location of each active producer served by a targeted office, to get a better idea of the number of producers adversely affected by each consolidation action.

As part of the consolidation process producers, served by an office which is closed, will have the choice to do business with any office in a contiguous county. Due to restrictions on office locations prior to a consolidation action, some producer may actually have less distance to travel to another FSA office than they had before.

No employee will be forced out of employment due to a consolidation action. In the 7 offices targeted for consolidation there are 10 employees affected. All employees will be offered employment in the receiving office of the consolidation and will be paid relocation expenses should they choose to relocate to the new location. Should they choose to commute, employees will bear the cost of the commute. Employees not accepting the new employment location will be released and paid severance pay. In some cases qualifying employees may receive a discontinued service retirement.

In addition to allowing Montana to better utilize our limited FTEs, the seven office consolidation will save the agency roughly $200,000 annually in leases and other costs associated with these offices. In most cases, the receiving office will have space to accommodate the additional employees and we do not envision much expense due to relocations or other employee costs.

Improved Business Practices

The changing business world compels FSA to take a look at how it does business. Some business practices have developed over the years that have caused FSA clients to become over-dependent on FSA employees to "help" them participate in the programs. There are also situations where participating in the program has become more complex than the program itself. The President's management agenda compels all agencies of the Executive Branch to continue to offer its services through a web-based process.

As opposed to business the way it was conducted in the 1930's and 1940's, all producers have the ability to do business remotely, without visiting the FSA office. This does not work for every client, and not in every situation. The phone, fax, mail, and now e-mail and web-based processes, greatly decrease the need for a producer to visit the county office. Montana FSA intends to greatly improve service provided through these avenues, including attempting to improve the client's level of comfort in doing business in this manner.

FSA's forms and application processes, not unlike those of most federal agencies, can become complex and hard to understand. This leads to uncertainty about program participation, which leads to increased counter traffic at the FSA office. Montana FSA intends to continue to work with the FSA National Office to simplify forms and participation processes. This includes writing easy-to-understand instructions, improving web-based processes, and improving public information dissemination to help participants to better understand FSA programs.

FSA has to aid producers in accessing and utilizing web-based processes. This will continue to be a more prominent part of the business world, including agriculture. As FSA transitions more programs to this platform, we have the responsibility to make these processes user friendly and reliable, and to encourage, through proper familiarization, their use.

Review

The Farm Service Agency, a federal agency has a responsibility to the American agricultural producer, but also to the American taxpayer. As a private business is accountable to the bottom line or profit margin, a federal agency must be responsible to those who pay the salaries and other administrative costs. This reorganization plan embraces that responsibility to be more fiscally conscious and efficient, while at the same time not losing sight of those served with FSA programs.

Reducing the number of offices, redistributing existing staff and therefore increasing the size of all offices, will lead to increased efficiency in these offices. Offices will have consistent operating hours, where small offices are periodically closed. Each program technician will be responsible for less programs, and will therefore have more opportunity to be an expert in those program, where in a small office, each technician is expected to be familiar with all programs. With less offices, fewer employees will need to be trained, because training is program specific. In small offices the technician must be trained in all programs. With larger office, there will be more opportunity for employees to back each other up. There will be someone to help the producer when he/she visits or contacts the office.

FSA understands there will be individual producers who feel they will be adversely affected by spending extra funds and time to travel to another office, and then finding persons in that office they are not familiar with. FSA's challenge is to improve business practices which will reduce the number of visits to the local office, improve communication/publication methods to increase the participants comfort level with the programs, and to be able to provide increased service when the producer does need to visit the office. FSA's further challenge is to continue to streamline business practices to make participation in our programs easier, and to prepare for new challenges in the future.

Montana State FSA Committee
General Meeting Minutes
Administrative Division
January 23, 2007

Present at the Administrative portion of the STC meeting were Fred Booth, Chair; Aggie Helle, Member; Bruce Tutvedt, Member; Sally Hagedorn, Member; Jerry Thuesen, Member; Randy Johnson, SED and Dick Deschamps, AO

A) State Office federal) Administrative Allocation

The STC was apprised that we are currently operating under a Continued Resolution, due to expire on February 15, 2007.

B) County Administrative Allocation

The STC was apprised that we are currently operating under a Continued Resolution, due to expire on February 15, 2007.

C) Staffing Updates

The STC was apprised of the following staffing actions:

- Lori Margheim was hired as the Program Specialist replacing Edna Price who retired in January
- Nina Spannagel (OCIO/ITS) retired in January
- Lacy Roberts was selected as a Farm Loan Officer Trainee

D) 2006 COC Election

The summary ballots have been reviewed and no election irregularities have been discovered or were any apparent through the election process. All counties request approval of the 2006 County Committee election. The STC approved the election for all Montana Counties

E) County Operations Trainee Selection Process

The Montana FSA Management Team has recommended hiring two County Operations Trainees. The positions were announced and the application period has closed. 18 applications were received. According to agency procedure the STC and SED shall make up the interview and selection team. A copy of the procedure was provided to the STC. The STC will be involved in the interview process and a date for interviews was discussed. March 7-8, 2007, was determined to be the date. Interviews will be held in Bozeman.

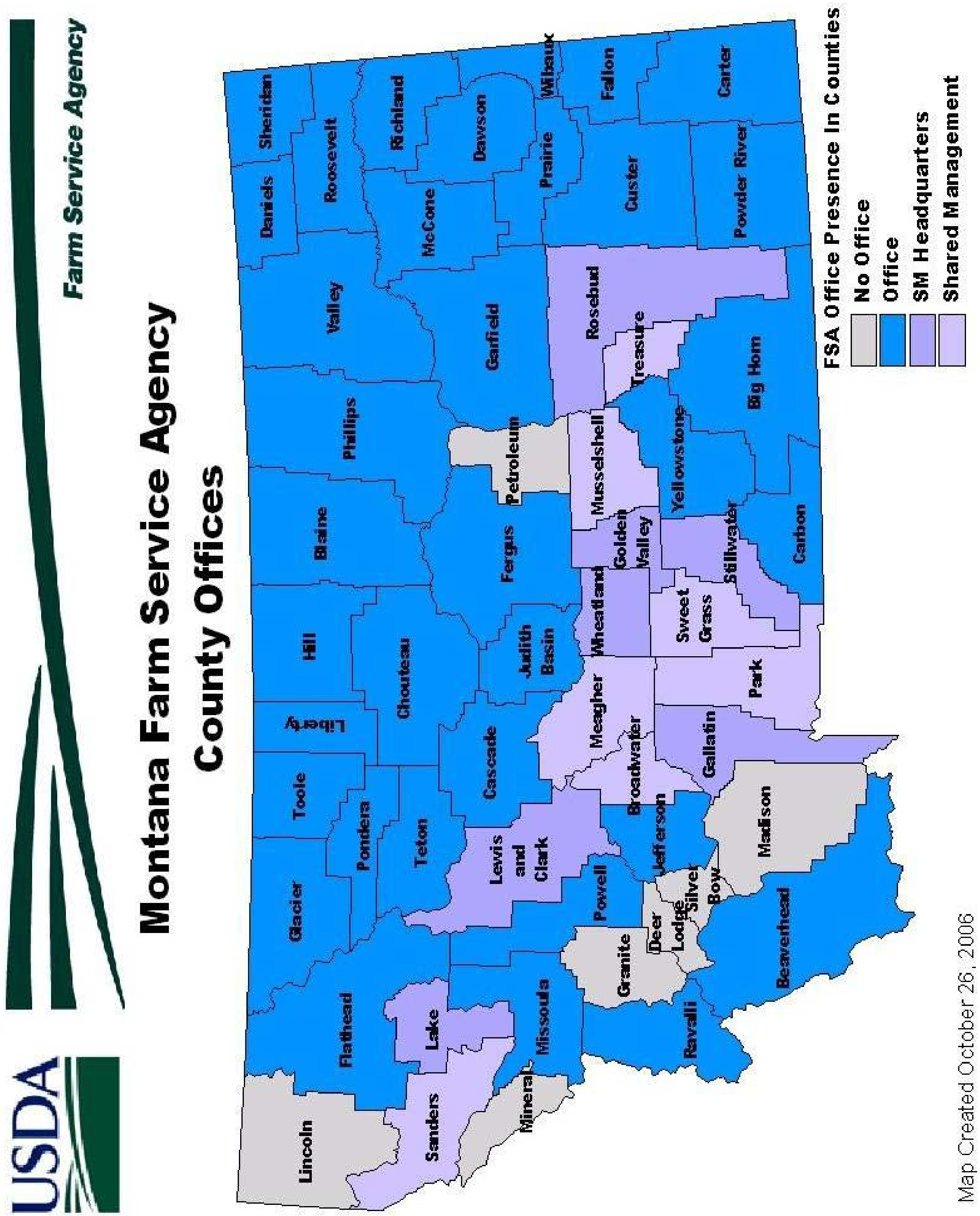
F) Montana FSA 2006 Reorganization Plan

The Montana FSA Reorganization Plan was presented to the STC. The process was to this point and into the future was discussed. The STC approved the plan as recommended by the SED. According to the plan, the following office consolidations are approved:

- Lewis and Clark into Broadwater
- Meagher into Broadwater
- Park into Gallatin
- Ravalli into Missoula
- Sanders into Lake
- Sweet Grass into Stillwater
- Treasure into Rosebud

Montana FSA Reorganization Timeline

October 9 – 31	Employees and COCs selected their representatives for the 17 member State Reorganization Task Force.
November 6 – 9	CAO and SED met with all employees at district meetings to explain the process Montana FSA was going to use in reorganizing the state.
November 15 – 16	State Reorganization Task Force held first meeting
November 28 – 29	State Reorganization Task Force held second meeting and finalized its proposal to consolidate eight offices
December 6	State Reorganization Task Force recommendation presented to STC
December 7 --	Began briefing Congressional Delegation, Media, and Ag organizations on plan
January 2 – 9	CAO and SED meet with COCs and Staff from each affected county.
January 23	State Reorganization Plan approved by STC
January 24	State Reorganization plan presented to meeting of all COCs in State
February 26	Plan submitted to DAFO



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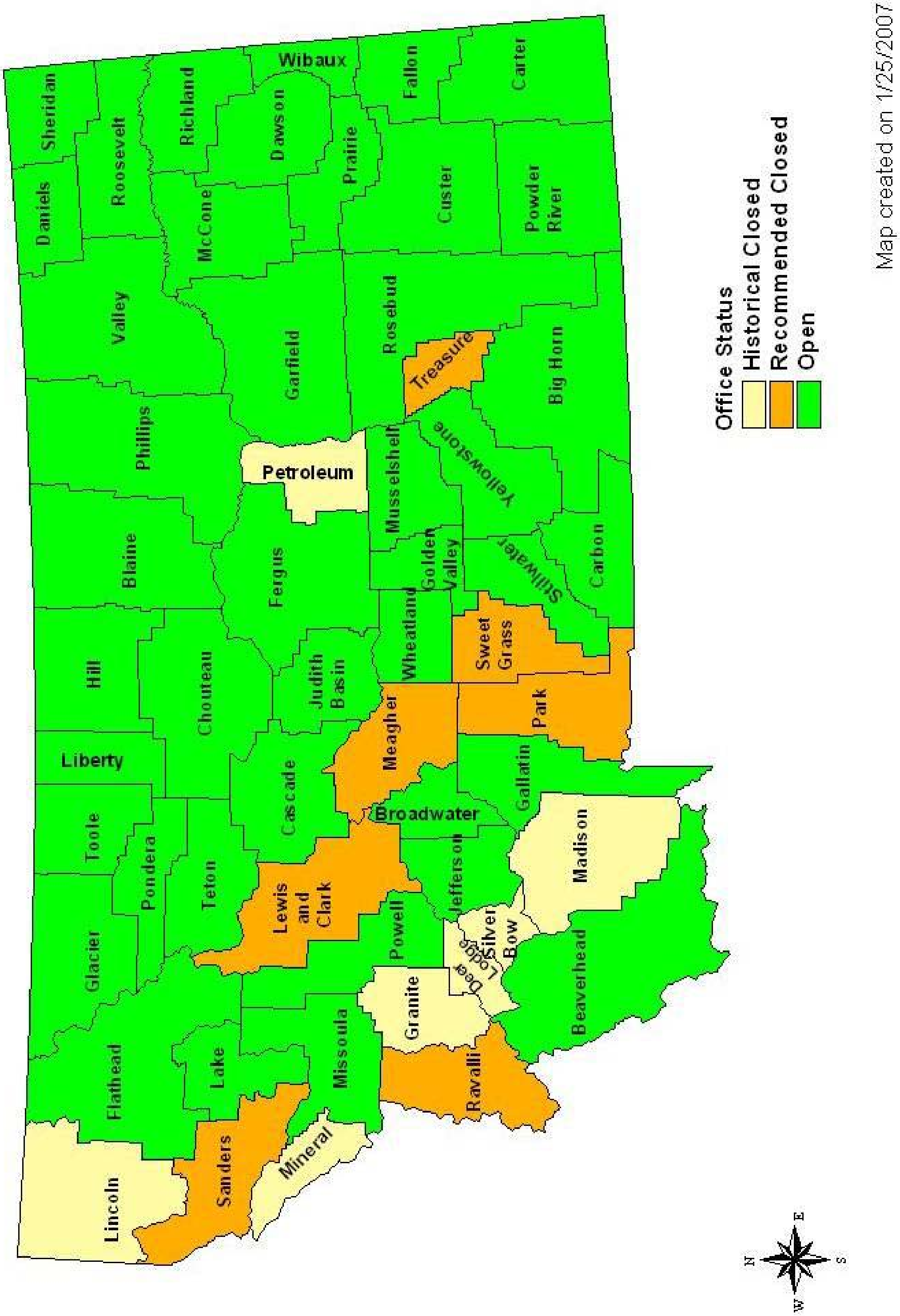
Montana FSA Reorganization State Committee Decision



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