

**2020 USDA EXPLANATORY NOTES – FARM PRODUCTION AND CONSERVATION BUSINESS CENTER**

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***AGENCY WIDE*****PURPOSE STATEMENT**

The Farm Production and Conservation (FPAC) Business Center is a centralized operations office within the Farm Production and Conservation (FPAC) Mission Area and headed by the Chief Operating Officer (COO), who is also the Executive Vice President, of the Commodity Credit Corporation (CCC). The FPAC Business Center is responsible for financial management, budgeting, human resources, information technology, acquisitions/procurement, customer experience, internal controls, risk management, strategic and annual planning, and other similar activities for the FPAC Mission Area and its component agencies, including the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and the Risk Management Agency (RMA). The FPAC Business Center ensures that systems, policies, procedures, and practices are developed that provide a consistent enterprise-wide view that encompasses FSA, NRCS, and RMA to effectively and efficiently deliver programs to FPAC customers. The COO has the responsibility to ensure that FPAC administrative services are provided efficiently, effectively, and professionally and with a commitment to excellent customer service for FPAC and its customers, including farmers, ranchers, and forest landowners. The new FPAC Mission Area was established in May 2017, and the FPAC Business Center was stood-up in October 2018.

**AVAILABLE FUNDS AND STAFF YEARS***Table FPAC-1. Available Funds and Staff Years (thousands of dollars, staff years (SY))*

Item	2017 Actual	2017 SY	2018 Actual	2018 SY	2019 Estimate	2019 SY	2020 Budget	2020 SY
Salaries and Expenses:								
Discretionary Appropriations FPAC Business Center .....	-	-	\$1,028	-	\$1,028	7	\$206,530	1,879
FSA/ACIF Transfer In.....	-	-	-	-	-	-	16,081	-
Subtotal Discretionary Appropriation.....	-	-	1,028	-	1,028	7	222,611	1,879
Transfer In								
NRCS/ACEP .....	-	-	20	-	20	-	8,307	-
NRCS/CSP .....	-	-	51	-	51	-	21,184	-
NRCS/EQIP.....	-	-	74	-	74	-	30,737	-
Adjusted Appropriation .....	-	-	1,173	-	1,173	7	282,839	1,879
Balance Available, SOY .....	-	-	-	-	178	-	-	-
Total Available .....	-	-	1,173	-	1,351	7	282,839	1,879
Lapsing Balances .....	-	-	-	-	-	-	-	-
Bal. Available, EOY .....	-	-	-178	-	-	-	-	-
Obligations .....	-	-	995	-	1,351	7	282,839	1,879
Total, FPAC Business Center.....	-	-	995	-	1,351	7	282,839	1,879

**PERMANENT POSITIONS BY GRADE AND STAFF YEARS***Table FPAC-2. Permanent Positions by Grade and Staff Years*

Item	2017 D.C.	2017 Field	2017 Actual Total	2018 D.C.	2018 Field	2018 Actual Total	2019 D.C.	2019 Field	2019 Estimate Total	2020 D.C.	2020 Field	2020 Budget Total
SES.....	-	-	-	-	-	-	7	-	7	25	-	25
GS-15.....	-	-	-	-	-	-	-	-	-	48	53	101
GS-14.....	-	-	-	-	-	-	-	-	-	125	137	262
GS-13.....	-	-	-	-	-	-	-	-	-	167	366	533
GS-12.....	-	-	-	-	-	-	-	-	-	60	373	433
GS-11.....	-	-	-	-	-	-	-	-	-	37	191	228
GS-10.....	-	-	-	-	-	-	-	-	-	1	-	1
GS-9.....	-	-	-	-	-	-	-	-	-	36	92	128
GS-8.....	-	-	-	-	-	-	-	-	-	13	17	30
GS-7.....	-	-	-	-	-	-	-	-	-	9	76	85
GS-6.....	-	-	-	-	-	-	-	-	-	9	18	27
GS-5.....	-	-	-	-	-	-	-	-	-	4	19	23
GS-4.....	-	-	-	-	-	-	-	-	-	1	2	3
Total Permanent .	-	-	-	-	-	-	7	-	7	535	1,344	1,879
Total Perm. FT EOY .....	-	-	-	-	-	-	7	-	7	535	1,344	1,879
Staff Year Est.....	-	-	-	-	-	-	7	-	7	535	1,344	1,879

**SHARED FUNDING PROJECTS***Table FPAC-3. Shared Funding Projects*

Item	2017 Actual	2018 Actual	2019 Estimate	2020 Estimate
<b>Departmental Shared Cost Programs:</b>				
Agency Partnership Outreach .....	-	-	-	\$140
Honor Awards.....	-	-	-	1
Human Resources Self-Service Dashboard.....	-	-	-	12
Medical Services.....	-	-	-	7
Office of Customer Experience.....	-	-	-	68
Personnel and Document Security .....	-	-	-	38
Security Detail .....	-	-	-	83
Security Operations.....	-	-	-	190
TARGET Center .....	-	-	-	21
USDA Enterprise Data Analytics Services .....	-	-	-	97
Total, Departmental Shared Cost Programs.....	-	-	-	657

**ACCOUNT 1: SALARIES AND EXPENSES**

**LEAD-OFF TABULAR STATEMENT**

*Table FPAC-4. Lead-Off Tabular Statement<sup>1</sup>*

<b>Item</b>	<b>Amount</b>
2019 Annualized Continuing Resolution .....	\$1,028,000
Change in Appropriation.....	+ 205,502,000
Budget Estimate, 2020 .....	<u>206,530,000</u>

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

For necessary expenses of the Farm Production and Conservation Business Center, \$206,530,000, to remain available until expended: Provided, That \$60,228,000 of amounts appropriated for the current fiscal year pursuant to section 1241(a) of the Farm Security and Rural Investment Act of 1985 (16 U.S.C. 3841(a)) shall be transferred to and merged with this account.

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<sup>1</sup> The lead-off tabular statement does not include transfers.

**PROJECT STATEMENT****Table FPAC-5. Project Statement (thousands of dollars, staff years (SY))<sup>2</sup>**

Item	2017 Actual	2017 SY	2018 Actual	2018 SY	2019 Estimate	2019 SY	2019 Inc. or Dec.	2019 Chg Key	2020 SY	2020 Budget	2020 SY
Discretionary Appropriations:											
Salaries and Expense Account ...	-	-	\$1,028	-	\$1,028	7	+\$205,502	(1)	+1,872	\$206,530	1,879
FSA/ACIF Transfer In .....	-	-	-	-	-	-	+16,081		-	16,081	-
Subtotal .....	-	-	1,028	-	1,028	7	+221,583		+1,872	222,611	1,879
Mandatory Appropriations:											
NRCS Transfer In .....	-	-	145	-	145	-	+60,083		-	60,228	-
Subtotal .....	-	-	145	-	145	-	+60,083		-	60,228	-
Total Adjusted Approp.....	-	-	1,173	-	1,173	7	+281,666		+1,872	282,839	1,879
Rsc, Trns, Other (Net).....	-	-	-145	-	-145	-	-76,164		-	-76,309	-
Total Appropriation.....	-	-	1,028	-	1,028	7	+205,502		+1,872	206,530	1,879
Transfers In:											
NRCS/ACEP .....	-	-	20	-	20	-	+8,287		-	8,307	-
NRCS/CSP .....	-	-	51	-	51	-	+21,133		-	21,184	-
NRCS/EQIP .....	-	-	74	-	74	-	+30,663		-	30,737	-
FSA/ACIF .....	-	-	-	-	-	-	+16,081		-	16,081	-
Total .....	-	-	145	-	145	-	+76,164		-	76,309	-
Bal. Available, SOY.....	-	-	-	-	178	-	-178		-	-	-
Total Available.....	-	-	1,173	-	1,351	7	+281,488		+1,872	282,839	1,879
Bal. Available, EOY .....	-	-	-178	-	-	-	-		-	-	-
Total Obligations.....	-	-	995	-	1,351	7	+281,488		+1,872	282,839	1,879

**JUSTIFICATION****Salaries and Expenses**

(1) An increase of \$205,502,000 and 1,872 in staff years for the Salaries and Expenses Account (\$1,028,000 and 7 staff years available in 2019).

The Farm Production and Conservation (FPAC) Business Center is a centralized operations office within the FPAC mission area and headed by the Chief Operating Officer (COO), who is also the Executive Vice President of the Commodity Credit Corporation (CCC). The FPAC Business Center is responsible for financial management, budgeting, human resources, information technology, acquisitions/procurement, customer experience, internal controls, risk management, strategic and annual planning, and other activities for the FPAC mission area and its component agencies, including the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and the Risk Management Agency (RMA). The FPAC Business Center ensures that systems, policies, procedures, and practices are developed that provide a consistent enterprise-wide view to effectively and efficiently deliver programs to FPAC customers, including farmers, ranchers, and forest landowners.

The Department continues to identify activities currently being performed in FSA, NRCS, and RMA where services could be improved, or synergies achieved by merging or consolidating the activities within the FPAC Business

<sup>2</sup> The numbered justifications items are keyed to the Change Key (Chg Key) column on the Project Statement.

Center. The final design for the FPAC Business Center may affect the estimated cost and staff years for the FPAC Business Center in future years.

While the Business Center was stood-up using funds from the agencies it services, the 2020 Budget, like the 2019 Budget, requests funding directly for the Business Center. Commensurate reductions are requested in the budgets for FSA, RMA, and NRCS to accommodate the transfer of functions and staff to the Business Center. Funds would also be provided though transfer from the Agricultural Credit Insurance Fund (ACIF) and Farm Bill conservation programs. The requested funds are critically needed to ensure that the Business Center is able to provide the support needed by the three agencies to successfully implement the 2018 Farm Bill and meet farmer, rancher, and forest landowner needs.

While not an entity that delivers programs itself, the Business Center must be staffed and have funding to provide coordinated budget review, develop common IT platforms, and coordinate staff for other purposes throughout the mission area's network of 2,200 Federal offices and non-Federal entities such as private insurance providers that sell and service Federal crop insurance policies.

The 2020 funding proposed level for the FPAC Business Center is a net \$206,530,000 in discretionary funds as a direct appropriation. This funding level is achieved by realigning funds and staffing from FSA, NRCS and RMA. As such, \$128,491,000 from FSA's Salaries and Expenses account is realigned to the newly formed FPAC Business. A total of \$70,801,000 in NRCS discretionary funding is realigned to the FPAC Business Center, including \$64,986,000 from Conservation Technical Assistance program and \$5,815,000 from Soil Survey program. RMA will realign \$17,058,000 to the business center. These increases are offset by a reduction of \$9,820,000 for the FPAC Business Center. The agency plans to achieve this reduction by realizing efficiency improvements. Staff year realignment from the three agencies is estimated at 915 from FSA, 882 from NRCS and 82 from RMA. Lastly, FSA's Agricultural Credit Insurance Fund will transfer \$16,081,000 in discretionary funds to the Business Center and NRCS will contribute mandatory funds totaling \$60,228,000.

#### **GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS**

*Table FPAC-6. Geographic Breakdown of Obligations and Staff Years (thousands of dollars, staff years (SY))*

State/Territory/Country	2017 Actual	2017 SY	2018 Actual	2018 SY	2019 Estimate	2019 SY	2020 Budget	2020 SY
District of Columbia.....	-	-	\$995	-	\$1,351	7	-	-
Distribution Unknown.....	-	-	-	-	-	-	\$282,839	1,879
Obligations.....	-	-	995	-	1,351	7	282,839	1,879
Bal. Available, EOY .....	-	-	178	-	-	-	-	-
Total, Available.....	-	-	1,173	-	1,351	7	282,839	1,879

**CLASSIFICATION BY OBJECTS****Table FPAC-7. Classification by Objects (thousands of dollars)**

<b>Item No.</b>	<b>Item</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Estimate</b>	<b>2020 Budget</b>
	Personnel Compensation:				
	Washington D.C.....	-	-	\$969	\$49,540
	Personnel Compensation, Field.....	-	-	-	115,592
11	Total personnel compensation.....	-	-	969	165,132
12	Personal benefits .....	-	-	382	65,114
	Total, personnel comp. and benefits.....	-	-	1,351	230,246
	Other Objects:				
21.0	Travel and transportation of persons.....	-	-	-	5,152
22.0	Transportation of things.....	-	-	-	1,031
23.1	Rental payments to GSA.....	-	-	-	8,223
23.3	Communications, utilities, and misc. charges .....	-	-	-	1,031
25.2	Other services from non-Federal sources.....	-	-	-	27,289
25.3	Other goods and services from Federal sources.....	-	-	-	1,624
26.0	Supplies and materials .....	-	-	-	2,061
31.0	Equipment.....	-	-	-	6,182
99.5	Adjustment for Rounding.....	-	\$995	-	-
	Total, Other Objects.....	-	995	-	52,593
99.9	Total, new obligations.....	-	995	1,351	282,839
	DHS Building Security Payments (included in 25.3).....	-	-	-	\$1,624
	Position Data:				
	Average Salary (dollars), ES Position.....	-	-	\$181,637	\$181,637
	Average Salary (dollars), GS Position .....	-	-	-	\$95,796
	Average Grade, GS Position .....	-	-	-	12