

2025 USDA EXPLANATORY NOTES – FARM PRODUCTION AND CONSERVATION BUSINESS CENTER

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PREFACE

This publication summarizes the fiscal year (FY) 2025 Budget for the U.S. Department of Agriculture (USDA) Farm Production and Conservation Business Center. Throughout this publication any reference to the “Budget” is in regard to the 2025 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2022 and 2023, annualized Continuing Resolution levels for 2024, and the President’s Budget request for 2025. Amounts for 2024 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill through 2023 were extended through 2024 via the one-year Farm Bill extension within the Further Continuing Appropriations and Other Extensions Act, 2024 (P.L. 118-22). Amounts shown in 2025 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2022, 2023, 2024 and 2025.

In tables throughout this document, amounts equal to zero (0) are displayed as dashes (-). Amounts less than 0.5 and greater than zero are rounded and shown as a zero (0). This display treatment is used to prevent the masking of non-zero amounts that do not round up to one (1).

AGENCY-WIDE

PURPOSE STATEMENT

The Farm Production and Conservation Business Center (FPAC-BC) is a centralized administrative operations office within the Farm Production and Conservation (FPAC) Mission Area and is headed by the Chief Operating Officer (COO). 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 to provide a consistent enterprise-wide view that encompasses FSA, NRCS, RMA, and the FPAC-BC to deliver programs effectively and efficiently 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 FPAC Mission Area was established in June 2017, and the FPAC-BC became operational in October 2018.

As of September 30, 2023, FPAC-BC had 1,603 full-time permanent employees located throughout the United States and Puerto Rico. Outside of the Washington, D.C. metropolitan area, FPAC-BC has regional hub locations in Kansas City, Missouri, Raleigh, North Carolina, Fort Worth, Texas, Fort Collins, Colorado, Salt Lake City, Utah, and Portland, Oregon.

OIG AND GAO REPORTS

Table FBC-1. Closed, Implemented OIG Reports

ID	Date	Title	Result
10801-0001-12	9/22/2023	Review of an NRCS IT-Related Contract	Recommendation 1 – OIG recommended the FPAC Business Center evaluate its contract oversight and monitoring processes and remediate weaknesses, as appropriate. To implement the recommendation, the Business Center completed an assessment, issued

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ID	Date	Title	Result
			accompanying guidance, and completed steps to address documentation and employee development gaps.

Table FBC-2. Closed, Implemented GAO Reports

ID	Date	Title	Result
			The FPAC Business Center did not have any closed, implemented GAO reports during 2023.

AVAILABLE FUNDS AND FTEs

Table FBC-3. Available Funds and FTEs (thousands of dollars, FTEs)

Item	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Salaries and Expenses:								
Discretionary Appropriations.....	\$238,186	1,575	\$247,384	1,625	\$248,684	1,625	\$246,250	1,608
Mandatory Appropriations ^{1/}	60,228	-	60,228	-	60,228	-	70,740	-
Total Discretionary Appropriations ..	238,186	1,575	247,384	1,625	248,684	1,625	246,250	1,608
Total Mandatory Appropriations ^{1/} ...	60,228	-	60,228	-	60,228	-	70,740	-
Total Adjusted Appropriation.....	298,414	1,575	307,612	1,625	308,912	1,625	316,990	1,608
Total Available	298,414	1,575	307,612	1,625	308,912	1,625	316,990	1,608
Lapsing Balances.....	-3,040	-	-4,495	-	-	-	-	-
Total Obligations, FBC.....	295,374	1,575	303,117	1,625	308,912	1,625	316,990	1,608
Total Available, FBC.....	298,414	1,575	307,612	1,625	308,912	1,625	316,990	1,608

^{1/} 2024 and 2025 are a discretionary appropriation of CCC funds.

PERMANENT POSITIONS BY GRADE AND FTEs

Table FBC-4. Permanent Positions by Grade and FTEs

Item	2022			2023			2024			2025		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	13	3	16	13	2	15	13	2	15	13	2	15
SL.....	-	-	-	-	1	1	-	1	1	-	1	1
GS-15.....	59	38	97	47	46	93	47	46	93	47	46	93
GS-14.....	110	122	232	92	137	229	92	137	229	92	137	229
GS-13.....	154	386	540	126	428	554	126	428	554	126	428	554
GS-12.....	80	339	419	63	365	428	63	365	428	63	365	428
GS-11.....	34	109	143	21	112	133	21	112	133	21	112	133
GS-9.....	18	48	66	14	59	73	14	59	73	14	59	73
GS-8.....	7	21	28	6	19	25	6	19	25	6	19	25
GS-7.....	8	25	33	8	30	38	8	30	38	8	30	38
GS-6.....	5	3	8	5	3	8	5	3	8	5	3	8
GS-5.....	2	2	4	-	5	5	-	5	5	-	5	5
Other Graded.....	-	-	-	1	-	1	1	-	1	1	-	1
Total Permanent.....	490	1,096	1,586	396	1,207	1,603	396	1,207	1,603	396	1,207	1,603
Unfilled, EOY.....	-	-	-	73	-	73	-	-	-	-	-	-
Total Perm. FT EOY	490	1,096	1,586	469	1,207	1,676	396	1,207	1,603	396	1,207	1,603
FTE ^{1/}	630	945	1,575	650	975	1,625	648	973	1,621	643	965	1,608

^{1/}Total FTEs are all inclusive of workforce categories including temporary positions.

VEHICLE FLEET

Motor Vehicle Fleet

FPAC-BC uses vehicles to deliver mission critical services. Vehicles are used to transport mail, aerial photography film, and students for conservation training events. FPAC-BC requires operation and maintenance logs for all its vehicles. Periodic reviews ensure optimal use of each vehicle in the fleet.

Replacement Criteria

FPAC-BC retires or replaces vehicles based upon age, utilization, operating costs, and maintenance costs. FPAC- BC replaces vehicles with a more efficient and cost-effective model.

Reductions to Fleet

FPAC-BC plans to maintain the vehicle fleet size in 2025. This is made possible by following utilization standards and Vehicle Allocation Methodology (VAM) requirements.

Table FBC-5. Size, Composition, and Annual Costs of Motor Vehicle Fleet

Note: Number of vehicles by type include vehicles owned by the agency and leased from commercial sources or the General Services Administration (GSA).

Annual Operating Costs excludes acquisition costs and gains from sale of vehicles as shown in the Federal Automotive Statistical Tool (FAST).

	Sedans and Station Wagons	Vans	SUVs	Light Trucks 4X2	Light Trucks 4X4	Medium Duty Vehicles	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
2018 End of Year Operating Inventory	-	-	-	-	-	-	-	-	-	-
2022 End of Year Operating Inventory	-	4	-	-	-	-	-	-	4	\$19,112
2023 Actual Acquisitions	-	1	-	-	-	-	-	-	1	
2023 Actual Disposals	-	1	-	-	-	-	-	-	1	
2023 End of Year Operating Inventory	-	4	-	-	-	-	-	-	4	19,685
2024 End of Year Operating Inventory	-	4	-	-	-	-	-	-	4	20,275
2025 End of Year Operating Inventory	-	4	-	-	-	-	-	-	4	20,883

SHARED FUNDING PROJECTS**Table FBC-6. Shared Funding Projects (thousands of dollars)**

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Working Capital Fund:				
Administrative Services:				
AskUSDA Contact Center	-	\$44	\$90	\$94
Human Resources Enterprise System Management.....	\$27	32	16	17
Integrated Procurement Systems.....	56	48	36	-
Mail and Reproduction Services	123	176	160	162
Materiel Management Service Center.....	147	133	120	113
Procurement Operations and Programs.....	122	202	158	175
Subtotal.....	475	635	580	561
Communications:				
Creative Media and Broadcast Center.....	210	318	49	16
Finance and Management:				
Financial Shared Services	559	673	808	760
Internal Control Support Services	38	42	46	44
National Finance Center	411	460	458	433
Personnel and Document Security	-	74	86	87
Subtotal.....	1,008	1,249	1,398	1,324
Information Technology:				
Client Experience Center	9,460	10,529	15,669	14,924
Departmental Administration Information Technology Office.....	21	101	83	90
Digital Infrastructure Services Center.....	1,115	5,186	1,675	1,582
Enterprise Cybersecurity Services	-	861	1,630	1,821
Enterprise Data and Analytics Services	-	232	231	221
Enterprise Network Services.....	241	278	264	318
Subtotal.....	10,837	17,187	19,552	18,956
Correspondence Management Services:				
Office of the Executive Secretariat	1	8	8	9
Total, Working Capital Fund	12,531	19,397	21,587	20,866
Department-Wide Shared Cost Programs:				
Personnel and Document Security	32	-	-	-
Agency Partnership Outreach	99	113	119	119
Diversity, Equity, Inclusion and Accessibility	-	30	42	42
Medical Service	124	173	134	134
National Capital Region Interpreting Services.....	26	55	54	54
Office of Customer Experience.....	137	49	51	51
Physical Security.....	67	69	75	75
Security Detail	71	77	85	85
Security Operations.....	98	107	121	121
Talent Group.....	-	55	53	53
TARGET Center	20	25	28	28
USDA Enterprise Data Analytics Services	69	-	-	-
Employee Experience	-	53	59	59
Total, Department-Wide Reimbursable Programs	743	806	821	821
E-Gov:				
Budget Formulation & Execution LoB	1	1	2	2
Financial Management LOB.....	7	7	8	8
HR Management LOB	5	5	5	5
Integrated Acquisition Environment	15	24	21	20
Hiring Assessment Tool.....	4	-	-	-
Total, E-Gov	32	37	36	35
Agency Total.....	13,306	20,240	22,444	21,722

ADVERTISING EXPENDITURES

No advertising expenditures were reported.

ACCOUNT 1: SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

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

- 1 For necessary expenses of the Farm Production and Conservation Business Center, [~~\$265,825,000~~]\$246,250,000:
- 2 *Provided*, That, [~~\$60,228,000~~]\$70,740,000 of amounts appropriated for the current fiscal year pursuant to section
- 3 1241(a) of the Farm Security and Rural Investment Act of 1985 (16 U.S.C. 3841(a)) shall be transferred to and
- 4 merged with this account.

LEAD-OFF TABULAR STATEMENT

Table FBC-7. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2024	\$248,684,000
Change in Appropriation	<u>-2,434,000</u>
Budget Estimate, 2025	<u><u>246,250,000</u></u>

PROJECT STATEMENTS

Table FBC-8. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs			
Discretionary Appropriations:											
Salaries and Expenses	\$238,177	1,575	\$247,384	1,625	\$248,684	1,625	\$246,250	1,608	-\$2,434	-17	(1)
GEO Fund.....	9	-	-	-	-	-	-	-	-	-	-
Subtotal.....	238,186	1,575	247,384	1,625	248,684	1,625	246,250	1,608	-2,434	-17	
Mandatory Appropriations:											
NRCS Transfer ^{1/}	60,228	-	60,228	-	60,228	-	70,740	-	+10,512	-	(2)
Subtotal.....	60,228	-	60,228	-	60,228	-	70,740	-	+10,512	-	
Total Adjusted Approp.....	298,414	1,575	307,612	1,625	308,912	1,625	316,990	1,608	+8,078	-17	
Add back:											
Transfers In and Out, Rescissions	-60,237	-	-58,928	-	-60,228	-	-70,740	-	-10,512	-	
Total Appropriation	238,177	1,575	248,684	1,625	248,684	1,625	246,250	1,608	-2,434	-17	
Transfers In:											
NRCS, ACEP	8,307	-	8,307	-	8,307	-	9,757	-	+1,450	-	
NRCS, CSP	21,184	-	21,184	-	21,184	-	24,881	-	+3,697	-	
NRCS, EQIP.....	30,737	-	30,737	-	30,737	-	36,102	-	+5,365	-	
GEO Fund.....	9	-	-	-	-	-	-	-	-	-	
Total Transfers In.....	60,237	-	60,228	-	60,228	-	70,740	-	+10,512	-	
Transfers Out:											
Working Capital Funds	-	-	-1,300	-	-	-	-	-	-	-	
Total Transfers Out	-	-	-1,300	-	-	-	-	-	-	-	
Total Available.....	298,414	1,575	307,612	1,625	308,912	1,625	316,990	1,608	+8,078	-17	
Lapsing Balances.....	-3,040	-	-4,495	-	-	-	-	-	-	-	
Total Obligations.....	295,374	1,575	303,117	1,625	308,912	1,625	316,990	1,608	+8,078	-17	

^{1/} 2024 and 2025 are a discretionary appropriation of CCC funds.

Note: The 2022 obligations discrepancy between Project Statement and the Budget Appendix is due to \$5 million in reimbursables.

Note: The 2023 obligations discrepancy between Project Statement and the Budget Appendix is due to \$24 million in reimbursables.

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, are found in the USDA Budget Summary and are not reflected above.

Table FBC-9. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs		
Discretionary Obligations:										
Salaries and Expenses	\$295,374	1,575	\$303,117	1,625	\$308,912	1,625	\$316,990	1,608	+\$8,078	-17
Subtotal Disc Obligations	295,374	1,575	303,117	1,625	308,912	1,625	316,990	1,608	+8,078	-17
Total Obligations.....	295,374	1,575	303,117	1,625	308,912	1,625	316,990	1,608	+8,078	-17
Add back:										
Lapsing Balances.....	3,040	-	4,495	-	-	-	-	-	-	-
Total Available.....	298,414	1,575	307,612	1,625	308,912	1,625	316,990	1,608	+8,078	-17
Less:										
Total Transfers In.....	-60,237	-	-60,228	-	-60,228	-	-70,740	-	-10,512	-
Total Transfers Out	-	-	1,300	-	-	-	-	-	-	-
Total Appropriation.....	238,177	1,575	248,684	1,625	248,684	1,625	246,250	1,608	-2,434	-17

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, are found in the USDA Budget Summary and are not reflected above.

JUSTIFICATION OF CHANGES

A net increase of \$8,078,000 in the Farm Production and Conservation Business Center’s (FBC) salaries and expenses account to support critical mission delivery support services. Among other activities, the Business Center will prioritize its efforts to improve customer experience in partnership with the other FPAC agencies, such as those listed in the Status of Programs. This work will primarily support the FPAC High-Impact Service Providers (FSA and NRCS) with their ongoing customer survey feedback and analysis programs that ensure we continue to have good mechanisms for listening to our customers and addressing their needs. These efforts further enhance equitable access to USDA programs for all farmers, producers, and land owners. It intends to continue with approximately \$900,000 for such improvements in customer experience.

- 1) An increase of \$8,078,000 and a decrease of 17 FTEs in Salaries and Benefits (\$308,912,000 and 1,625 FTEs available in 2024).

This increase will support an annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2.0 percent Cost of Living pay increase. If this funding is not provided, the FPAC Business Center would need to rely on attrition in staff and potentially leave backfilled positions vacant to offset funding requirements for pay costs and other uncontrollable rising costs. A reduction of staff in certain areas will pose a significant challenge to the Business Center’s ability to carry out its full range of responsibilities. To mitigate these challenges, the

Item No.	Item	2022	2023	2024	2025
		Actual	Actual	Estimated	Estimated
Personnel Compensation:					
2025 USDA FBC EPC CANATORY NOTES - FARM PRODUCTION		\$70,970	\$74,100	\$73,705	\$77,748
11	Personnel Compensation, Field.....	106,469	111,287	116,692	116,622
11	Total personnel compensation.....	177,448	185,478	194,487	194,370
12	Personal benefits.....	64,812	68,480	70,597	74,638
13.0	Benefits for former personnel.....	64	73	-	-
	Total, personnel comp. and benefits.....	242,324	254,031	265,084	269,008
Other Objects:					
21.0	Travel and transportation of persons.....	294	1,234	1,292	484
22.0	Transportation of things.....	25	5	18	10
23.1	Rental payments to GSA.....	5,706	4,792	6,222	10,866
23.2	Rental payments to others.....	11	-	1	1
23.3	Communications, utilities, and misc. charges.....	44	76	5	15
24.0	Printing and reproduction.....	143	186	18	2
25.1	Advisory and assistance services.....	41,445	38,980	35,145	35,968
25.2	Other services from non-Federal sources.....	1,341	1,602	948	475
26.0	Supplies and materials.....	284	218	138	120
31.0	Equipment.....	3,757	1,858	41	41
32.0	Land and Structures.....	-	109	-	-
42.0	Insurance Claims and Indemnities.....	-	25	-	-
43.0	Interest and Dividends.....	-	1	-	-
	Total, Other Objects.....	53,050	49,086	43,828	47,982
99.9	Total, new obligations.....	295,374	303,117	308,912	316,990
	DHS Building Security Payments (included in 25.3) ..	\$798	\$797	\$898	\$899
Information Technology Investments:					
Major Investment 1					
FBC-1001 Cust Engagement & Management Services					
11	Internal Labor.....	\$1,215	-	\$1,201	\$1,243
	Total Major Investment 1.....	1,215	0	1,201	1,243
FSA-097 Farm Program Modernization (MIDAS)					
11	Internal Labor.....	152	158	515	533
	Total Major Investment 2.....	152	158	515	533
FSA-125 Farm Programs					
11	Internal Labor.....	4,557	3,317	2,230	2,308
	Total Major Investment 3.....	4,557	3,317	2,230	2,308
FSA-126 Farm Loan Programs					
11	Internal Labor.....	3,494	3,633	2,402	2,486
	Total Major Investment 4.....	3,494	3,633	2,402	2,486
FSA-127 Geospatial Services					
11	Internal Labor.....	12,303	12,793	14,412	14,917
	Total Major Investment 5.....	12,303	12,793	14,412	14,917
FSA-129 Program Financial Services					
11	Internal Labor.....	3,949	3,948	3,260	3,374
	Total Major Investment 6.....	3,949	3,948	3,260	3,374
NRCS-CDSI Conservation Delivery Streamline Initiative					
11	Internal Labor.....	152	158	172	178
	Total Major Investment 7.....	152	158	172	178
RMA-13 Emerging Information Technology Architecture (EITA)					
11	Internal Labor.....	1,215	1,737	1,373	1,421
	Total Major Investment 8.....	1,215	1,737	1,373	1,421
	Mission Area Major Investment Totals.....	27,037	25,744	25,565	26,460
	Mission Area Non-Major Investment Totals.....	12,698	10,592	9,453	9,797
	Mission Area Standard Investment Totals.....	38,717	26,583	33,651	33,029
25.3	Mission Area WCF Transfers.....	16,806	17,159	15,852	21,197
	Total Non-Major Investment.....	68,221	54,334	58,956	64,023
	Total IT Investments.....	95,258	80,078	84,521	90,483
Cybersecurity					
	Detect.....	n/a	76	607	628
	Identify.....	n/a	160	1,279	1,323
	Protect.....	n/a	279	2,225	2,299
	Respond.....	n/a	265	2,119	2,192
	Risk Management.....	n/a	-	308	318
	Total Cybersecurity.....	-	780	6,538	6,760

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Position Data:					
	Average Salary (dollars), ES Position	\$174,471	\$192,727	\$202,460	\$208,129
	Average Salary (dollars), GS Position.....	\$105,837	\$110,165	\$115,728	\$118,969
	Average Grade, GS Position	12.7	12.7	12.8	12.9

Business Center is actively identifying ways to streamline work processes and implement automation to assist employees as they provide continuity of services to customers. In addition, the Business Center will continue to evaluate existing funding priorities for contracting services to find savings and will cease or curtail the adoption of any new projects to ensure that the agency prioritizes support for its employees. Given other inflationary costs, FPAC-BC would reduce staffing by 17 FTEs

2) A decrease of \$10,512,000 in the Direct Appropriation.

USDA's discretionary adjustment recommends a decrease of \$10.5 million of direct appropriations for FBC, and an increased transfer of \$10.5 million from section 1241(a) of the Farm Security and Rural Investment Act of 1985 (16 U.S.C. 3841(a)) to FBC's direct appropriations. This would be offset by an increase in the transfer from NRCS Farm Bill programs. These transfers result in a net zero increase in FBC appropriations.

3) An increase of \$10,512,000 in the Transfer from NRCS Farm Bill programs.

This increase offsets the decrease in the Direct Appropriation of the same amount. This better reflects the services that FPAC-BC provides in support of NRCS' Farm Bill program delivery.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table FBC-10. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
District of Columbia	\$295,374	1,575	\$303,117	1,625	\$308,912	1,625	\$316,990	1,608
Obligations.....	295,374	1,575	303,117	1,625	308,912	1,625	316,990	1,608
Lapsing Balances	3,040	-	-	-	-	-	-	-
Total, Available	298,414	1,575	303,117	1,625	308,912	1,625	316,990	1,608

CLASSIFICATION BY OBJECTS

Table FBC-11 Classification by Objects (thousands of dollars)

STATUS OF PROGRAMS

The FPAC Business Center (FPAC- BC), was 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’s mission is to enable FPAC mission delivery through efficient critical services, integrated business solutions, and informed decision making.

The FPAC-BC is a strategic partner to the agencies and provides a wide range of services across 15 functional areas including budget, customer experience, financial management, acquisitions, leasing, fleet management, human resources, information technology, external affairs, strategy and risk management, and other services. The following FY 2023 accomplishments are listed by division.

Financial Management Division (FMD)

For the first time, Natural Resources Conservation Service (NRCS) was rendered an unmodified opinion from KPMG concerning its financial statements, with no findings, material weaknesses, significant deficiencies, or non-compliance with laws and regulations. The Commodity Credit Corporation (CCC) and the Risk Management Agency (RMA) also received an unmodified opinion on their financial statements with no material weaknesses.

FMD initiated the implementation of corrective action plans (CAPs) by control owners. The validation testing conducted resulted in a 46 percent closure of prior years’ A-123 CAPs. The number of open CAPs has continued to decrease since 2021 (2021 - Beginning Balance = 125, 2024 - Beginning Balance = 39.)

FMD achieved a significant rate of closure for open audit recommendations. NRCS began the fiscal year with a balance of 15 open recommendations considering the inclusion of the six from the 2022 Audit report. In 2023, 13 of 15 open recommendations were closed resulting in 87 percent audit recommendation closure rate for 2023.

FMD completed the testing and evaluation of 104 key controls across the five Farm Production and Conservation (FPAC) entities.

FMD recorded an awards accrual on behalf of NRCS and Human Resources (HR) to reserve \$2.4M in awards funding, including the processing of over 400 lines of accrual data, which allows HR the opportunity to process the awards accurately following the rollover of the fiscal year.

FMD coordinated the effort with Office of the Chief Information Officer (OCIO) through the Technology Modernization Fund (TMF) to secure \$1.096 million for the RMA Compliance Data Warehouse.

FMD collaborated and coordinated with several teams across the Department/Agency to fund additional efforts within the Office of the Secretary (OSEC), totaling \$2.835 billion from CCC. This amount included funds for the Regional Agricultural Promotion Program (RAPP) and international food assistance, totaling \$2.439 billion, and \$396 million for the Animal and Plant Health Inspection Service (APHIS) for Highly Pathogenic Avian Influenza.

FMD received Secretarial recognition for facilitating, envisioning, writing, and driving the roll out for USDA’s first ever Farm Labor Stabilization and Protection Pilot Program. FMD was also instrumental in deploying other programs across FPAC and USDA, such as: disaster assistance, financial assistance for farm loan borrowers, and conservation and organic programs. Worked with the Agricultural Marketing Service personnel to identify the proper points of contact for all programs to ensure timely response to the Unliquidated Obligations (ULO) certification and discuss the status and corrective action of all outstanding ULO’s pending de-obligation. The meetings have resulted in de-obligation of \$1,059,940, better engagement, improved communication, and actions taken to complete remaining de-obligations prior to fiscal year end.

FMD coordinated the review of 664 ULOs within the CCC and FSA programs of the Foreign Programs Team, totaling more than \$181 million for the 2023 Q3 ULO Certification. For first quarter, this resulted in the de-obligation/pending de-obligation of 229 ULOs totaling \$10.4 million, which was 34 percent of the count of ULOs and 5.7 percent of the total dollars of ULOs certified.

Budget Formulation, Allocation, and Execution

Budget successfully implemented process improvements in the budget formulation and execution for the CCC account, improving the accuracy of financial information, transparency of the CCC budget and request, and oversight of the account. Budget revamped the CCC apportionment review process by establishing a collaborative framework involving EPAD, FMD, respective program managers and the Budget team, enhancing the efficiency and ensures a comprehensive review of resource allocations. The above two process improvements provided OBPA and OMB with greater transparency and increased confidence in CCC related funding requests and data, reducing the number of questions about the CCC account and in turn, resulting in quicker approvals.

Budget worked collaboratively with the Financial Management Division to supply auditors with comprehensive audit information, including documentation, justification, and support, ultimately leading to an unmodified audit opinion.

Budget ensured 100 percent of Interagency Agreements (IAAs) were reviewed and assigned funding codes and funds certification within 7 days.

Budget managed and tracked over 69 non-IT initiatives totaling \$70.8 million.

- 2023 Total Requested was \$70,844,337
- 2023 Total Approved/Obligated: \$69,552,487
- 2023 Total Returned: \$16,726,353

Budget developed payroll estimates for the FPAC-BC using advanced models and Human Resources Division data to make informed decisions. This resulted in a 98.15 percent obligation rate in 2023.

Human Capital Management

FPAC filled 11,797 positions from October 2022 through September 2023, including 3,333 new hires, 996 conversions and 7,468 promotions and reassignments across FSA, NRCS, RMA, and the Business Center. Of the total hires 7.82 percent were veterans. The FPAC agencies were staffed at 23,861 in 2023. Of these, 622 were Pathways students. Since the Business Center's inception, FPAC staffing has grown from 88 percent staffed in 2018 to 91 percent as of the end of 2023 (excluding NRCS Pathways interns and FSA temporary positions). Within the last fiscal year, FPAC agencies have grown onboard staffing by 2,240 individuals. Additionally, FPAC onboarding time for new hires in 2023 has remained stable when compared to 2022, at an average of 110 days to Entrance on Duty (EOD), and 64 days to Tentative Job Offer (TJO). (Notes: Figures exclude Pay Plans for staff of Administratively Determined and Consultant, data referenced from CXO-OHRM USDA Hiring Dashboard)

Information Technology (IT)

IT delivered On-line Application (OLA) for the Farm Loan Program (FLP) on schedule (June 30th) as a first effort in streamlining and automating the loan application process. OLA is the first public facing application for loans delivered by FLP. Applications have been received and processed via the OLA pilot.

IT implemented modernization of FSA's Crop Acreage Reporting System (CARS) underlying infrastructure that led to 451 percent improvement of the average response time of the CARS application during the 2023 peak reporting season over the 2022 peak season. Additionally, errors were decreased from 21,371 to 1,809 during the same period which is a 1,181 percent improvement.

As part of the Digital Transformation, IT implemented digital signing capabilities across multiple mediums, made significant strides in our Digital Records Management System including conversion to smart forms with metadata, versioning under development for multi-signature and developing e-signature orchestration to auto configure/route/notify for signatures, and reduced unneeded software and licenses across FPAC saving or avoiding over \$2 million in software costs and worked with the FPAC agencies and the USDA OCIO's office to remove more than \$10 million of hardware and related servicing costs from across the FPAC Mission Area

IT deployed its first three cloud native applications that leverage Amazon Web Service (AWS) Platform as a Service (PaaS) Capabilities, and increased production migrations to just over 100 applications.

IT Business Process Improvements included utilizing FPAC's ServiceNow, the contractor onboarding process was automated in 2023. This has eliminated the transfer of information via email, delays while waiting for someone to kick-off the next step and for tasks to be done more easily in parallel. Since the roll-out of the automated process, contractor onboarding times have dipped below 60 days with 85 percent of contractors being onboarded in 45 days or less. With the automation of the contractor onboarding process, Information Solutions Division (ISD) has provided the FPAC agencies with over \$5M in cost-avoidance in 2023 by minimizing the government delay associated with manual onboarding. IT also enhanced our Robotic Process Automation (RPA). IT enhanced the process to help the Homeland Security Division Personnel Security onboarding process steps (logs into USAStaffing, retrieves required documents/data and uploads to ServiceNow). The Unmanned Aerial System has helped increased business efficiency by assisting with the monitoring of NRCS dam construction, providing higher resolution imagery for Urban Micro Farms, soil survey mapping to identify soil erosion, wetland mapping and classification and has assisted with disaster support for local USDA offices.

Customer Experience (CXD)

The overall investment was approximately \$1,038,031 for staff and the customer feedback electronic and paper mailing systems.

CXD continued to grow the FPAC Voice of the Customer Program significantly increasing the number of individual customer feedback points. This included 11,470 NRCS survey responses, 2,209 FSA survey responses, 138 RMA survey responses, and 8,399 from the Business Center.

CXD wrote, planned, implemented, deployed, and closed the first ever Prospective Customer Survey. This survey was innovative because it allowed FPAC to hear from farmers and producers who do not yet engage with USDA, and the survey allowed us to educate these stakeholders about the existence of programs that may be of benefit to them. There were 7,452 respondents nationwide and 22,000 open text comments received from respondents.

CXD helped the two FPAC High Impact Service Providers (FSA and NRCS) exceed the OMB requirements for CX reporting –

- NRCS EQIP Survey: Issued multiple mailings and data collections points, initial conversations on data use
- FSA Farm Loans Survey: Issued multiple mailings and data collections, FSA has set up a dashboard to monitor data and use it to make decisions and improvements.

CXD continued another successful year of engaging FPAC field employees from across the country through the Customer Experience Enhancement Committee (CXEC). This committee completes a year-long process of learning about the importance of customer experience and developing solutions to agency problems using human-centered design methods. The 2023 committee of 40 people have taken their newly learned skills back to the field to assist agencies in better understanding customer's needs and values. Better meeting FPAC customer's needs enables better support for farmers through FPAC programs to grow our nation's food effectively, contributing to global food security. In addition, the CXEC Curriculum was redesigned, and we implemented a human centered design curriculum to educate and train the cohort in service design and improvement.

CXD created and implemented a monthly CX Highlights product. This product helps to infuse a Customer Experience mindset and approach into the FPAC way of engaging with internal and external customers. In addition, the monthly highlights product was implemented within the Performance Accountability, and Risk (PAR) division to support better visibility and insights to our internal and external audit programs.

CXD continued to directly train our stakeholders on Customer Experience approaches. CXD trained 65 employees on Customer Experience during the Oklahoma NRCS New Employee In-Person Training, and CXD trained the NRCS Urban Ag Office on Customer Experience.

CXD assisted with brainstorming and itemizing features to be developed in Farmers.gov that was put into an 18-month roadmap.

CXD supported NRCS with a program that has significant internal and external impact - NRCS Soil survey deployed internal survey and external interviews – synthesized findings and provided recommendations.

CXD supported review of multiple FSA Farm Loans documents using the customer lens to make complicated concepts easier to understand.

CXD supported FPAC Agencies to utilize the Customer Experience Clearance Umbrella for Paperwork Reduction Act (PRA) Approval to collect valuable customer data. This included a feedback survey for current farmers.gov users to understand what features need improvement or full development.

Acquisition Management

Acquisitions awarded 1,165 new contracts valued at \$194 million (obligated) and 1,302 modifications valued at \$95 million (obligated), totaling 2,467 total actions valued at \$289 million. Acquisitions oversaw 1,797 micro-purchase program participants in making 96,461 transactions, totaling \$45,4 million,

Acquisitions exceeded small business participation goals through the awarding of contracts to small businesses (74 percent awarded versus USDA goal of 55 percent). Also, exceeded the small-disadvantaged business goal (47 percent awarded versus FPAC goal of 38 percent).

Acquisitions significantly increased utilization of the purchase card Expanded Use Program (EUP) piloted by FPAC since 2022, which allows cardholders to make certain purchases up to \$25,000. Increased the number of program actions by 227 percent (22 to 72 orders) from 2022 to 2023. EUP was heavily utilized by NRCS Easements Division in 2023 to improve the efficiency and timeliness of title verifications. This resulted in a 50 percent reduction in the time it takes to obtain a title verification. Additionally, it allowed title verification work to continue through the end of the fiscal year instead of ending in July had the verifications been completed through traditional contracting methods. The GPC EUP was also utilized at the end of 2023 to place 57 orders for laptops, desktops, tablets, and Apple products. The normal contracting process to complete these orders takes approximately 24 labor-hours. In comparison, orders placed by the new process reduces the time to award to four hours. This was an estimated labor-hour cost savings in 2023 of \$51,000. Utilization of the GPC EUP also ensures that all of the IT items purchased are of the most current equipment make and model. The IT Services Division is collaborating with the Acquisitions Division to further increase the utilization of the GPC EUP in 2024. The Easements use of the EUP reduced by 74 percent the number of Easements related contracting actions under \$25,000 performed by FPAC Acquisitions Division, which allowed Contracting Officers to focus on more complex, high priority contracting actions. In 2023, Acquisition Division labor-hours for purchases under \$25,000 were reduced by 90 percent with an estimated labor hour cost savings of \$144,000. The average time from receipt of a requisition in IAS to issuance of an order for actions under the simplified acquisition threshold is 31 days. Comparatively, the average time for a cardholder to place an order under this process is only two days, which is a 93 percent reduction in lead-time. The expedited time to place an order is a significant benefit to both the FPAC-BC and the mission area partner. Acquisitions was awarded a high priority contract for the establishment of the Urban Agriculture Service Center, the first of its kind, under an accelerated timeframe of six days. This enabled the Philadelphia Urban Agriculture Service Center to open on schedule (Aug 2023), with significant cost savings to government due to the reutilization of furniture.

Acquisitions collaborated with the Risk Management Agency (RMA) to establish a long-term solution to their Diversity Outreach program which targets specific diverse demographics. The collaboration resulted in establishing a \$4 million contract to provide diversity outreach services for five years. The result of this contract provides greater awareness of RMA programs amongst underserved groups and provides technical guidance on how these groups can be more successful in establishing agreements with RMA.

Management Services Division (MSD)

MSD submitted FPAC's 2024 Capital Investment Plan of nearly \$361 million to the Office of Property and Environment Management, encompassing comprehensive aspects such as acquisition, construction, operations and maintenance, and disposal. This plan reflects a holistic approach to managing FPAC's real property assets.

FPAC real property financial management (i.e., rent and operations projects) Planned, Programming, Budgeting, and Execution provided leadership oversight of fiscal year 2023 rent budget totaling \$260 million.

In accordance with Circular A11, Exhibit 54, MSD reconciled 2023 (i.e., prior year) rent, and developed the current year, budget year, and budget year +1 total projection of \$735 million.

MSD successfully executed the Secretary's four real property management priorities for USDA: strengthening the USDA delegated lease program, Identifying USDA's space optimization opportunities, improving real property data integrity, and Modernizing USDA's office spaces.

- Strengthening the USDA Delegated Lease Program:
 - Total lease actions completed June 2022 – September 2023 is 903.
 - 733 total lease actions completed removing leases from holdover.
 - 170 total lease awards pending construction.
 - September production significantly exceeded monthly goal of 50 lease actions by completing a total of 104.

MSD is improving real property data integrity through a targeted focus on key pressure points focused on data integrity, utilization rate, structures entered as buildings and additional key points. In February 2023, the USDA Real Property Data Quality Improvement (RPDQI) performance metrics identified seven out of 12 performance elements that were in the red, at risk or high concern. With continued focus on improvements FPAC completed the fiscal year 2023 with only one in the red. External factors outside of FPAC impact the remaining performance elements.

MSD successfully developed and initiated FPAC's inaugural energy program in line with Executive Order 14057. Developed FPAC's energy baselines to further establish the mission area's strategic goal, objectives, and required roadmap to achieve net-zero building emissions by 2045 (50 percent reduction by 2032); reduce greenhouse gas emissions by 65 percent by 2030; cut energy and water use intensity by 2030; achieve net-zero procurement emissions by 2050; ensure climate-resilient infrastructure; foster a climate-focused workforce; promote environmental justice and equity; and drive progress through partnerships, both domestic and international. These achievements highlight our dedication to clean energy, sustainability, and a resilient future.

MSD spearheaded the establishment of the FPAC Fleet Electrification Program Management Office, a critical initiative aimed at overseeing the execution of EO 14057. This directive mandates a complete transition to electric vehicles for our light-duty vehicles by 2027 and medium-duty vehicles by 2035, aligning our organization with environmentally sustainable practices. MSD implemented and sustained an optimized FPAC vehicle fleet by introducing efficient fleet management practices. Notably, we achieved a milestone with telematics technology, which is now installed on 90 percent of our fleet vehicles, enhancing efficiency, and reducing operational costs. MSD pioneered the creation of the inaugural Directive focused on Federal Management Regulation 120-34. This directive establishes MSD's fleet authority and oversight, ensuring rigorous compliance standards were met throughout FPAC, resulting in increased efficiency and accountability.

MSD established and effectively managed the FPAC Project Management Office (PMO), offering centralized portfolio management services and 80 project management tools and templated to FPAC customers and stakeholders. This enhanced project coordination and execution, ensuring that projects were completed on time and within budget.

MSD successfully fulfilling 134 orders valued at over \$7.6 million for the efficient Furniture, Fixtures, and Equipment (FF&E) Program. This contributed significantly to our operational efficiency by providing our teams with the necessary resources to excel.

MSD managed financial resources and orchestrated the interagency Kansas City Space Optimization Project, resulting in substantial cost avoidance of \$9 million and the ahead-of-schedule closure and relocation of the Beacon Facility. This project served as a testament to our strategic resource management capabilities and fiscal responsibility.

MSD developed an implementation plan supporting enterprise access and use of FPAC's Digital Records Management System for approximately 22,000 employees. The plan advances FPAC's capacity to meet its obligations and responsibilities to transition to a fully electronic records management environment.

MSD developed an FPAC Forms design infrastructure to support FPAC compliance with Executive Order 14058: Transforming Federal Customer Experience and Service Delivery To Rebuild Trust in Government by designing and posting an Office of Management and Budget (OMB) approved form that streamlines and reduces FSA Farm Loan Program application from ten loan related forms (i.e., totaling 29 pages) to a single form.

MSD received and responded to over 10,000 service tickets, and delivered exceptional customer experiences achieving 80 percent client satisfaction.

Civil Rights and Equal Employment Opportunity Division (CREEOD)

CREEOD achieved 100 percent on time rate for all Title VI (program) complaints processed and a 99 percent on time rate for Title VII (EEO) complaints processed. The EEO Team responded to 191 EEO inquiries, resulting in 90 informal complaints, 44 involved Alternative Dispute Resolution (ADR) for a 51.16 percent acceptance rate, exceeding EEOC's 50 percent acceptance rate goal. ADR resulted in 13 cases either settling or formal complaints not filed resulting in an ADR success rate of 39 percent: a 21 percent improvement from 2022.

CREEOD received 66 program complaint requests for counseling and all counseling was conducted within the required 30-day timeline, initiated 47 case closures in 2023 that concluded several years of program compliant case work, assisted agencies with hiring by conducting 73 EEO interview observations for sensitive and supervisory positions; also produced new FPAC EEO Observer guidance in 2023.

CREEOD improved customer mediation options by initiating a five-year \$25,000 interagency agreement (IAA) with the Federal Mediation and Conciliation Service (FMCS), executed 210 Limited English Proficiency requests (25 percent increase from 2022) resulting in over 800 different products spanning 41 separate languages, and produced 16 unique and interesting cultural observances exceeding the benchmark by 50 percent of eight per year.

CREEOD training exceeded its 2023 goal of 20 events by 300 percent in offering 80 trainings many including DEIA concepts delivered via multiple webcams and new in-person forums.

CREEOD conducted 8 Compliance Reviews and 1 Special Review; the reviews generated 25 separate reports covering 150 service centers and Approved Insurance Providers (AIP) from the following states: AZ, MS, CA, CT/RI, CO, LA, FL, VT.

Office of the Secretary of Civil Rights (OASCR) tasked the CREEOD to conduct an optically sensitive review in Louisiana. This was a significant effort with over 11 different sets of survey questions resulting in a detailed and comprehensive report lauded by the Deputy Assistant Secretary of Civil Rights, FPAC Under Secretary, and the Office of General Counsel.

Performance, Accountability, and Risk (PAR)

PAR worked with stakeholders to ensure risk response plans were established for all identified enterprise risks, managed 100 percent of payment integrity testing and reporting for FSA and NRCS by established due dates, completed with 100 percent satisfaction rate a process improvement facilitation and training, strengthened partnerships across FPAC by reducing the inventory of dated audit recommendations (older than 1 year) by 42 percent, and trained 94 FPAC employees on Lean Six Sigma Green and Yellow Belt (increased from 90 by end of 2024).

Homeland Security Division

In personnel security Homeland Security averaged 11.7 days to issue a Security Initial Determination, successfully enrolling all FPAC employees with National Security clearance into Rap Back and Continuous Evaluation programs to comply with the PAC's trusted workforce initiative and enhance workforce security. Homeland Security implemented communication and implementation strategies to transition background investigation initiations from e-Qip (the expired web-based automated system) to eApp (a sleeker and more advanced system) streamlining the process and reducing errors for DOD compliance.

Homeland Security organized 20 stakeholder meetings to educate our FPAC customers on Personnel Security procedures, enhancing customer relationships and reducing background investigation processing deficiencies. Homeland Security collaborated with cross-functional teams to enhance employee onboarding and retention processes and address concerns identified by new hires and hiring officials.

In physical security, Homeland Security conducted 60 trips to more than 200 FPAC facilities to assess and improve security measures, provided training to more than 8,000 FPAC employees in more than 35 states, managed 168 threats to FPAC employees, facilities, and customers, and conducted 168 facility assessments.

In the Emergency Management Branch, Homeland Security managed 11 all-hazards emergencies to FPAC employees, facilities, and customers, represented FPAC in USDA planning for FEMA annual National Level Exercise series, Eagle Horizon, continuity exercises, led FPAC Devolution & Emergency Relocation Groups through FEMA National Level Exercise modules in May and August 2023, completed assessment of FPAC Continuity Site and Senior Leadership training in Phoenix, AZ, coordinated with Phoenix Federal Executive Board in support of Arizona State Office with the goal of including USDA on board.

Homeland Security is representing FPAC-BC with Montana State Executive Director in planning for an upcoming Weapons of Mass Destruction (WMD) interagency exercise.

Homeland Security Coordinated annual validation of delegations for Agricultural Priorities and Allocations System regulations, and issued FPAC Interim Emergency Management Plan

In regional customer service, Homeland Security represented FPAC-BC through USDA Kansas City move from Beacon Complex to Bannister Facility, represented FPAC-BC in construction of secure facilities at Bannister, led improvement of security countermeasures at FPAC service center in Athens, GA, managed FPAC Devolution activity during FEMA annual National Level Exercise (known as Eagle Horizon), in May 202, and organized and managed FPAC Physical Security training workshop in San Antonio, TX.