

Recommendation's Report
Minority Farmers, Ranchers and Veterans Advisory
Committee
June 2020 - February 2021

Prepared by:

Harvey Reed, III
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March 19, 2021

Honorable Thomas J. Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave, SW
Jamie L. Whitten Bldg., Room 200A
Washington, DC 20250

Re: MFRVAC Recommendation,
March 2021 Report

Dear Secretary Vilsack:

In order for the Minority Farmers, Rancher and Veterans Advisory Committee (**MFRVAC**) to proceed and make a comprehensive report and evaluation of the current economic situations and trends in American rural life under this Statutory Committee, from January 2017 – June 2020 we were not functioning because the previous Administration ceased our operation before our expiration date of June, 2017.

This Minority Farmers, Rancher and Veterans Advisory Committee have found several areas of concerns that we feel have not been address properly as of this date. The lack of following Federal Statues, Consultants Recommendations, Congressional Research Services and this Sub-Committee Recommendations. Congress and the Secretary are duly responsible for the enactment to the "*spirit of the law*" of advice from those to carry out all Statues and Recommendations. We are urging the Secretary of Agriculture to review the information in this March, 2021 **MFRVAC Report** and explain what action has taken place in its enactments and recommendations.

Respectfully,



Harvey Reed

MFAAC Chairman

USDA Outreach

Provide what Funding Outreach has been made to “People of Color” Farmers, Ranchers and Veterans

We recommend that the USDA provides the following:

Increase outreach to all producers, including, especially to “People of Color” farmers, ranchers and veterans are African-American, American Indian, Alaskan Native, Asian/Pacific American, Native American, Hispanic and Women farmers, ranchers and veterans.

While many farmers, ranchers and veterans face unique challenges growing that are viable businesses in farming, ranching and agribusiness.

The Secretary’ Office should report quarterly the below:

- What partnerships were created with members of “People of Color” community based organizations, community leaders, educational institutions, and other federal agencies.
- Report the number of increased representation from the “People of Color” communities associated in FSA County Office Committee nominations and elections.

How the FSA targets a portion of its loan funds made to “People of Color” farmers, ranchers and veterans.

What targeted funds that are not a program type; rather it distinguishes a specific funding source, which is known as **Socially Disadvantaged Applicants (SDA)**.

To provide resources (Land Grant Institutions) to help “People of Color” with access to help learn more about ALL USDA’s programs and the information they will need to complete an application

USDA Rural Policy Background

When the effects of the 1929 Depression began to be felt by the rest of the nation, rural residents had been struggling for several years with low incomes and low standards of living. The Federal Emergency Relief Administration began aiding rural families in 1932. Later, the Farm Security Administration and the Work Projects Administration provided much needed assistance to rural families and farm households.

In the post-World War II era, widespread rural poverty, most notably among farmers, continued to dominate rural policy concerns. The Eisenhower Administration's Under Secretary for Agriculture, True D. Morse, began a Rural Development Program in 1955 to assist low-income farmers. Because agriculture was the major economic activity in many rural areas of the time, a focus on farms and farm households became de facto rural policy. The War on Poverty during the 1960s continued the focus on rural poverty as a central policy issue. With the continued decline in agriculture as rural America's dominant economic activity, policy attention shifted to rural revitalization. The 1980s farm financial crisis and economic dislocation in rural America brought the importance of rural structural change to the forefront of policy concerns. The further decline of farming to less than 8% of rural employment and the loss of many manufacturing jobs during the past decade have highlighted the growing gap between many rural areas and the nation's urban/suburban areas. While no overarching framework guides rural policy at the federal level, adequate housing, employment creation and business retention, human capital concerns, poverty issues, medical care, and physical infrastructure development remain key foci of federal rural policy.

The rural population has declined over the past decade. According to the U.S. Census, as of July 2012, approximately 46.2 million people (14.6% of the U.S. population) lived in rural areas, down from approximately 16% in 2000. While rural farming and mining counties have long experienced dwindling populations, more recently rural retirement and recreation areas have also seen declines as the baby-boomer generation increasingly opts for urban areas in retirement. Manufacturing now accounts for about 22% of rural private sector earnings and about 11% of all rural jobs. The service sector, as with the U.S. domestic economy as a whole, however, dominates rural job opportunities. Although over 90% of total farm household income now comes from off-farm sources, farming, and agriculture more generally, remain the major legislative focus for much of congressional debate on rural policy. Since 1973, omnibus farm bills have included a rural development title. The most recently passed is Title VI of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246).

Agriculture and manufacturing issues are increasingly seen as part of global and regional restructuring issues, which have significant implications for rural areas, especially those areas where these production sectors remain dominant. How to position rural areas to better compete in a global environment is a key issue framing debates about the future of rural America.

Omnibus farm bills are the major modern legislative vehicle for addressing many rural development issues. While other legislation has significant implications for rural areas and rural

residents (e.g., transportation initiatives, environmental regulation, finance and taxation, Medicare, Social Security), Congress has used periodic farm bills to address emerging rural issues as well as to reauthorize a wide range of rural programs administered by the various USDA rural development mission agencies. While the extent of overlap between federal agencies and programs targeting rural areas has been of concern to some rural policy observers, legislation enacted since 1990 reflects an effort to address rural issues more comprehensively.

Congressional Research Service, 7-570, www.crs.gov, RL31837

Summary

More than 88 programs administered by 16 different federal agencies target rural economic development. The United States Department of Agriculture (USDA) administers the greatest number of rural development programs and has the highest average of program funds going directly to rural counties (approximately 50%). The Rural Development Policy Act of 1980 also designated USDA as the lead federal agency for rural development. The Federal Crop Insurance Reform and Department of Agricultural Reorganization Act of 1994 created the Office of the Under Secretary for Rural Development and consolidated the rural development portfolio into four principal agencies responsible for USDA's mission area: the Rural Housing Service, the Rural Business-Cooperative Service, the Rural Utilities Service, and the Office of Community Development.

The Agricultural Act of 2014 (P.L. 113-79), the most recent farm bill, was enacted on February 7, 2014. Among other changes, the law consolidates several business loan and grant programs into a single business support platform. The law allows prioritization of rural development projects that support strategic economic and community development. The new law provides \$150 million in mandatory spending for backlogged rural development loans and grants and \$63 million in mandatory spending for the Value-Added Product Grants program. Most existing programs authorized by the Consolidated Farm and Rural Development Act and the Rural Electrification Act were reauthorized. The Access to Broadband Telecommunication Services in Rural Areas Program was reauthorized and establishes new procedures to compare applications and set funding priorities. Additionally, a new Gigabit Network Pilot Program for high-speed broadband service was authorized at \$10 million for each fiscal year FY2014-FY2018. The bill also authorizes a new Rural Energy Savings Program to fund loans to qualified consumers to implement energy efficiency measures. A new provision directs USDA to begin collecting data on the economic activities it funds to assess the short-and long-term viability of award recipients.

This report provides an overview of the various programs administered by USDA Rural Development's mission agencies, their authorizing legislation, program objectives, eligibility criteria, and FY2005-FY2016 funding for each program. The report is updated as new USDA Rural Development programs are implemented or amended.

U.S.C.

U.S.C. § 2279a: Requires the Secretary to adjust the bases and yields and make available any appropriate commodity program benefits if he or she determines that crop acreage bases or farm program payment yields established for farms owned or operated by socially disadvantaged producers were not established in accordance with the law. The Secretary shall also make such changes in the administration of the Consolidated Farm and Rural Development Act as are deemed necessary **“to provide for the fair and equitable treatment of socially disadvantaged producers”** if it is determined that application of the act with respect to such producers is inconsistent with the act’s requirements.

7 U.S.C. § 1632a: Establishes value-added agricultural product market development grants. The Secretary must give priority in awarding these grants to projects that contribute to increasing opportunities for certain groups, including socially disadvantaged farmers and ranchers. The Secretary also must reserve 10% of the amounts made available for each fiscal year to fund projects that benefit beginning farmers or ranchers or socially disadvantaged farmers or ranchers.

7 U.S.C. § 1932(c): Establishes rural cooperative development grants, for which appropriations of \$50 million for each of fiscal years 2008 through 2012 have been authorized. If the total amount appropriated for a fiscal year exceeds \$7.5 million, the Secretary must reserve an amount equal to 20% of the total amount appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives that serve socially disadvantaged groups and a majority of whose boards of directors or governing boards are comprised of individuals who are members of socially disadvantaged groups.

7 U.S.C. § 2204b: Directs the Secretary to prepare a comprehensive rural development strategy based on the needs, goals, objectives, plans, and recommendations of local communities, sub-state areas, states, and multistate regions. Such strategy must “take into account the need to improve the economic well-being of all rural residents and alleviate the problems of low income, elderly, minority, and otherwise disadvantaged rural residents.”

7 U.S.C. § 5923(c): Establishes grants for the rural electronic commerce extension program and specifies that selection criteria for such grants shall include “the extent of participation of low income and minority businesses or microenterprises in a proposed project or activity under the extension program.” A development center or grant applicant must obtain contributions from nonfederal sources of an amount equal to 50% of the grant amount, although this amount may be reduced to 25% if the grant recipient serves low-income or minority-owned businesses or microenterprises.

Broadband

A. Extend the three year buildout requirement to a four year period

Underserved and Tribal Communities face numerous barriers to broadband deployment that occasionally make it difficult to complete projects within the three year broadband service build out requirement, and provide complications for USDA reporting requirements. Extension of the build out requirement will allow residents additional time to acquire necessary rights-of-way permits through tribal and allotted lands ('checker board areas' and non-Indian fee lands within reservation boundaries), address issues with environmental impact studies, and provide additional time to address tribal specific cultural needs.

B. Include Community Connect Grant as eligible for SUTA Provisions

The Substantially Underserved Trust Area (SUTA) provisions promulgated by the 2008 Farm Bill (Public Law 110-234, May 22, 2008) allow tribes to participate in loan, loan guarantee, and grant programs available through the Rural Utilities Service.

Due to high non-connectivity rates of broadband service in the Underserved and Tribal Communities, and to create a more level playing field for residents' participation in USDA Rural Utilities Service programs, the Community Connect Program should be added to the list of the eligible programs for SUTA.

Housing

We strongly urge the Secretary of Agriculture to ensure that both underserved communities and tribal governments are eligible for USDA housing programs as direct recipients of funding.

Underserved and Tribal Communities access to a range of USDA housing programs would significantly impact the capacity of residents to deliver affordable housing services. Specific programs that should include direct tribal access include: the Section 515 Rural Housing Loans; Section 502 Direct Housing Loans; Section 504 Very Low Income Home Repair Grant and Loan Program; Section 533 Housing Preservation Grants; Section 538 Guarantee Program; and USDA Rural Development's Rural Utilities Services.

Housing, Community Development Programs & Activities – Underserved, Tribal Communities and Low Income Residents.

(a) In general. - The Secretary is authorized to provide assistance directly to Underserved and Tribal Communities, their designated housing entities, and their low-income residents in those areas for the following housing programs and activities:

- (1) rural housing loans (42 U.S.C. §1471-§1472);
- (2) direct housing loans (42 U.S.C. §1472(h));
- (3) very low income home repair grants and loans (42 U.S.C. §1474);
- (4) housing repair, rehabilitation, and preservation programs (42 U.S.C. §1490); and
- (5) multi-family housing construction, acquisition, or rehabilitation programs (42 U.S.C. §1490p-2).

Agency Mission

The core mission of RD is to ensure that rural America thrives by improving the quality of life for *all* rural Americans. RD programs are delivered through three major program areas: 1) Rural Housing and Community Facilities; 2) Rural Business; and 3) Rural Utilities.

Key Barriers to Equitable Delivery of Programs

The Assessment Team's analysis highlights positive aspects of the Agency's performance along with potential and actual barriers to equitable participation in programs, including the following *key* barriers to equitable program delivery:

- a) SDG lack of knowledge and awareness regarding RD programs, eligibility requirements, application procedures, and terms and conditions of assistance.

- b) Multiple office staff workplace issues, including office-specific diversity concerns, which ultimately impact delivery of programs.
- c) Eligibility/qualification requirements, which may impede SDG participation in programs.
- d) Insufficient outreach to SDGs and other under-served groups.
- e) Geographic inaccessibility of office locations to many SDGs.
- f) Program design, ranking, and application processes favor larger producers over smaller producers, which are often SDGs.
- g) SDG customers are not kept informed of important program information and timelines.
- h) There is insufficient outreach/marketing to SDGs and other under-served groups.
- i) Application processes, eligibility requirements, technical practices, and timelines are inconsistent with unique needs of tribal and Native American customers.
- j) Insufficient and ineffective SDG outreach; some field staff hostility to SDG outreach; ineffective assistance to SDGs; inadequate visibility in the SDG community.
- k) Complexity of the application process, particularly for SDGs.

Key Recommendations

1. RD should establish a comprehensive education and information program to target under-served populations, particularly in areas with high SDG concentrations. The communication and education program should be multi-faceted, using the most cost-efficient existing organizations, such as CBOs, 1890 Institutions, Tribal Colleges and Universities, public schools, churches, employers, military installations, and other Federal, state, and local government agencies to reach intended audiences. RD should provide information to these organizations and secure cooperation for them to disseminate broadly, to their employees, students, members, and other constituents.

2. In order to expand RD's presence and successful utilization of existing program dollars that are not reaching SDG communities, RD should seek organizations such as CBOs able to 1) identify RD programs appropriate for their constituents; 2) educate potential applicants to build capacity; 3) assist with the application process; and 4) work with borrowers to increase the likelihood of success after funding is provided. RD should create *certified* outreach partnerships by training organizations with technical and substantive knowledge as well as strong ties to SDGs, particularly in states that have not fully obligated funds or are serving under-served populations.

3. RD should reinstitute a Direct Lending Business Program to assist small and SDG-owned businesses, which often require smaller loans to facilitate growth and success.

RD: Under-representations in the National workforce include Hispanics/Latinos, and Asians; under-representations in State Offices include Hispanics/Latinos; Area Personnel in the 15 USDA-selected States include Hispanics/Latinos (*several States/Areas*), and Blacks/African Americans (*several States/Areas*).

Compilation of All Civil Rights Assessment Recommendations

(1) Department-wide (“DW”) Recommendations

DW-1 Building on the cultural transformation message developed and disseminated by the Cultural Transformation Initiative Task Force, the Secretary’s entire senior team, including Under Secretaries, Assistant Secretaries, and Administrators, ***should each personally lead a DIA communications campaign***—for example, —Re-birth of “[All] the People’s Department”—***targeting selected key stakeholders*** (for example, employees, customers, beneficiaries, CBOs), and the general public.

DW-2 Building on the USDA Cultural Transformation Initiative Statement of Purpose, the Secretary’s Office should prepare and issue the Secretary’s ***“Diversity, Inclusion, and Accessibility Statement”*** to all employees, to be posted in all facilities, on the website, blog, and other prominent locations, and to be included in personal mailings to employee homes, such as the annual mailing of W-2 statements.

DW-3 The Secretary should re-issue, and emphasize to all senior leadership and managers/supervisors (along with the entire workforce) ***rigorous enforcement of a comprehensive USDA “Zero Tolerance” Policy***, clearly prohibiting all forms of discrimination, harassment, and retaliation, along with related standards of conduct, and including mandatory discipline for violations regarding both employment and program delivery.

DW-4 The Secretary’s Office should develop, in writing, a customized persuasive *statement, i.e.,* —the business case, ***clarifying how effective DIA measures facilitate better achievement of the USDA Department-wide mission, vision, and strategic objectives***. Under Secretaries should lead the development of —business cases specific to each of their Agencies.

DW-5 The USDA ***Strategic Plan should include a section on DIA***, including measurable goals and objectives. Progress against the DIA components of the Strategic Plan should be reported at a minimum in USDA Annual Performance and Accountability Reports, and more often as appropriate.

DW-6 The Secretary’s Office should lead the development and implementation of a ***sustained employee DIA education/communications plan***, educating all employees about the business imperative of DIA at USDA via their customized Agency business cases, including each employee’s individual responsibilities.

DW-7 The Secretary’s Office should lead in the development and implementation of a ***sustained DIA public communications plan***, emphasizing the business imperative of DIA at USDA and how it serves the public interest.

DW-8 The Secretary's Office should prepare a *video on the Secretary's DIA commitment*, featuring the Secretary and participation by a diverse group of senior USDA officials, for wide distribution at National, state, and local levels, on the USDA website, during employee on-boarding, and for other internal and external uses, maximizing distribution into rural communities (Community-Based Organizations, 4-H Clubs, Farm Bureaus, National Farmers Union, National Grange, 1890's, Land-Grant Institutions, County Committees, Job Fairs, *etc.*).

DW-9 The Secretary's Office should develop and implement the next phase of a —New Era of Civil Rights and DIA[¶] *OSEC Communications/Educational Campaign*, commencing no later than Fourth Quarter 2011. The Campaign should target broadcast and narrow-cast media and be led by a diverse group including the Secretary, Under Secretaries, Administrators, and others focusing on outlets such as television, radio, print and web-based media, and other major outlets, such as *Diversity Inc.* (interview), regarding —turning the page[¶] at USDA. Ensure that narrow-casting outlets include those relevant to African Americans, Hispanics/Latinos, Native Americans, Asians, Females, other groups, and the farming/ranching industry.

DW-10 To highlight implementation of these Recommendations, the Secretary should issue a *Department-wide Memorandum (including distribution to all employees, key Congressional Committees, and concerned Caucuses) emphasize the Secretary's expectations with respect to the Report*. The Secretary should also conduct DIA visits, no later than the First Quarter 2012, to the top 10 states with highest concentrations of under-served and socially disadvantaged populations, and involve key Congressional, state, and local participation from those Districts visited.

DW-11 Senior USDA leadership should assume an active role in the Federal Interagency Diversity Partnership, an organization dedicated to increasing diversity in the Federal workforce (in which USDA has had low-level participation, to date). Participation should be at the Assistant Secretary/Administrator level or above.

DW-12 Create an *external* USDA Diversity, Inclusion, and Accessibility (“DIA”) Executive Advisory Board, consisting of external stakeholders/experts to provide broad, independent advice on enhancing DIA efforts at USDA.

DW-13 Create an *internal* USDA Executive Diversity, Inclusion, and Accessibility Leadership Council consisting of senior officials drawn from across USDA.

DW-14 *Supplementing the external Advisory Board, USDA should establish “strategic alliances” or informal “partnerships” with one or several nationally-recognized corporate diversity leaders, for regular exchange of information on policies and practices, particularly “best practices.”* These public/private partnerships would specifically address issues of workforce and marketplace DIA; marketing to a diverse constituency; use of customer and workforce surveys; strategies for diverse and inclusive recruiting, retention, and advancement; most effective methods of monitoring, reporting, and accountability; and other related topics. This relationship should include mutual workplace speaking engagements; co-authoring articles; joint sponsorships of DIA Conferences with multiple corporate and government sponsors,

speakers, brainstorming workshops, and best practice sharing sessions; and other ongoing synergistic interactions.

DW-15 *Establish by Secretarial Reorganization an Under Secretary for Diversity, Inclusion, and Accessibility; Civil Rights; and Departmental Management.* The combined and enhanced roles of the Assistant Secretary for Administration, which include human resources, budgeting, marketing, outreach, as well as civil rights enforcement and compliance, would be trifurcated under a new direct report to the Secretary, an Under Secretary position responsible for three functions: (1) Administration; (2) Civil Rights compliance and enforcement (under the OASCR); and (3) Diversity, Inclusion, and Accessibility led by the USDA —Chief Diversity Officer¹ (including the Office of Advocacy and Outreach, and an Office of Emerging Customer Development). Civil Rights and Administration would remain under an Assistant Secretary and DIA would report to a Chief Diversity Officer. The Secretary has already taken some preliminary actions in this direction, but more formal action is essential to send a strong positive message of priority to internal and external stakeholder groups.

¹ According to the USDA Office of General Counsel, the Secretary can create the Under Secretary position and CDO positions under the authority granted to him by Section 4 of Reorganization Plan No. 2 of 1953; June 4, 1953, 18 F.R. 3219, 67 Stat. 633, as amended Oct. 15, 1982, Pub. L. 97-325, § 8(d), 96 Stat. 1606; Oct. 13, 1994, Pub. L. 103-354, title II, § 218(e)(1), 108 Stat. 3213.

DW-16 *Appoint Chief Diversity Officers for every major Agency*, reporting directly to the Agency Administrators/Chiefs, with matrix reporting to the USDA CDO and the Assistant Secretary for Civil Rights. Conduct monthly meetings with all Agency CDOs, chaired by the USDA CDO.

DW-17 *Appoint Chief Diversity Officers in every State Office* with dual diversity/compliance functions, with staffs and budgets, and direct reporting to State Directors and matrix reporting to the USDA CDO/ASA.

DW-18 *Create within every major Agency CDO Office an “Office for Emerging Customer Development,”* to replace —outreach¹ positions.

DW-19 Study optimal, most efficient means of staffing of both CDO and ASCR activities, both previously under-staffed in the field.

DW-20 *To improve and ensure enhanced accountability for diverse workforce representation, USDA and its Agencies should expand beyond the EEOC-required MD-715-01 analytical requirements and voluntarily utilize the more rigorous OFCCP-model Federal contractor self-evaluative requirements.* This would include analyses of (a) current personnel utilizations against pertinent labor pools, and (b) potential adverse impacts of all key aspects of workplace DIA functions, including identifying under-representations and under-performances, and preparing and implementing specific remedial action plans, along with annual reports to senior management on progress against goals.

DW-21 *USDA should hold all managers accountable for utilizing a diverse pool of applicants for all vacancies/promotions*, with limited exceptions to be approved / denied by the USDA CDO. The CDO would direct follow-up actions to remedy the reasons for exceptions, where such exceptions are temporarily approved.

DW-22 *The scope of the USDA CDO responsibilities should include conducting, analyzing, and reporting on Annual Organizational Health surveys of all USDA employees.* The Surveys must include comprehensive DIA questions (covering the workplace and —marketplace), to broadly measure job satisfaction, morale, and effectiveness of USDA policies, programs, and performance. USDA should simultaneously establish a methodology for regular Department, Agency, and Office reviews, summaries, reports to the Secretary, feedback to the workforce, trend tracking, and responsive actions (such as setting supervisory performance objectives, as detailed above, and training).

DW-23 *USDA should enhance active recruitment from major corporations and other Federal Agencies for senior positions*, including —Exchange and —Lend an Executive programs, and focus on diversity in such recruitment.

² Pursuant to 42 U.S.C. § 2000e-16; 5 U.S.C. s 901 et seq; Executive Order 11748; and Section 501 of the Rehabilitation Act of 1973, as amended by Pub. L. 99-506, 100 Stat. 1807, October 21, 1986, Equal Employment Opportunity Commission Management Directive 715 (MD-715) requires heads of all executive agencies to submit an annual report on their workforces that includes workforce demographic data, in an effort to ensure that all employment decisions are free from discrimination. Pursuant to Executive Order 11246 and implementing regulations, the Office of Federal Contract Compliance Programs (—OFCCP) requires Federal contractors to annually conduct a workforce analysis, comparing incumbent personnel with —availability in the relevant job categories and labor pools; if the analysis demonstrates that women and/or minorities are underrepresented, the contractor must implement affirmative action to increase the participation of minorities and women in the workplace. The regulations further require numerous analyses of applicant flow, hiring, promotions, terminations, and other aspects of workforce management, to detect any —adverse impacts, and remediation of any such impacts disclosed. *See* Executive Order 11246; 41 CFR § 60; Section 503 of the Rehabilitation Act of 1973; 38 U.S.C. § 4212. While OFCCP requirements apply only to Federal contractors, not to Federal departments and agencies, the Team recommends that USDA voluntarily adopt these well-established, effective methodologies and make them mandatory throughout the Department.

DW-24 Following the model of President Obama’s May 2010 Memorandum mandating recruiting/hiring process changes (—Hiring Reform Action Plan, *see* Exhibit 14), USDA should work with OPM as necessary to *re-assess and revise, as needed, all job descriptions in job categories of minority and female under-utilization*. The goal would be to ensure that job descriptions are not unduly restrictive in order to reduce instances of unfair disqualification of diverse applicants. This effort should begin at the senior and supervisory level.

DW-25 In concert with the Secretary’s Cultural Transformation training initiative and Recommendations in the Agency Assessment Sections, beginning with an RFP/RFI/RFQ process in FY 2011, *USDA should dramatically upgrade mandatory nation-wide DIA in-person training, covering both the workplace and the marketplace (customer service)*. The materials should include an educational module designed to counteract employee resistance to —targeting under-served populations.

DW-26 *USDA should establish a knowledge transfer/mentorship program* using, among others, senior/near-retirement USDA employees to transfer institutional knowledge and mentor rising high-potential minorities and women.

DW-27 *USDA should implement a rigorous succession planning methodology* for incorporating minorities and women in higher positions at USDA.

DW-28 *USDA should expand upon actions of the Cultural Transformation Initiative by designing and incorporating specific, meaningful, and measurable DIA objectives in all senior official and managers' performance plans, and using them to appropriately affect compensation, promotion potential, and other areas of employee performance and progression.* Standards will vary depending on job category (e.g., —bonus-eligible positions), but new, specific DIA objectives will be impactful. (As noted above, with some exceptions, employees generally do not regard the —Civil Rights/EEO component of their performance evaluations as meaningful or having any positive or negative impact on their careers.)

DW-29 Building on the recent addition of a diversity category to the Secretary's Honors Awards in 2010, *regularly recognize and publicly reward outstanding performance in diverse workforce development and marketing practices* and results at Departmental, Agency, and State levels.

DW-30 *Organize and Implement an Intra-Agency Data Validation and Integrity Team* to verify the validity of existing data, and dramatically improve the integrity of all data gathered in the future:

- a. Obtain the Race/Ethnicity/Gender OMB approval as soon as possible. Implement the requirements to collect such data from applicants and customers in the four USDA Agencies (FSA, RD, NRCS, and RMA), and other customer-service Agencies as appropriate. Provide necessary roll-out materials, training, and early monitoring of compliance to correct deficiencies. Regular reports to the Office of the Secretary on its progress.
- b. Require AIPs and financial institutions with USDA-guaranteed loan programs to collect the same data from their applicants and customers, and design templates for recording and retrieving race/ethnicity and gender information about applicants and insureds.
- c. Establish a USDA management priority to improve data collection/retrieval throughout USDA.

DW-31 FSA, RD, NRCS, and RMA (and other customer-serving Agencies as appropriate) should *develop a template (such as that used in this Assessment) for regularly collecting and reporting on customers served, by race/ethnicity and gender.* The information should be reported to the Agency heads on a monthly basis, and the Secretary on a quarterly basis. It should be used to develop marketing plans (discussed below) and measures for performance evaluations.

DW-32 *USDA should commence reporting to Congress under Section 14006 of the 2008 Farm Bill in FY 2011 using best available data, and prepare annual reports to Congress as required thereafter.* USDA should provide not only numbers and percentages of customers by race/ethnicity and gender, but also dollars awarded/paid/obligated and percentages for each SDG, along with comparisons to the percentages of SDGs in the relevant populations. USDA should include customers for all Agencies and all programs, not just farmers and ranchers (as required by Section 14006).

DW-33 USDA should prepare *Annual Reports to Congress* (Senate/House Agriculture and other interested Committees) from the Secretary (prepared by the Under Secretary for DIA) covering:

- Employment diversity goals and performance/ improvements;
- Under-served, including socially disadvantaged, customer service goals and performance/improvements;
- Civil rights employment complaint metrics, performance, and —lessons learned
;- Program civil rights complaint metrics, performance, and —lessons learned
;- New initiatives to better serve the under-served.

DW-34 *USDA should require Annual DIA Business Plans from all major Agency Headquarters and State/County Offices*, showing goals/objectives for inclusion of under-served, including socially disadvantaged, populations, with metrics, deadlines, evaluations of performance against goals, and end-of-year results reports to the Secretary.

DW-35 *The ASCR should develop, institutionalize, and lead an ongoing annual process to review, analyze, and report on “lessons learned”* from (a) EEO complaints, and (b) program complaints, closed during the year. This should include identification of recurring themes underlying the analysis of complaints, results of investigations (which often turn up areas for improvement in communications, training, and other areas even when there is no finding of discrimination, and certainly do so when there is such a finding), and recommendations for improving practices to avoid such complaints in the future. These reports should be distributed on the intranet to all employees, and to all USDA senior officials and managers.

DW-36 *USDA should reconstruct the Program Complaint process, commencing with completing its implementation (already underway by ASCR) of a simple complaint form* (rather than the current —letter requirement), similar to the EEOC Charge Form, and simplifying all steps in the process, including eliminating unnecessary review levels, to enable more expedient investigations and decision-making. All Program Complaints should be filed at Headquarters, not at the State or local level (provide pre-paid envelopes addressed to USDA).

DW-37 *USDA should install and widely publicize two toll-free Hotlines (one for employees; one for customers), integrated with the Complaint System, which would log in and create files for all complaints received, and follow normal processes for investigation and closure.*

DW-38 *USDA should annually outsource to a highly-rated private sector entity 10% of Program and EEO complaints for investigations on 60-day tracks and compare the findings, timing, and hours invested per matter with USDA-conducted investigations. Take appropriate follow-up actions with respect to USDA practices.*

DW-39 Building on the EEO Accountability Program, recently established in OHRM through the Cultural Transformation Initiative, *USDA should develop and produce a simplified policy manual for all employees, which includes permissible and effective methods to discipline employees who violate anti-discrimination, anti-harassment, and anti-retaliation laws and policies.*

DW-40 Following the IRS-announcement model (capitalizing on the deterrent effect of audits, prosecutions, and punishment), *USDA should internally publicize documented, confirmed acts of USDA discrimination, harassment, and retaliation, and corresponding penalties consistent with applicable restrictions, such as privacy laws, as a way of educating the workforce as to—real-world experiences,^{ll} recent developments, and reminding them of the importance of a shared commitment to DIA values and processes.*

DW-41 *USDA should now and annually remind all Agencies of the fundamental requirements for Civil Rights Impact Statements (DR 4300-002) (“CRIS”)*—which have strong potential for integrating DIA in administrative policy and transformational change efforts—and OASCR and the Agencies should rigorously enforce those requirements, as appropriate, by requiring and providing additional information and concluding with denials, conditions, and monitoring of performance, as appropriate. OASCR should communicate as needed with the Department and Agencies as to lessons learned, evolving standards, and new initiatives regarding CRIS.

DW-42 *USDA should work with OPM and Congress as necessary to enable streamlined discipline for civil rights violators, including suspensions/terminations, to maximize availability of effective, message-sending disciplinary measures.*

DW-43 For a provisional, one-year-period (until confidence and trust is restored in USDA’s operations), *USDA should require immediate referral and review of all denied (and perhaps inordinately delayed) loan/program applications, and all foreclosures, of SDGs, at USDA CDO-Headquarters.*

DW-44 *USDA should re-establish a “Testing Program” (using accepted protocols of farmers and RD customers, such as HUD Testers) for customer service equity evaluations.*

DW-45 In concert with various moratoria on such foreclosures, *USDA should create within the office of the Under Secretary for DIA responsibility for review of all proposed foreclosure actions impacting SDGs*; USDA should take all reasonable steps to re-structure non-performing loans with, and avoid foreclosures against, SDGs whenever feasible.

DW-46 Beginning in FY 2012, initiate —Rebirth of All The People’s Department, or similarly-themed, messaging approach.

DW-47 In addition to OSEC communications, the Office of Communications should establish and develop a high-volume —Model Department Education/Communications Campaign designed to educate the public, customers, and potential customers about USDA vital programs and communicate a positive, proactive Departmental message and leverage the Secretary’s —New Era of Civil Rights (and now, DIA) mission.

DW-48 Myth/rumor-busting: USDA should develop a strategy for improved information flow to anticipate and dispel key myths about and within USDA (examples of such *myths* include: FSA County Committees decide who get USDA loans; the number of minority farmers is decreasing; —targeting under-served populations is —reverse discrimination; all minority farmers are small, *etc.*).

DW-49 —Re-brand and educate the public about USDA in *recruiting efforts* to SDGs and others by emphasizing not just agriculture but important USDA workforce skill sets such as asset management, finance and accounting, risk management, insurance, science and engineering, and economics.

DW-50 USDA should apply for the designation —Best Federal Agencies at *Diversity Inc.*—the result is a —free analysis, comparisons with benchmarks, and suggestions for improvement, all which can be used as additional input for DIA enhancements at USDA. This effort should be led by the new USDA CDO.

DW-51 USDA should adopt a semantic/philosophical change to eliminate negative and misimpressions: for example, the term —outreach should be expunged in favor of —marketing, and —diversity should be used in place of —civil rights when the real intent is —diversity.

DW-52 Expanding upon current statutory requirements for assembling program customer data by race/ethnicity and gender (—Transparency and Accountability for Socially Disadvantaged Farmers and Ranchers), *USDA should develop a rigorous process for conducting annual utilization (“Market Penetration”) analyses of its customer base focusing on relevant SDG populations, including numbers, dollars, and types of assistance*, and identifying under-utilizations to serve as the basis for Annual Marketing Plans (*see* next Recommendation, below).

DW-53 Based on the results of the Market Penetration Analyses, *each Agency, State Office, and Region/Area/County Office as appropriate, should work collectively to prepare and implement Annual Marketing Plans*, including —outreach, grants, and other goals, objectives, and corrective actions to remediate areas of under-service to SDGs (in a similar manner as the Team

has proposed that USDA collect and analyze under-utilization data for USDA employment categories, with plans for corrective actions).

DW-54 Based on each respective *Annual Marketing Plan, each Agency, State Office, and Region/Area/County Office as appropriate, should prepare Monthly and End-of-Year Performance Reports*, reflecting performance against goals and including actions to be taken in the next Annual Marketing Plan. Performance evaluations for leadership in each Agency should be positively (or negatively, as appropriate) and measurably affected by performance against goals.

DW-55 USDA should establish and disseminate within each customer-serving Agency *annual customer satisfaction surveys*, including DIA questions. The USDA CIO and Agency leadership should analyze and publish the results, and work with the Department and all Agencies on needed improvements indicated from the surveys.

DW-56 USDA should develop and implement, or facilitate/sponsor the implementation of, a *Mentor-Protégé Program* (similar to that in other Federal Departments, such as DOD) wherein —Mentors| provide *broad business advice and assistance to small/beginning/disadvantaged farmer/rancher/business owner “Protégés*, to assist them in operating and growing their businesses.

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