

**2021 USDA EXPLANATORY NOTES—FARM PRODUCTION AND CONSERVATION BUSINESS CENTER**

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## **Agency Wide**

### **PURPOSE STATEMENT**

The Farm Production and Conservation Business Center (FPAC-BC) 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-BC 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), the Risk Management Agency (RMA), and itself. The FPAC-BC ensures that systems, policies, procedures, and practices are developed that provide a consistent enterprise-wide view that encompasses FSA, NRCS, RMA, and the FPAC-BC to effectively and efficiently deliver programs to FPAC customers. The COO has the responsibility to ensure that FPAC mission support 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 June 2017, and the FPAC-BC was stood-up in October 2018.

As of September 30, 2019, FPAC-BC had 1,349 full-time permanent employees located throughout the country. Outside of the Washington, D.C. metropolitan area, FPAC-BC has regional offices located in Kansas City, Missouri and Raleigh, North Carolina.

FPAC-BC did not have any open Office of Inspector General (OIG) or Government Accountability Office (GAO) reports during the past year.

## AVAILABLE FUNDS AND STAFF YEARS

**Farm Production and Conservation Business Center**  
(Dollars in Thousands)

Item	2018		2019		2020		2021	
	Actual	SY	Actual	SY	Enacted	SY	Budget	SY
Salaries and Expenses:								
Discretionary Appropriations	\$1,028	7	\$216,350	1,340	\$203,877	1,879	\$243,602	1,918
Discretionary Transfer In	-	-	16,081	-	16,081	-	-	-
Subtotal Discretionary Appropriation	1,028	7	232,431	1,340	219,958	1,879	243,602	1,918
Transfers In	145	-	64,467	-	60,228	-	60,658	4
Transfers Out	-	-	-14,140	-	-	-	-	-
Adjusted Appropriation	1,173	7	282,758	1,340	280,186	1,879	304,260	1,922
Balance Available, SOY	-	-	178	-	-	-	-	-
Total Available	1,173	7	282,936	1,340	280,186	1,879	304,260	1,922
Lapsing Balances	-	-	-5,071	-	-	-	-	-
Balance Available, EOY	-178	-	-	-	-	-	-	-
Obligations	995	7	277,865	1,340	280,186	1,879	304,260	1,922
Total, FPAC-BC	995	7	277,865	1,340	280,186	1,879	304,260	1,922

**PERMANENT POSITIONS BY GRADE AND STAFF YEAR**

Item	2018			2019			2020			2021		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES	7	-	7	20	9	29	20	9	29	20	9	29
SL	-	-	-	-	-	-	-	-	-	-	-	-
GS-15	-	-	-	48	25	73	48	53	101	53	53	106
GS-14	-	-	-	101	85	186	125	137	262	135	137	272
GS-13	-	-	-	137	261	398	167	366	533	187	366	553
GS-12	-	-	-	72	284	356	80	373	453	84	373	457
GS-11	-	-	-	42	120	162	50	191	241	50	191	241
GS-10	-	-	-	-	-	-	-	-	-	-	-	-
GS-9	-	-	-	16	36	52	36	92	128	36	92	128
GS-8	-	-	-	10	17	27	10	17	27	10	17	27
GS-7	-	-	-	11	34	45	15	69	84	15	69	84
GS-6	-	-	-	3	10	13	3	10	13	3	10	13
GS-5	-	-	-	1	4	5	1	4	5	1	4	5
GS-4	-	-	-	-	-	-	-	-	-	-	-	-
GS-3	-	-	-	-	-	-	-	-	-	-	-	-
GS-2	-	-	-	-	-	-	-	-	-	-	-	-
GS-1	-	-	-	-	-	-	-	-	-	-	-	-
Other Graded	-	-	-	-	-	-	-	-	-	-	-	-
Ungraded	-	-	-	3	-	3	3	-	3	7	-	7
Total Permanent	7	-	7	464	885	1,349	558	1,321	1,879	601	1,321	1,922
Unfilled, EOY	-	-	-	148	382	530	-	-	-	-	-	-
Total Perm. FT EOY	7	-	7	316	503	819	558	1,321	1,879	601	1,321	1,922
Staff Year Est	-	-	7	460	880	1,340	535	1,344	1,879	535	1,387	1,922

**SIZE, COMPOSITION, AND ANNUAL COSTS OF VEHICLE FLEET**

Vehicles added to the FPAC-BC’s fleet inventory are in line with optimization efforts to ensure offices are prepared to carry out mission-critical work throughout the FPAC Mission Area. Additionally, as the FPAC continues to optimize its fleet, some vehicles may be shifted across agencies in order to attain stability, maximize efficiencies, and better serve the needs of the Mission Area, while maintaining the FPAC Optimal Fleet Inventory.

Fiscal Year	Sedans and Station Wagons	Lt. Trucks, SUVs, and Vans (4x2)	Lt. Trucks, SUVs, and Vans (4x4)	Medium Duty Vehicles	Ambulances	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
2018	-	-	-	-	-	-	-	-	-
Change	-	-	-	-	-	-	-	-	-
2019	3	-	4	-	-	-	-	7	\$49
Change	-	3	2	-	-	-	-	+5	+40
2020	3	3	6	-	-	-	-	12	89
Change	-	-	-1	-	-	-	-	-1	-6
2021	3	3	5	-	-	-	-	11	83

Includes vehicles leased from GSA.

Excludes acquisition costs and gains from sale of vehicles as shown in FAST.

**SHARED FUNDING PROJECTS**

Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
<b>Working Capital Fund:</b>				
Administration:				
Procurement Operations Services.....	-	-	-	1,084
Human Resources Enterprise Management Systems.....	-	-	12	12
Subtotal.....	0	0	12	1,096
Communications:				
Creative Media & Broadcast Center.....	-	4	-	36
Finance and Management:				
National Finance Center.....	-	380	351	332
Financial Management Systems.....	-	5	1	1
Subtotal.....	0	385	351	332
Information Technology:				
Client Technology Services.....	-	7,105	13,235	13,204
Digital Infrastructure Services Center.....	-	2	-	-
Department Administration Technology Office.....	-	-	2	2
Subtotal.....	0	7,107	13,237	13,206
Correspondence Management.....	-	-	-	-
Total, Working Capital Fund.....	0	7,496	13,600	14,671
<b>Department-Wide Shared Cost Programs:</b>				
Agency Partnership Outreach.....	-	138	151	151
Honor Awards.....	-	1	1	1
Human Resources Dashboard.....	-	11	12	-
Medical Services.....	-	5	4	-
Office of Customer Experience.....	-	47	58	58
Personnel Document Security.....	-	38	7	7
Physical Security.....	-	-	113	82
Security Detail.....	-	77	89	89
Security Operations.....	-	188	112	123
TARGET Center.....	-	22	22	22
USDA 1994 Program.....	-	-	-	-
USDA Enterprise Data Analytics.....	-	-	104	104
Total, Department-Wide Reimbursable Programs.....	0	526	673	636
<b>E-Gov:</b>				
Budget Formulation and Execution Line of Business.....	-	-	-	-
Disaster Assistance Improvement Plan.....	-	-	-	-
Enterprise Human Resources Integration.....	-	-	-	-
E-Rulemaking.....	-	-	-	-
Geospatial Line of Business.....	-	-	-	-
Grants.gov.....	-	-	-	-
Human Resources Line of Business.....	-	-	-	-
Integrated Acquisition Environment.....	-	-	-	-
Total, E-Gov.....	0	0	0	0
Agency Total.....	0	8,022	14,273	15,307

*Subtotals and totals may not sum due to rounding*

**ACCOUNT 1: SALARIES AND EXPENSES**  
**LEAD-OFF TABULAR STATEMENT**

**Salaries and Expenses**

2020 Appropriations.....	\$203,877,000
Change in Appropriation.....	<u>39,725,000</u>
<b>2021 Request.....</b>	<b><u>243,602,000</u></b>

**APPROPRIATIONS LANGUAGE**

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

For necessary expenses of the Farm Production and Conservation Business Center, [~~\$203,877,000~~] \$243,602,000: 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.

*The change revises the requested level for the FPAC-BC's Salaries and Expenses account.*

**PROJECT STATEMENT**

**Farm Production and Conservation Business Center  
Salaries and Expenses  
(Dollars in Thousands)**

Program/Activity	2018		2019		2020		2021		Change from	
	Actual		Actual		Enacted		Budget Request		2020 Budget	
	B.A.	SY	B.A.	SY	B.A.	SY	B.A.	SY	B.A.	SY
Direct Appropriations										
Salaries and Expenses Account.....	\$1,028	7	\$216,350	1,879	\$ 203,877	1,879	\$243,602	1,918	39,725	39
ACIF Transfers In.....	0	0	16,081	0	16,081	0	0	0	-16,081	0
CCC/PL 480 Transfers In.....	0	0	0	0	0	0	430	4	430	4
Subtotal.....	1,028	7	232,431	1,879	219,958	1,879	244,032	1,922	24,074	43
Recissions and Transfers (Net)	0	0	-16,081	0	-16,081	0	0	0	16,081	
Total Appropriation	1,028	7	216,350	1,879	203,877	1,879	244,032	1,922	40,155	43
Transfers In:										
NRCS/ACEP.....	20	0	8,307	0	8,307	0	8,307	0	0	0
NRCS/CSP.....	51	0	21,184	0	21,184	0	21,184	0	0	0
NRCS/EQUIP.....	74	0	30,737	0	30,737	0	30,737	0	0	0
FSA/ACIF.....	0	0	16,081	0	16,081	0	0	0	-16,081	0
Uncollected Payments, Federal Sources.....	0	0	4,239	0	0	0	0	0	0	0
Subtotal, Transfers In.....	145	0	80,548	0	76,309	0	60,228	0	-16,081	0
Balance Available, SOY.....	0	0	178	0	0	0	0	0	0	0
<b>Total, Discretionary Funding.....</b>	<b>1,173</b>	<b>7</b>	<b>297,076</b>	<b>1,879</b>	<b>280,186</b>	<b>1,879</b>	<b>304,260</b>	<b>1,922</b>	<b>24,074</b>	<b>43</b>
Transfers Out .....	0	0	-14,140	0	0	0	0	0	0	0
Lapsing Balances.....	0	0	-5,071	0	0	0	0	0	0	0
Balances, Available End of Year.....	-178	0	0	0	0	0	0	0	0	0
<b>Total Obligations .....</b>	<b>\$995</b>	<b>7</b>	<b>\$277,865</b>	<b>1,879</b>	<b>\$280,186</b>	<b>1,879</b>	<b>\$304,260</b>	<b>1,922</b>	<b>\$24,074</b>	<b>43</b>

**JUSTIFICATIONS OF INCREASES/DECREASES**

**Salaries and Expenses**

A net increase of \$24,074,000 in funding and an increase of 39 staff years for the Farm Production and Conservation Business Center Salaries and Expenses account (\$219,958,000 and 1,879 total staff years available in FY 2020).

**a) A net increase of \$39,725,000 in direct funding and an increase of 39 staff years for the Farm Production and Conservation Business Center Salaries and Expenses account (\$203,877,000 and 1,879 direct staff years available in FY 2020).**

- An increase of \$1,948,023 for pay costs (\$892,015 for annualization of the 2020 pay increase and \$1,056,008 for the 2021 pay increase).

The proposed funding level is needed to cover pay cost increases for existing staff. This will ensure adequate resources are available for FPAC-BC to carry out its full range of responsibilities and support the mission area’s program delivery. Approximately 75 percent of FPAC-BC's budget supports personnel compensation and benefits. The impact of not funding the pay cost increases will result in fewer staff onboard to manage



and oversee FPAC programs and operations.

2. An increase of \$1,408,011 for performance awards.

This increase will support a 1 percentage point increase in awards spending, consistent with objectives outlined in the President's Management Agenda, to enhance workforce development. Without this additional funding, FPAC-BC will be unable to absorb these costs in FY 2021, resulting in reductions to planned hiring levels, eroding USDA's ability to meet key Administration priorities contained in this Budget.

3. An increase of \$1,775,501 for the Department's increased contribution to the Federal Employees Retirement System (FERS).

This increase will cover the expenses for the Office of Personnel Management's mandated increase of agency contributions to FERS that took effect January 1, 2020.

4. An increase of \$5,852,000 and 39 Staff Years for salaries and benefits for transferred administrative activities.

This increase supports 39 SYs being transferred from NRCS to FPAC-BC. A commensurate reduction is being taken from the budget request for NRCS. The funding will support employees and activities related to Geospatial Information System (GIS) and Public Affairs.

5. An increase of \$18,741,465 for operating expenses.

This increase offsets the elimination of the ACIF transfer of \$16,081,000 proposed in FY 2021 for a total net increase of \$2,660,465. These funds will support mandatory increases in departmental shared cost and rent. Additionally, the funds will be utilized for contract support to continue FPAC-BC business process improvement and modernization efforts in core areas such as financial management, human capital management, and information technology.

6. An increase of \$10,000,000 for information technology – Digital Records Management Service (DRMS).

The proposed funding level is requested to support the FPAC digital records initiative. Digital Records Management Service initiative intends to digitize paper records to not only comply with National Archives and Records Administration (NARA) requirements but make documents digitally available to county office employees and USDA customers. Currently Service Center Agency County Offices maintain large volumes of paper records that are not only inefficient but are not conducive to a good customer experience. This effort will improve the efficiency and effectiveness of the field offices by working to eliminate the use of paper forms and records across the offices which incur costs for file cabinet storage at the local level.

DRMS aligns to USDA's strategic goal to "ensure USDA programs are delivered efficiently, effectively, and with integrity and a focus on customer service." Today's producers need to interact digitally with USDA center offices. The effort also supports

improved customer experience consistent with expectations of 21<sup>st</sup> century customers for program data, application, and records to be available online. Millions of pages of paper documents currently filling cabinets spread out nationally at field offices and headquarters need to be migrated to a highly scalable, elastic, cloud-based system.

In addition to increasing customer support, this initiative will reduce the risk of lost records due to natural disaster, fire, or other physical threats to the paper records. The FPAC-BC will support the FPAC Mission Area to secure digital records, by providing dynamic infrastructure to meet customer needs. In addition, the FPAC-BC will negotiate reduced space at lease renewals for the FPAC Agencies due to reduced need for paper file storage, saving on leasing costs. This initiative will allow the FPAC-BC to reduce the time needed to respond to FOIA and litigation requests, since the data will be readily available in a digital format.

**b) A decrease of \$16,081,000 in ACIF transfer funding (\$16,081,000 available in FY 2020).**

An elimination of the ACIF transfer to the FPAC-BC is proposed to more accurately reflect that FPAC-BC is not directly involved in the administration of farm loans.

**c) An increase of \$430,000 (4 SY) in transfers from PL 480 and CCC Export Loan Programs.**

These transfers had been provided to Farm Service Agency, Salaries and Expenses, as FSA had provided services associated with the PL 480 and CCC Export Loan programs. As this function has been transferred to the Business Center, so would these resources.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS**

State/Territory/Country	2018 Actual	SY	2019 Actual	SY	2020 Enacted	SY	2021 Budget	SY
District of Columbia	995	7	277,865	1,340	280,186	1,879	304,260	1,922
Obligations	995	7	277,865	1,340	280,186	1,879	304,260	1,922
Lapsing Balances	-	-	5,071	-	-	-	-	-
Bal. Available, EOY	178	-	-	-	-	-	-	-
Total, Available	1,173	7	282,936	1,340	280,186	1,879	304,260	1,922

**CLASSIFICATIONS BY OBJECTS**

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Personnel Compensation:					
	Washington D.C.	\$203	\$50,679	\$47,391	\$59,147
	Personnel Compensation, Field	-	89,027	84,739	91,586
11	Total personnel compensation	203	139,706	132,130	150,733
12	Personal benefits	792	43,095	43,277	49,946
	Total, personnel comp. and benefits	995	182,801	175,407	200,679
Other Objects:					
21.0	Travel and transportation of persons	-	1,915	2,000	2,000
22.0	Transportation of things	-	2	2	1
23.1	Rental payments to GSA	-	3,121	9,321	9,464
23.3	Communications, utilities, and misc. charges	-	1,420	1,400	1,400
24.0	Printing and reproduction	-	13	50	50
25	Other contractual services	-	-	-	-
25.1	Advisory and assistance services	-	49,665	72,210	82,500
25.2	Other services from non-Federal sources	-	37,619	15,500	-
26.0	Supplies and materials	-	223	1,000	2,000
31.0	Equipment	-	1,086	3,296	6,166
	Total, Other Objects	-	95,064	104,779	103,581
99.9	Total, new obligations	995	277,865	280,186	304,260
	DHS Building Security Payments (included in 25.3).....	\$ -	\$750	\$405	\$414
Position Data:					
	Average Salary (dollars), ES Position	\$ -	\$172,991	\$175,586	\$178,220
	Average Salary (dollars), GS Position	\$ -	\$101,913	\$103,442	\$104,993
	Average Grade, GS Position	0.0	13.5	13.5	13.5

## **STATUS OF PROGRAMS**

### ***FPAC-BC – FY 2019 Accomplishments***

The FPAC-BC, established on October 14, 2018, centralized the mission support activities from three producer-focused agencies – the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and Risk Management Agency (RMA). The FPAC-BC is a strategic partner to the agencies and provides a wide range of services across 15 functional areas including budget, financial management, procurement and acquisitions, leasing, fleet management, human resources, information technology, external affairs, strategy and risk management, and other services. The FPAC-BC is designed to provide timely, quality, compliant, and modernized mission support services that enable FPAC's program delivery agencies to focus on providing the best customer service to our nation's farmers, ranchers, and forest stewards.

In FY 2019, the FPAC-BC had many notable accomplishments:

- Supported more than \$71 billion in payments made to America's farmers and ranchers to support production agriculture and conservation efforts.
- Achieved unmodified opinions on the annual financial statement audits for the Commodity Credit Corporation, Federal Crop Insurance Corporation, and NRCS.
- Implemented the first stage of the multi-year FPAC Digital Records Management Strategy.
- Completed a project to optimize Local Office Bandwidth.
- Provided an interactive tool to expand Dairy Margin Coverage enrollment to more than 3,000 producers.
- Expanded services available to customers through Farmers.gov, including View Loans, H2A Education Tool, Farm Loan Discovery Tool, and Market Facilitation Program application software.
- Managed more than \$1 billion in mission support initiatives on behalf of the FPAC Mission Area.
- Processed more than 70,000 service requests tickets from over 21,000 FPAC employees.
- Provided services to employees in more than 3,000 office locations nationwide.
- Processed more than 10,000 requests for contract, grant, and agreement actions.
- Managed over 8,100 vehicles.
- Completed 20 percent of the total USDA regulations to support implementation of the 2018 Farm Bill including cost-benefit and civil rights impact analyses.
- Processed 175,000 vehicle reservations in the Vehicle Management Tool.
- Developed an organizational design that supports the necessary analytics infrastructure to enable data driven decision making across the mission area.
- Led the production of 10 dashboards that provided real time insights for program and administrative delivery.

The FPAC-BC's long-term plan to optimize service delivery has four major underlying efforts – business process improvements, myFPAC services, robotic processes/automation, and analytics/dashboards.

Business Process Improvements. A foundational, multi-year effort of the FPAC-BC is to standardize, streamline, and automate major business processes across FPAC. FSA, NRCS, and RMA each had different processes, roles, and responsibilities for the functions transferred to the FPAC-BC. Creating standardized processes improves the efficiency and effectiveness of FPAC and results in improved customer service. In FY 2019, business process improvements were initiated in the following areas: Hiring, Employee Care Center (primary customer interface for all Human Resource (HR) functions), Information Technology Investments and Acquisitions, Budget, Internal Auditing, Grants and Agreements (advanced planning), Real Property Leasing, and Active Fleet Management. The FPAC-BC has begun a staged roll-out of improved services.

myFPAC Employee Services. Prior to the stand-up of the FPAC-BC, there were hundreds of different “intake” systems in place for over 20,000 employees to request service and access common information across FSA, NRCS, and RMA. The FPAC-BC created the myFPAC website in FY 2019 to provide a centralized resource of information, tools, and support for all FPAC employees. One of the most important features in the myFPAC portal is “myFPAC Services,” which provides employees with access to the latest USDA news, FPAC mission area announcements, and the ability to initiate and track service requests across all 15 FPAC-BC divisions. myFPAC Services facilitates adoption of new procedures through standardized workflows, roles, and responsibilities and provides greater transparency into status of actions, workload allocation, and performance metrics. Digitization of workflow also provides for automatic reminders, escalation paths to supervisors, and “pulse” surveys to rate interactions (and identify areas for future improvements) with FPAC-BC employees. myFPAC Services is transforming service delivery across the organization.

Robotic Processes/Automation. In FY 2019, the FPAC-BC put a plan in place to automate routine business activities. This “best practice” solution has potential benefits across the FPAC-BC. Deployments are initially planned for human resources, budget, and financial management communities. Human resources pilots underway include “position builds” in EmpowHR and entering hiring requests in USA Staffing. The FPAC-BC expects to see significant return on this investment in terms of time to execute, level of effort, and increased hiring performance.

Analytics/Dashboards. FPAC made significant progress in FY 2019 in providing leadership with access to real time data and analytics to inform decision making. By improving reporting and user dashboards FPAC-BC employees and their customers get easy to digest and actionable status reports. Examples include dashboards for the Wild Fire and Hurricane Indemnity Program Plus (WHIP+), Natural Resources Conservation Service Operations Score Card, Market Facilitation Program, and Time to Hire. In addition, with over 8,000 vehicles across the Mission Area, the FPAC-BC completed a business process reengineering effort for actively monitoring vehicle utilization and rotating vehicles across offices to improve utilization rates. Vehicle utilization dashboards were created along with the ability to send automatic notifications to the FPAC Fleet Managers and State Leadership Teams to assess a vehicle if it is not achieving certain targets within a specified timeframe (for example, monthly or quarterly notifications). This system will greatly improve the effective use of the FPAC vehicle fleet.