



Report to the Ranking Member,  
Committee on Agriculture, Nutrition and  
Forestry, U.S. Senate

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March 2016

# USDA ADMINISTRATIVE SERVICES

## Streamlining Efforts Ongoing, but Actions Needed to Monitor Progress, Identify Benefits, and Share Lessons Learned

Accessible Version

# GAO Highlights

Highlights of [GAO-16-168](#), a report to the Ranking Member, Committee on Agriculture, Nutrition and Forestry, U.S. Senate

## Why GAO Did This Study

USDA has identified streamlining and improving administrative services—such as budget, finance, human resources, and procurement—as a priority to cut costs and modernize operations. With budget authority estimated at \$151.5 billion in fiscal year 2015, USDA employs nearly 100,000 people organized into 18 agencies and 10 major staff offices.

GAO was asked to review USDA's efforts to streamline and improve administrative services. This report (1) describes USDA efforts to streamline and improve administrative services since 2011 and (2) examines whether opportunities exist to strengthen these efforts. GAO reviewed relevant laws, regulations, executive orders, and USDA documents. GAO also interviewed officials from the Office of the Assistant Secretary for Administration and from a nongeneralizable sample of agencies and staff offices—selected based on their missions and responsibilities—about their efforts.

## What GAO Recommends

GAO recommends, among other things, that USDA (1) identify and document key information to monitor all Blueprint efforts, (2) document the methodologies used for Blueprint savings estimates, (3) develop a cost-effective method to track administrative spending, and (4) maintain and promote existing tools for information-sharing. USDA stated it recognized the benefits of the recommendations but noted the associated costs also need to be considered. GAO continues to believe the recommendations are valid, as discussed in the report.

View [GAO-16-168](#). For more information, contact Steve D. Morris at (202) 512-3841 or [morris@gao.gov](mailto:morris@gao.gov).

March 2016

## USDA ADMINISTRATIVE SERVICES

### Streamlining Efforts Ongoing, but Actions Needed to Monitor Progress, Identify Benefits, and Share Lessons Learned

#### What GAO Found

The U.S. Department of Agriculture's (USDA) efforts to streamline and improve administrative services began in mid-2011 and have evolved since then. Initially, USDA launched a department-wide initiative to improve administrative services and selected 27 recommendations for implementation. USDA officials said 25 of the 27 had been implemented, and 2 were in progress, as of October 2015. For example, USDA has centralized investigations of equal employment opportunity discrimination complaints and has consolidated the department's 700-plus cellular phone contracts to roughly 30. In January 2012, USDA launched a broader initiative called the Blueprint for Stronger Service (Blueprint). The Blueprint includes efforts to streamline and improve administrative and program operations. USDA is now focusing on four priority areas: workers' compensation, strategic sourcing (improving procurement and contracting), shared service centers for certain administrative services, and space utilization (improving space management of USDA-owned and leased property). In addition to department-wide Blueprint efforts, agencies and staff offices have initiated their own efforts to streamline and improve administrative services.

GAO found that there may be opportunities for USDA to strengthen the Blueprint in three areas—monitoring progress, identifying and tracking benefits, and sharing lessons learned:

- **Monitoring progress:** USDA has tracked the status of some Blueprint efforts but has not identified all of the Blueprint efforts under way or documented key information to monitor progress, such as time frames for completion and performance measures. As a result, USDA management's ability to conduct top-level reviews is limited and, therefore, USDA cannot effectively track the status of all efforts and ensure the Blueprint is fully achieving results. Federal standards for internal control call for agencies to employ control activities, such as top-level reviews of actual performance, to enforce management's directives and achieve effective results.
- **Identifying and tracking benefits:** USDA has claimed about \$1.4 billion in estimated savings from the Blueprint, including efforts to streamline and improve administrative services, but has not documented the methodologies for developing this estimate. Without such documentation, USDA cannot have reasonable assurance of the accuracy and reliability of any financial savings from its Blueprint efforts. USDA also does not track administrative spending to target Blueprint efforts to achieve savings in improving services. Reliable information on the costs of federal activities is crucial for effective management of government operations.
- **Sharing lessons learned:** USDA does not consistently maintain and promote the use of existing tools to document and share information on agencies' and offices' lessons learned from Blueprint efforts to streamline and improve administrative services. For example, other agencies could have benefitted from lessons learned from USDA's Natural Resources Conservation Service's use of outside consultants. By maintaining and promoting the use of existing tools to share lessons learned, USDA could help agencies and staff offices learn from past successes and mistakes.

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## Abbreviations

APHIS	Animal and Plant Health Inspection Service
ARS	Agricultural Research Service
ASP	Administrative Solutions Project
Blueprint	Blueprint for Stronger Service
FSIS	Food Safety and Inspection Service
NRCS	Natural Resources Conservation Service
OMB	Office of Management and Budget
USDA	U.S. Department of Agriculture

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March 15, 2016

The Honorable Debbie Stabenow  
Ranking Member  
Committee on Agriculture, Nutrition and Forestry  
United States Senate

Dear Senator Stabenow:

The current fiscal environment and expectations for a high-performing and efficient government underscore the need for federal agencies to focus on program results and customer needs, work across organizational lines to help minimize any overlap and duplication, and build internal management capacity. Since fiscal year 2010, according to the Secretary of Agriculture, the U.S. Department of Agriculture's (USDA) budget has been reduced by more than 10 percent and the agency has experienced a reduction of more than the equivalent of 10,000 federal employees.<sup>1</sup> As one of the largest departments in the federal government, USDA employs nearly 100,000 people and consists of 18 agencies and 10 major staff offices. The Secretary of Agriculture has identified streamlining and improving administrative services as a priority to cut costs and modernize operations. Administrative services—such as budget, finance, human resources, and procurement—help the department achieve its mission and program goals and are performed throughout USDA's organizational structure at the headquarters, regional, state, and local levels. According to USDA officials, USDA's efforts to streamline and improve these services have enabled the department to provide the same level of program services in the face of recent budget and staff reductions.

As we have previously reported, addressing the federal government's long-term fiscal challenge will require a multipronged approach, including constraining discretionary spending.<sup>2</sup> The Budget Control Act of 2011 imposes overall limits on discretionary appropriations for fiscal years 2012

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<sup>1</sup>USDA had an overall budget authority estimated at \$151.5 billion in fiscal year 2015.

<sup>2</sup>GAO, *Streamlining Government: Key Practices from Select Efficiency Initiatives Should Be Shared Governmentwide*, [GAO-11-908](#) (Washington, D.C.: Sept. 30, 2011).

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through 2021 to reduce projected spending by almost \$1 trillion. The act also imposes a sequestration process on discretionary appropriations through fiscal year 2021 and on mandatory spending through fiscal year 2025 to reduce projected spending by an additional \$1.2 trillion.<sup>3</sup> As we previously reported, these spending constraints, combined with the focus on performance envisioned in the GPRA Modernization Act of 2010,<sup>4</sup> mean that agencies will need to become more efficient with fewer resources and find ways to eliminate ineffective and wasteful practices.<sup>5</sup>

In June 2011, USDA launched an initiative intended to focus on finding better, more effective and efficient ways to deliver eight administrative services—budget, civil rights, finance, homeland security, human resources, information technology, procurement, and property management. Recognizing that there would be continued pressure on the federal budget, requiring agencies to make better use of limited resources and improve overall efficiency, USDA stated that it had “a challenge, and an opportunity... to face change head-on and work to build a better and stronger USDA.” According to USDA documentation, the department chose to focus on these eight administrative services because of their importance in ensuring the successful delivery of USDA programs and because of their presence in each of USDA’s seven mission areas.<sup>6</sup> In January 2012, the Secretary launched a broader, department-wide effort to review USDA’s operations, from headquarters to field offices, called the Blueprint for Stronger Service, which includes administrative services.

You asked us to review USDA’s efforts to streamline and improve administrative services. This report (1) describes USDA efforts to

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<sup>3</sup>Pub. L. No. 112-25, 125 Stat. 240, *amending the* Balanced Budget and Emergency Deficit Control Act of 1985, Pub. L. 99-177, Tit. II, 99 Stat. 1038 (codified as amended at 2 U.S.C. §§ 901, 901a).

<sup>4</sup>Pub. L. No. 111-352, 124 Stat. 3866 (2011). The GPRA Modernization Act of 2010 updated provisions of the Government Performance and Results Act of 1993, Pub. L. No. 103-62, 107 Stat. 285, which is commonly referred to by the acronym GPRA.

<sup>5</sup>[GAO-11-908](#).

<sup>6</sup>USDA organizes its 18 agencies into seven groups of agencies with similar missions, called mission areas. USDA’s seven mission areas are Farm and Foreign Agricultural Services; Food, Nutrition, and Consumer Services; Food Safety; Marketing and Regulatory Programs; Natural Resources and Environment; Research, Education, and Economics; and Rural Development.

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streamline and improve administrative services since 2011 and (2) examines opportunities, if any, to strengthen these efforts.

To conduct our work for these objectives, we reviewed relevant laws; regulations; executive orders; Office of Management and Budget circulars, memorandums, and other documents related to improving government efficiency and effectiveness; and *Standards for Internal Control in the Federal Government*.<sup>7</sup> We also reviewed USDA organizational charts, budget summaries and annual performance plans for fiscal years 2015 and 2016, department news releases, and other documents relevant to USDA's efforts to streamline and improve the eight administrative services.

In addition, we interviewed officials from a nongeneralizable sample of 9 of the 18 USDA agencies, 4 of the 10 major staff offices, and 4 sub-offices within one of the major staff offices, about their specific efforts (hereafter, we generally refer to major staff offices and sub-offices collectively as staff offices).<sup>8</sup> These officials included the Special Assistant to the Assistant Secretary for Administration—the key official responsible for coordinating department-wide efforts to streamline and improve administrative services (referred to in this report as the Blueprint coordinator). We selected at least one agency for each mission area, and we selected the staff offices based on their respective responsibilities for delivering and/or overseeing the eight administrative services. Because we selected a nongeneralizable sample of agencies and staff offices to review, the information obtained from these interviews is not generalizable to other USDA agencies and staff offices, but it provides illustrative information. Furthermore, we reviewed our relevant prior reports, such as those relating to USDA management and performance,

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<sup>7</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

<sup>8</sup>We interviewed officials from nine USDA agencies: Agricultural Research Service, Animal and Plant Health Inspection Service, Farm Service Agency, Food and Nutrition Service, Food Safety and Inspection Service, Natural Resources Conservation Service, Rural Business Cooperative Service, Rural Housing Service, and Rural Utilities Service. We also interviewed officials from four major staff offices—Office of Budget and Program Analysis, Office of the Assistant Secretary for Administration, Office of the Assistant Secretary for Civil Rights, and Office of the Chief Financial Officer—as well as officials from four sub-offices within the Office of the Assistant Secretary for Administration (Office of Chief Information Officer, Office of Homeland Security and Emergency Coordination, Office of Human Resource Management, and Office of Procurement and Property Management).

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federal efforts to streamline operations and achieve organizational transformation, and documenting and assessing lessons learned (a list of related products is included at the end of this report). We also reviewed documents and interviewed officials from USDA's Office of Inspector General about their work related to administrative services, including findings in USDA's annual financial reports for fiscal years 2012 through 2014.

More specifically, to describe USDA efforts to streamline and improve administrative services since 2011, we also reviewed the department-wide *Strategic Plan FY 2014-2018*; USDA internal communications regarding implementation of department-wide efforts to streamline and improve administrative services, including senior management meeting agendas, meeting minutes, and briefing memorandums prepared for the Secretary; and documents from USDA agencies and staff offices regarding their own specific efforts. To examine whether any opportunities exist to strengthen USDA's efforts to streamline and improve administrative services, we examined (1) the extent to which USDA had identified all of these efforts and documented key information needed to monitor their progress, along with the resources USDA committed at the department level for managing these efforts; (2) documentation on the methodologies USDA used for estimating financial benefits for these efforts, information on the extent to which USDA tracked administrative spending, and documentation on nonfinancial benefits; and (3) the extent to which USDA agencies and staff offices have shared experiences and lessons learned.

We conducted this performance audit from October 2014 through March 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The eight administrative services that were the focus of our review, and the activities that USDA's agencies and staff offices perform under each of these services, are described in table 1.

**Table 1: General Descriptions of Eight Administrative Services at the U.S. Department of Agriculture (USDA)**

<b>USDA administrative service</b>	<b>General description of activities involved</b>
Budget	Providing oversight and issuing departmental regulations, guidance, and policy for budget services. Formulating and executing budgets; preparing budget justifications, allotments, and allocations; <sup>a</sup> developing budget policies and procedures; analyzing proposed legislation for budget- and program-related implications; obligating and expending funds.
Civil rights	Providing oversight and issuing departmental regulations, guidance, and policy for civil rights services. Processing and investigating program and equal employment opportunity discrimination complaints; using alternative dispute resolution to resolve complaints; administering discrimination appeals; evaluating agency programs for civil rights concerns; providing civil rights training.
Finance	Providing oversight and issuing departmental regulations, guidance, and policy for finance services. Developing and maintaining financial systems; monitoring the financial execution of USDA's budget; processing financial reports; preparing consolidated financial statements; establishing a system of internal controls; developing USDA's strategic plan and annual performance plan; developing policies, guidance, and standards for cost accounting, travel, and cash management.
Homeland security	Providing oversight and issuing departmental regulations, guidance, and policy for homeland security services. Ensuring the continuation of essential operations in an emergency; serving as the emergency management focal point in response to natural or man-made disasters; safeguarding classified and national security material; determining employees' suitability to occupy sensitive positions and eligibility to access classified or national security information; providing physical security for facilities, personnel, and assets; conducting security training; ensuring safe use of radiation sources.
Human resources	Providing oversight and issuing departmental regulations, guidance, and policy for human resources services. Executing and overseeing recruitment and hiring, pay and leave administration, performance management, promotions, employee development, incentive programs, employee benefits, retirement, workers' compensation, employee discipline, transit subsidy program, succession and human capital planning, and workforce planning.
Information technology	Providing oversight and issuing departmental regulations, guidance, and policy for information technology services. Designing computer system applications software and databases; developing, operating, and maintaining an information technology infrastructure that includes computers, telecommunications networks, messaging, web services, and contract services; providing technical assistance; developing policies and programs for information technology planning and operations; performing security activities; monitoring contractor performance.
Procurement	Providing oversight and issuing departmental acquisition regulations, guidance, and policy for procurement services. Developing, executing, and overseeing the acquisition of supplies, equipment, services, and construction; managing the purchase card program; overseeing acquisition workforce training and certification; planning to achieve USDA's small business procurement preference goals; implementing procurement-related vendor suspension and debarment proceedings.
Property management	Providing oversight and issuing departmental regulations, guidance, and policy for real and personal property acquisition, vehicle management, space management, utilization, security, and disposal services; supporting sustainability and energy savings programs. Controlling the acquisition, utilization, and disposal of real and personal property, motor vehicles, and facilities; arranging for utilities, repairs, alterations, and services for offices; assuring proper maintenance, security, and safety of owned or occupied space and property; directing moves of personnel, offices, and equipment; implementing motor vehicle assignments, utilization, and replacements; assigning parking; managing photo identification card issuance.

Source: GAO analysis of U.S. Department of Agriculture information. | GAO-16-168

<sup>a</sup>An allotment is an authorization by either the agency head or another authorized employee to subordinates to incur obligations within a specified amount.

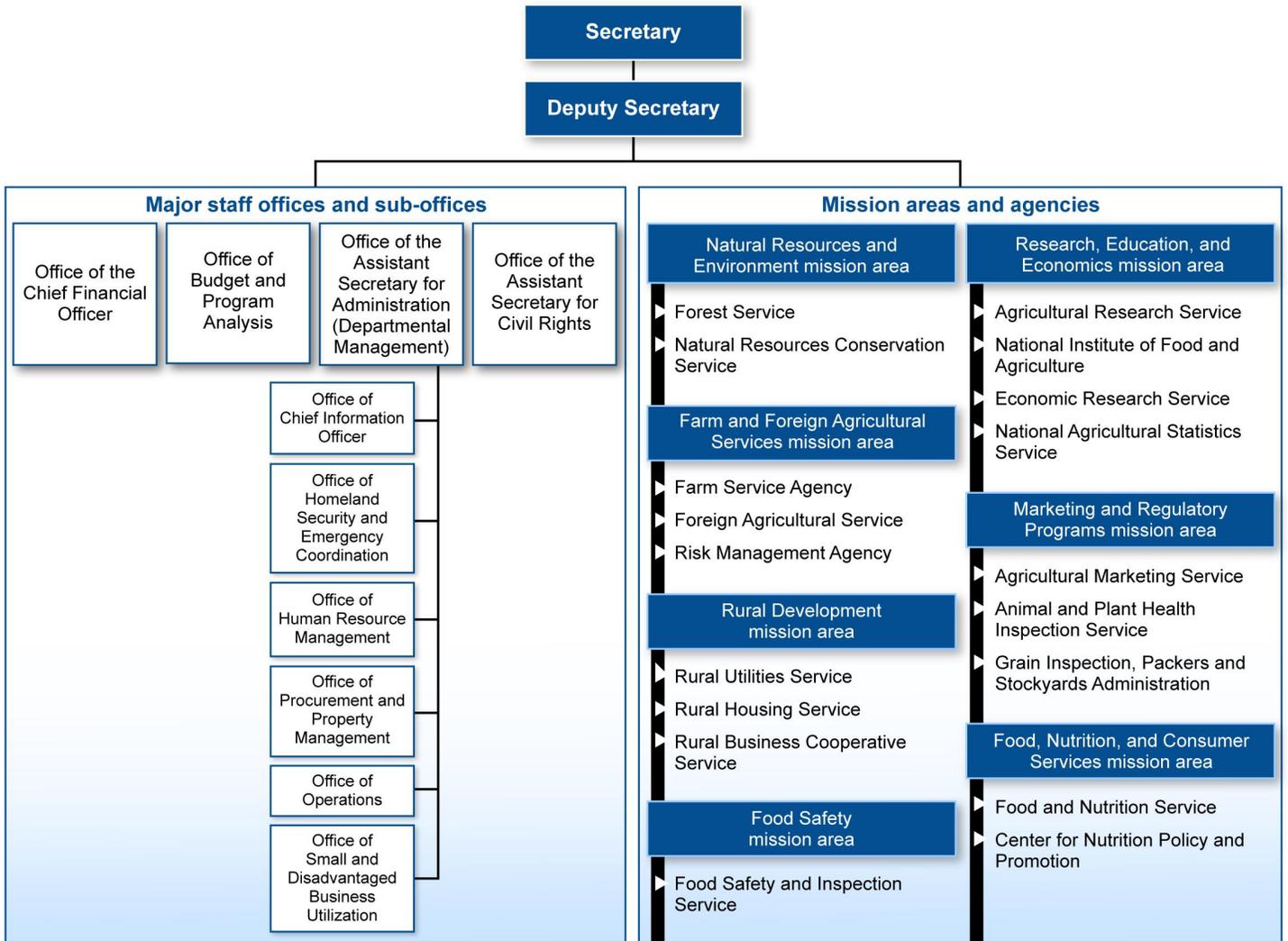
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At USDA, 4 of the 10 major department-level staff offices, 6 sub-offices, and 18 agencies are responsible for overseeing or delivering these 8 administrative services (see fig. 1).<sup>9</sup> USDA's 18 agencies carry out the department's program responsibilities through 7 mission areas. For example, the Rural Development mission area includes three agencies—Rural Utilities Service, Rural Housing Service, and Rural Business Cooperative Service—that share a common mission to improve the economy and quality of life in rural America.

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<sup>9</sup>According to USDA officials, the remaining six major staff offices—Chief Economist; Director, National Appeals Division; Director of Communications; Inspector General; General Counsel; and Assistant Secretary for Congressional Relations—support the eight administrative services to a lesser extent.

**Figure 1: U.S. Department of Agriculture Major Staff Offices, Sub-Offices, and Agencies by Mission Area That Deliver One or More of Eight Administrative Services**



Source: GAO analysis of U.S. Department of Agriculture information. | GAO-16-168

In general, the staff offices develop regulations, guidance, and policies describing how agencies should deliver administrative services and oversee the agencies' performance. The Office of the Chief Financial Officer oversees finance services; the Office of Budget and Program Analysis, departmental budget formulation and execution services; and the Office of the Assistant Secretary for Civil Rights, civil rights services.

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The fourth major staff office, Departmental Management, has six sub-offices that oversee the remaining five administrative services—the Office of Chief Information Officer oversees information technology services; the Office of Homeland Security and Emergency Coordination, homeland security services; the Office of Human Resource Management, human resources services; the Office of Procurement and Property Management, procurement and property management services; the Office of Operations, property management services in the National Capital Region; and the Office of Small and Disadvantaged Business Utilization, small business procurement services. In addition, some staff offices perform administrative services in support of departmental operations. For example, the Office of the Assistant Secretary for Civil Rights plays a key role in delivering civil rights services, such as investigating discrimination complaints and performing alternative dispute resolution, throughout the department. Similarly, the Office of Budget and Program Analysis and the Office of the Chief Financial Officer play key roles in developing and executing USDA’s annual budget for all components of the department.

Offices within USDA’s 18 agencies generally deliver the administrative services. Across USDA, most agencies deliver most administrative services for themselves. For example, 14 agencies deliver their own information technology services, and 12 agencies deliver their own human resources services. According to USDA officials, the agencies are to follow the policies and guidance developed by the staff offices but are left considerable discretion in how they deliver administrative services based on their mission and program needs. Further, according to USDA documentation and officials, the service delivery structure varies from agency to agency and is typically handled by an agency’s field offices (regional, state, or local offices).

In some instances, administrative services are delivered to some or all agencies through mission areas, shared service providers, or departmental centers of excellence.<sup>10</sup> In the case of the Rural Development

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<sup>10</sup>USDA defines a shared service provider as an entity (agency, office, or sub-unit of an agency or office) that delivers common services (e.g., human resources staffing and classification) for the benefit of other agencies or offices. A center of excellence is a single entity that provides a unique service for the benefit of multiple agencies and offices. The primary distinction between a shared service provider and center of excellence is whether the service being provided is unique and is therefore provided by only one entity within the department.

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mission area, offices within the mission area provide all eight administrative services for the three agencies in that mission area. In April 2015, the Food Safety and Inspection Service became a shared service provider of human resources services for two agencies—the Food and Nutrition Service and the Center for Nutrition Policy and Promotion. In September 2013, USDA launched a center of excellence in which the Rural Development mission area also provides financial and accounting services to the Farm Service Agency. Other examples of services delivered through centers of excellence include investigating equal employment opportunity complaints and providing human resources services for senior executive service employees and political appointees.

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## USDA's Efforts to Streamline and Improve Administrative Services Have Evolved Since 2011

USDA's efforts to streamline and improve administrative services started in June 2011, when USDA launched a department-wide initiative called the Administrative Solutions Project (ASP). According to USDA documentation, ASP was intended to find more effective and efficient ways to deliver 8 administrative services—budget, civil rights, finance, homeland security, human resources, information technology, procurement, and property management.<sup>11</sup> In undertaking this initiative, USDA created committees for each of the administrative services, consisting of managers from each of the department's seven mission areas as well as employee representatives. These committees focused on identifying how the administrative services were being delivered, including areas of similarity or overlap, and evaluating service delivery methods and models. In addition, working groups composed of technical experts from across USDA reviewed in greater detail how agencies and staff offices received administrative services.

Through these committees, in September 2011, USDA identified 379 recommendations to maintain or improve the 8 administrative services. According to USDA documentation, these recommendations ranged from process improvement activities that could be completed in the course of normal business operations to organizational realignments requiring additional review and planning to implement. Of the 379 recommendations, 133 recommended maintaining the status quo for the way that administrative services were being delivered and required no

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<sup>11</sup> ASP is described in *USDA Strengthening Service through Administrative Solutions* (Washington, D.C.: Jan. 2012).

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further action; 27 recommendations were selected in November 2011 for near-term implementation because there was general consensus among ASP participants that those recommendations made good business sense; and the remaining 219 recommendations were left pending at that time. According to USDA officials, 25 of the 27 recommendations selected for near-term implementation had been implemented, and 2 were in the process of being implemented, as of October 2015. For example, USDA has consolidated the department's 700-plus cellular phone contracts to roughly 30 contracts, and it has centralized within the Office of the Assistant Secretary for Civil Rights investigations of equal employment opportunity discrimination complaints for all USDA agencies. (See app. I for descriptions of these 27 recommendations and the reported status of their implementation.)

As previously noted, in January 2012, the Secretary launched a broader, department-wide effort to review USDA's operations, from headquarters to field offices, called the Blueprint for Stronger Service (Blueprint). In addition to incorporating ASP efforts to streamline and improve administrative services, the Blueprint encompasses efforts to improve the administration of programs and delivery of program benefits to USDA's customers, and to reduce costs through selected office closures and other measures.<sup>12</sup> At that time, the Secretary directed agencies to take steps to cut costs, modernize operations, and better utilize employees to achieve better results for USDA's customers and greater efficiencies for American taxpayers.

By January 2013, according to the Blueprint coordinator, USDA had decided to postpone indefinitely the 219 remaining ASP recommendations due to the number of employees across the department that would be required to work on them.<sup>13</sup> Instead, USDA shifted its focus away from the ASP recommendations to four "priority areas" that cut across administrative services and USDA programs, and where USDA anticipated the greatest results would be achieved. These four priority areas are:

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<sup>12</sup>In 2012, as part of the Blueprint, USDA closed 249 domestic offices, facilities, and laboratories across the country, as well as 7 foreign offices; continued an initiative called Cultural Transformation to broaden diversity within USDA's workforce; and initiated several efforts to cut costs such as for travel and printing.

<sup>13</sup>As of October 2015, these 219 recommendations continued to be pending, according to USDA officials.

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- **Workers' compensation.** Identifying ways to improve case management and medical care for injured workers, reduce paperwork processing time, and expedite reemployment.
  - **Strategic sourcing.** Identifying ways to centralize and improve procurement and contracting.
  - **Marketplace for shared services.** Creating centers of excellence and shared service providers for certain administrative services.
  - **Space utilization.** Identifying ways to improve space management, including consolidation, of USDA-owned and leased property.

In addition to the Blueprint's four priority areas, in April 2013, USDA launched a "signature process improvement" initiative to identify ways to streamline processes and procedures used by its agencies and staff offices to carry out their operations. According to USDA documentation and officials, the signature process improvement initiative is part of the Blueprint and focuses on ways to gain efficiencies primarily related to delivery of program benefits, but this initiative may also streamline or improve the delivery of administrative services. For example, USDA's Office of the Chief Financial Officer improved the process for employees to obtain login access to the National Finance Center's website for their personal payroll information.<sup>14</sup> According to the USDA official who oversees the signature process improvement initiative, the initiative has resulted in a dramatic decrease in the length of time required for employees to obtain login access.

Since January 2013, USDA's Blueprint efforts have focused on the continued implementation of the four priority areas, with particular focus on space utilization and strategic sourcing starting in January 2014. As part of its efforts to improve space utilization, USDA identified the need to address a large number of expired leases at field offices across the country. This subsequently resulted in the creation of a leasing center of excellence to streamline the process for managing and renewing leases

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<sup>14</sup>The Office of the Chief Financial Officer manages the National Finance Center, which handles payroll for 170 federal agencies with a total of about 650,000 employees.

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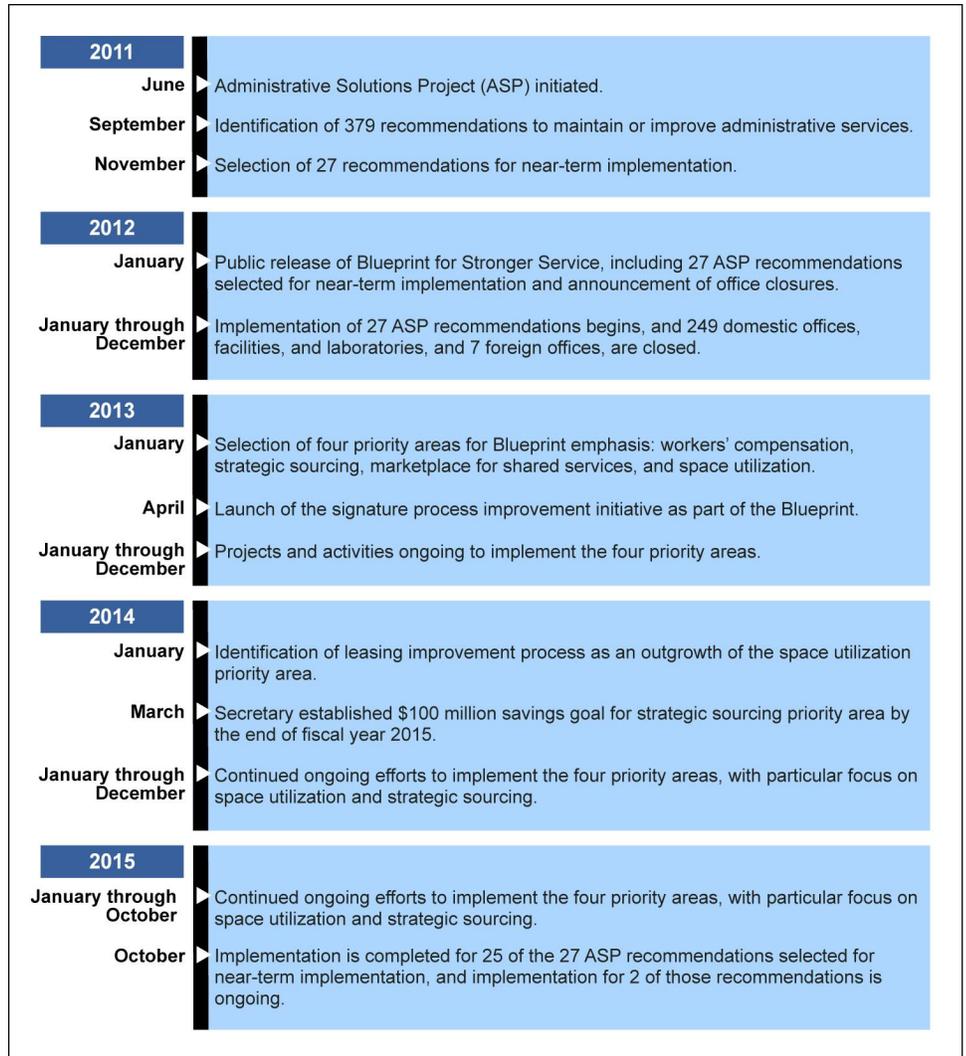
in a timely manner.<sup>15</sup> Regarding strategic sourcing, in March 2014, the Secretary set a goal for USDA to identify \$100 million in savings by the end of fiscal year 2015.<sup>16</sup> (See fig. 2 for a time line of USDA’s key efforts to streamline and improve administrative services since 2011.)

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<sup>15</sup>According to the Blueprint coordinator, more than 50 percent of the leases held collectively by three USDA agencies—the Farm Service Agency, Natural Resources Conservation Service, and Rural Development—had expired in the spring of 2014, which prompted the creation of the leasing center of excellence. The center, led by USDA’s Office of Procurement and Property Management, is technically a task force and did not result in an organizational change. As of March 2015, according to USDA documentation, the center had reduced the number of expired leases by 95 percent.

<sup>16</sup>As of October 2015, USDA reported the department had achieved \$2.4 million towards the \$100 million strategic sourcing savings goal. According to the Blueprint coordinator, one of the primary reasons USDA did not reach this goal is that in fiscal year 2015, USDA focused on establishing a new strategic sourcing process for four key areas: vehicles, information technology hardware and software, real property, and laboratory supplies. Because USDA spent most of 2015 analyzing opportunities for strategic sourcing improvements, the Blueprint coordinator stated, the department did not award contracts until late in the year. USDA expects, however, that significant savings will occur in fiscal year 2016, based on the contracts awarded in late 2015. Another reason for the low level of strategic sourcing savings achieved so far, the Blueprint coordinator said, is that USDA is establishing a consistent methodology and reporting framework to define and capture savings, which is intended to enable agencies to more effectively report results from strategically sourced contracts.

**Figure 2: Time Line of the U.S. Department of Agriculture’s Key Efforts to Streamline and Improve Administrative Services since 2011**



Source: GAO analysis of U.S. Department of Agriculture information. | GAO-16-168

Through our interviews with USDA officials, we learned that in addition to the overall Blueprint effort, agencies and staff offices have identified and initiated their own efforts to streamline and improve administrative services. For example, in 2012, the Agricultural Research Service (ARS) reorganized eight regional offices into three virtual service centers to improve delivery of several administrative services to four agencies and

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to achieve cost-savings.<sup>17</sup> According to ARS documentation and officials, this reorganization “broke down stove pipe barriers,” redistributed the workload across geographic locations, and leveraged technology to support process improvements. In addition, ARS created a web-based system—the Administrative and Financial Management Customer Service Portal—to handle requests from the four agencies for those administrative services. Customers from these agencies enter a service request into the portal and receive notifications of progress, and ARS administrative officers are able to view the status of service requests. According to ARS documentation and officials, the portal has provided numerous benefits to ARS staff and managers, as well as customers, by improving service request transparency, workload balance, support continuity, standardization of processes, and data analysis, among other things. ARS documentation and officials also indicated that ARS management uses the portal to quickly measure ARS performance in fulfilling service requests.

In another case, in 2013, the Natural Resources Conservation Service (NRCS) began transforming the delivery of five administrative services—budget, finance, human resources, procurement, and property management—through a comprehensive reorganization effort.<sup>18</sup>

According to NRCS documentation, this reorganization included the creation of virtual teams to deliver services nationally, with an increased emphasis on support and oversight, analytics and reporting, strategy and accountability, and consistent service delivery. The agency initially piloted national service delivery teams to focus on certain services in hiring and staffing (human resources), vehicle management and disposals (property management), and accounts receivable (finance). According to NRCS officials, throughout 2014, the agency deployed interim teams to provide national service to customers in 8 of 12 planned administrative service areas. When fully implemented, NRCS officials said these teams will

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<sup>17</sup> According to ARS documentation and agency officials, ARS’ Administrative and Financial Management unit provides several administrative services to ARS, as well as the three other agencies in the Research, Education & Economics mission area: Economic Research Service, National Agricultural Statistics Service, and National Institute of Food and Agriculture. These administrative services include financial management, homeland security, human resources, information technology, procurement, and property management.

<sup>18</sup> For NRCS’s purposes, NRCS groups these five administrative services as three services: budget and finance, human resources, and procurement and property management.

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allow its administrative professionals to specialize and become subject matter experts in the services they provide to customers (e.g., NRCS employees) across the country, thereby improving the quality and timeliness of service. This service delivery model contrasts with the former model, whereby employees were “spread too thin” in providing a full range of administrative services only to customers in the state in which they were located. NRCS officials explained that the agency is changing its service delivery model to improve the consistency and efficiency of service, lower costs, and maximize employees’ talents, skills, and career opportunities.

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### USDA May Have Opportunities to Strengthen the Blueprint in Three Areas—Monitoring Progress, Identifying and Tracking Benefits, and Sharing Lessons Learned

We found that there may be opportunities for USDA to strengthen the Blueprint, including efforts to streamline and improve administrative services, in three areas. Those opportunities include (1) identifying all efforts under way and documenting key information needed to monitor their progress, such as time frames for completion and performance measures, along with reexamining the resources committed to managing Blueprint efforts at the department level; (2) documenting the methodologies used to calculate any financial savings from these efforts, collecting and tracking administrative spending data, and systematically documenting any nonfinancial benefits; and (3) consistently maintaining and promoting the use of existing tools to share information on agencies’ and staff offices’ lessons learned from these efforts.

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### USDA Has Not Tracked the Status of All Blueprint Efforts or Documented Key Information for Monitoring Progress, and May Not Be Committing Sufficient Resources to Manage the Blueprint

USDA has tracked the status of some Blueprint efforts, including efforts to streamline and improve administrative services, but USDA has not identified all of the Blueprint efforts under way or comprehensively documented key information to monitor progress, such as time frames and performance measures. As a result, the department has not been able to conduct a top-level review of all of these efforts to ensure that USDA is fully achieving results. USDA also may not be committing sufficient resources to managing the Blueprint at the department level.

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USDA Has Not Identified and Tracked the Status of All Blueprint Efforts to Streamline and Improve Administrative Services

Since the Blueprint was launched in 2012, USDA has not identified or tracked the status of all of the efforts under way, including efforts to streamline and improve administrative services, or comprehensively documented key information to monitor the Blueprint's progress, such as time frames for completion and performance measures. As a result, USDA management's ability to conduct top-level reviews is limited and, therefore, USDA cannot ensure that the Blueprint is fully achieving results. According to the Blueprint coordinator, USDA has not identified all department-wide and agency-specific Blueprint efforts—completed, ongoing, and planned. We asked the coordinator for a complete list of efforts across the department, including agency-specific efforts, to streamline and improve administrative services, but the coordinator was unable to provide one. Instead, the coordinator and USDA senior managers referred us to individual agencies and staff offices to obtain information on their specific efforts.

In our interviews with officials from USDA agencies and staff offices, some officials indicated their agency or office had undertaken significant efforts to streamline and improve administrative services, and others said that their agency or office had made limited efforts, in recent years.<sup>19</sup> For example, as discussed, ARS consolidated eight regional offices into three virtual service centers and created a portal to handle requests from four agencies for several administrative services, and NRCS has begun reorganizing the delivery of five administrative services through the creation of national service delivery teams. On the other hand, officials from the Animal and Plant Health Inspection Service (APHIS) said that since 2012, their agency has extended certain financial and human resources services to some agencies outside its mission area, but otherwise, APHIS last took major steps to consolidate its administrative services about 20 years ago,<sup>20</sup> in response to the Department of Agriculture Reorganization Act of

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<sup>19</sup>We do not know the extent to which other USDA agencies and staff offices have efforts under way to streamline and improve administrative services, as we focused on nine agencies, four major staff offices, and four sub-offices we interviewed.

<sup>20</sup>According to APHIS officials, the agency's Marketing and Regulatory Programs Business Services unit provides finance, human resources, procurement, property management, security, and related administrative services to the three agencies—the Agricultural Marketing Service, APHIS, and the Grain Inspection, Packers and Stockyards Administration—in the Marketing and Regulatory Programs mission area. In addition, APHIS officials stated that the agency provides human resources services to NRCS national headquarters, the Foreign Agricultural Service, and the Merit Systems Protection Board; and debt accounts receivable services to the Food Safety and Inspection Service.

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1994.<sup>21</sup> In addition, officials from the Office of Budget and Program Analysis stated that USDA has determined that no major efforts to streamline and improve budget services are necessary, although the office has taken steps to strengthen the department's budget formulation process and created a USDA Budget Officers Council to facilitate more regular meetings.

Under federal standards for internal control,<sup>22</sup> federal agencies are to employ control activities, such as top-level reviews of actual performance, to enforce management's directives, ensure accountability for stewardship of government resources, and achieve effective results. As USDA has not identified a complete list of all department-wide and agency-specific Blueprint efforts, it has not been able to conduct top-level reviews of all Blueprint efforts consistent with these standards. According to USDA officials, senior managers from across the department meet on a biweekly or monthly basis, in part to discuss progress in implementing the Blueprint. The Blueprint coordinator said that he also meets with the Secretary twice a month to report on the Blueprint's status. However, without a complete list of Blueprint efforts and the ability to conduct top-level reviews of all of those efforts, USDA cannot determine whether the Blueprint is fully achieving the desired streamlining and improvement of administrative services and related savings. In addition, providing upper-level management, including the Secretary, with full visibility of all Blueprint activities at USDA agencies and staff offices would increase accountability for the agencies and staff offices to complete their efforts, and improve USDA's ability to report on progress to Congress, the Administration, and the public.

In addition, USDA has not comprehensively documented key information needed to monitor the Blueprint—including efforts to streamline and improve administrative services—such as the status of implementation, specific time frames for completion, and related performance measures. Without such information, it may be difficult for the department to assess the progress being made, identify needed adjustments, and hold accountable the officials responsible for their completion. For example, while USDA officials told us they hold regular senior management meetings to discuss Blueprint efforts, meeting minutes have not been taken since September 2013 because the employee who had done so

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<sup>21</sup>Pub. L. No. 103-354, Tit. II, 108 Stat. 3209.

<sup>22</sup>[GAO/AIMD-00-21.3.1](#).

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was reassigned and has not been replaced. Furthermore, in our review of briefing memorandums prepared for the Secretary regarding the Blueprint, we found that the memorandums did not provide the Secretary with information on the status of implementation for all Blueprint efforts; the memorandums we reviewed generally provided a high-level overview of the status of the 27 ASP recommendations selected for near-term implementation, financial savings, and the department's four priority areas—but did not encompass other, agency- and staff office-specific efforts to streamline and improve administrative services.

When we asked about a time frame for implementing the Blueprint's various efforts, USDA officials said that conceptually, the need to improve administrative services will be an ongoing effort that will likely never be completed; nonetheless, USDA is aiming to implement as many improvements as possible in the four priority areas by the end of 2016. In response to our request, USDA assembled a time line with past and current events related to the Blueprint, but the time line did not generally include specific efforts and time frames for completion, and USDA was unable to provide us any document with that information. As shown in figure 2 above, the time line indicates that USDA has continued its ongoing efforts through October 2015 to implement the four priority areas, with particular emphasis on space utilization and strategic sourcing, but provides no further detail or information on future planned efforts and related time frames.

USDA's multi-year strategic plan (*Strategic Plan FY 2014-2018*) identifies high-level goals and performance measures for some aspects of the Blueprint. Specifically, in Goal 5 (Create a USDA for the 21st century that is high-performing, efficient, and adaptable), USDA includes performance measures for some Blueprint efforts, such as:

- Achieve savings of 1 million or more cumulative staff hours through implementation of process improvement initiatives by 2018;
- Reduce office and warehouse space controlled or operated by the department to 35.3 million square feet in 2018 (compared with 38.2 million square feet in 2013);<sup>23</sup>

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<sup>23</sup>According to the Blueprint coordinator, although the Blueprint is unlikely to transition to a new administration, some of its efforts may continue in 2017 and beyond, such as space management and strategic sourcing. In addition, this official said the strategic plan has a 5-year time frame, but a new administration may develop a new strategic plan reflecting different priorities.

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- Increase USDA procurement spending through federal-wide strategic sourcing and other initiatives to \$36.3 million in 2018 (a 10-percent increase from \$33 million in 2013);<sup>24</sup> and
  - Reduce number of USDA-controlled vehicles to 38,373 in 2018 (a 5-percent reduction from 40,393 in 2013).

In addition, as we previously reported,<sup>25</sup> USDA's Office of Budget and Program Analysis and relevant agencies provide regular performance updates to the Secretary on the status of its strategic goals and objectives, including a summary of progress, actual performance results compared to targets, a discussion of challenges that could affect outcomes, and a description of next steps to improve performance. This information is a good start to enable USDA management, Congress, and the public to monitor the progress of some aspects of the Blueprint, and we recognize that the department's strategic plan is not intended to cover all aspects of this effort. However, separately documenting a full range of time frames for completion and performance measures for all aspects of the Blueprint, including efforts to streamline and improve administrative services, would help the department comprehensively monitor progress and ensure the Blueprint's success.

In our prior body of work on streamlining initiatives and organizational transformation, we have shown that by setting and publicizing specific goals and an implementation time line from day one, an organization builds momentum and keeps employees motivated about the opportunities change brings, thereby helping ensure an initiative's successful completion.<sup>26</sup> Specifically, we have shown that a major change initiative (in this case, the Blueprint) is a substantial commitment that could take years to complete, and therefore, it must be carefully and closely managed. To do so, we have shown that it is essential to establish and track

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<sup>24</sup>According to the Blueprint coordinator, this performance measure refers to efforts to increase centralized, department-wide purchases within USDA or in conjunction with other federal agencies, allowing greater leverage and economies of scale, to achieve savings compared to purchases made by individual agencies and staff offices.

<sup>25</sup>GAO, *Managing for Results: Practices for Effective Agency Strategic Reviews*, [GAO-15-602](#) (Washington, D.C.: July 29, 2015). In this report, we examined strategic review documentation and interviewed officials from six selected agencies, including USDA.

<sup>26</sup>[GAO-11-908](#). Also see GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2, 2003).

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implementation goals and establish a time line to pinpoint performance shortfalls and gaps and, if necessary, suggest midcourse corrections.<sup>27</sup>

Furthermore, in *USDA Strengthening Service through Administrative Solutions*, USDA compiled a list of best practices that it identified as being necessary for any complex organizational change, based on prior USDA and other federal agencies' experiences in streamlining administrative services. USDA reported that this list was developed to guide ASP (later subsumed by the Blueprint) and to evaluate results. Among other things, USDA identified committed leadership, meaningful performance measures, and monitoring progress as best practices. Specifically, USDA stated that without strong leadership at all levels, but especially at the top of the decision-making chain, a project is likely to fail. USDA also stated that meaningful performance measures are required for accountability to demonstrate progress and verify results, and for political support and funding—and that performance measures should be detailed, meaningful, and broad enough to allow an accurate, ongoing evaluation of the entire project. USDA also stated that it is important to monitor progress and attempt to stay on schedule to avoid losing momentum.

Without a complete list of Blueprint efforts and information on specific time frames for completion and related performance measures, USDA management's ability to conduct top-level reviews is limited and, therefore, USDA cannot fully assess the progress being made, pinpoint any performance shortfalls and gaps, suggest midcourse corrections as needed, and hold accountable the officials responsible for their completion. The Blueprint coordinator acknowledged that a complete list of Blueprint efforts and documentation of key information to monitor progress would be very helpful. For example, this official said such information would (1) raise awareness internally of all the efforts occurring across USDA, (2) provide a more formal structure for agencies and staff offices to identify where they could build on others' successes and adapt those successes for their own purposes, (3) provide the Secretary with a greater understanding of all the efforts under way and better prepare the Secretary to provide that information to Congress and the public, (4) assist USDA management in overseeing Blueprint efforts, and (5) provide a "legacy" document to assist the next administration in recognizing what has been achieved and what remains to be done.

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<sup>27</sup> [GAO-03-669](#).

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USDA May Not Be Committing Sufficient Resources to Managing the Blueprint at the Department Level

USDA may not be committing sufficient staffing and budget resources at the departmental level to oversee and coordinate the Blueprint. According to the Blueprint coordinator, USDA has not been able to identify all Blueprint efforts and comprehensively document key information needed to monitor progress with the level of staff the department has committed to managing the Blueprint at the department level. In addition, the coordinator said, the Blueprint has evolved from being a “top-down” approach—where department-wide teams evaluated potential ways to improve administrative services—to one where the various agencies and staff offices are encouraged to identify ways to improve their own operations, including administrative services. In taking this approach, the coordinator explained, the department’s goal is to transcend administrations and ingrain a culture of agencies looking within to improve operations. However, based on our discussions with officials from several USDA agencies and staff offices, this approach has led to varying levels of effort. USDA officials described the department’s culture as a confederation of loosely affiliated agencies and offices and stated that the Blueprint’s implementation largely depends on a coalition of the willing. This voluntary arrangement has led some agencies to undertake significant efforts to streamline and improve their administrative services, as discussed, while other agencies and staff offices have taken limited action. In addition, without sufficient staff committed at the departmental level to oversee and coordinate Blueprint efforts, USDA management may not be fully informed of all results and benefits that have been achieved or where the greatest opportunities for improvement remain.

According to USDA officials, hundreds of employees are working at least part of their time on Blueprint efforts at agencies and staff offices department-wide. However, USDA has 1.5 full-time equivalent employees and an employee on a part-time detail to coordinate all Blueprint efforts on what the Blueprint coordinator called a “shoestring budget.” This official said, in retrospect, that he could have asked for more staff and budget resources, especially given the fact that USDA’s agencies and offices operate with relative independence and given the extent to which Blueprint efforts currently depend on voluntary participation. As we have shown in our prior body of work on streamlining initiatives and organizational transformation,<sup>28</sup> dedicating a strong and stable implementation team that will be responsible for the day-to-day management of key

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<sup>28</sup>[GAO-11-908](#). Also see [GAO-03-669](#).

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change efforts is important to ensuring that these efforts receive the focused, full-time attention needed to be sustained and successful. Also, we have shown that it is important that the team be given the necessary authority and resources to set priorities, make timely decisions, and move quickly to implement top leadership's decisions regarding the major change. By reexamining the adequacy of the resources USDA has committed to managing the Blueprint at the departmental level, USDA could determine whether these resources are sufficient to oversee and coordinate the Blueprint efforts under way across its agencies and staff offices or whether USDA needs to further leverage existing departmental resources.

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**USDA Has Not Sufficiently Documented Methodologies for Calculating Financial Benefits, Tracked Administrative Spending Data, or Systematically Documented Nonfinancial Benefits**

USDA has identified financial and nonfinancial benefits from the Blueprint, including efforts to streamline and improve administrative services. The department has publicly claimed in news releases about \$1.4 billion in estimated savings, efficiencies, and cost avoidances from the Blueprint efforts, including efforts to streamline and improve administrative services, but generally has not documented its methodology for calculating these estimated savings. Moreover, USDA does not collect and track spending data on administrative services that could help USDA benchmark past spending, project future spending, target Blueprint efforts for achieving greater savings, and monitor progress in improving administrative service delivery. USDA also has identified examples of nonfinancial benefits from the Blueprint, such as improved communication and quality of service, but is not systematically identifying and tracking these benefits.

**USDA Has Claimed about \$1.4 Billion in Estimated Savings from the Blueprint Efforts, but Has Not documented the Methodologies for Developing This Estimate**

USDA's Blueprint efforts, including efforts to streamline and improve administrative services, are ongoing. In numerous news releases, USDA claimed about \$1.4 billion in estimated savings for fiscal years 2010 through 2014 from 15 Blueprint efforts:

- Improved oversight of advisory contracts
- Agency-specific efforts
- Strategic sourcing
- Office closures
- Travel efficiencies
- Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments
- Real property disposals/terminated projects (not including office closures)
- Sustainability – energy savings

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- Improved space management
  - Information technology service and hosting efficiencies
  - Streamlined information technology purchases
  - Reduced publications and printing
  - Centralized supply purchases
  - Promotional item reductions
  - Telework – transit subsidy avoidance

USDA did not provide sufficient information on the methodologies used to develop the savings estimate for these 15 Blueprint efforts. Specifically, for each of these 15 efforts, we asked for the methodology used, including the data used and the source of the data, but the Blueprint coordinator was unable to provide all of the requested information. In addition, the coordinator did not provide us all other information needed for us to assess the reliability of the methodologies used to calculate the savings estimate. For example, the coordinator was unable to provide us with sufficient information on how the estimated savings were calculated for all of these efforts, including the reason for selecting the baseline year used for each estimate,<sup>29</sup> whether each estimate is for a single point in time (e.g., for a 1-year or 2-year period) or continues to be adjusted periodically and why, or whether the cost data used for calculating the savings were measured in a consistent manner. According to the Office of Management and Budget's (OMB) guidance on estimating costs and benefits during regulatory analysis,<sup>30</sup> an analysis should be transparent, and it should be possible for a qualified third party to see clearly how the department arrived at its estimate. Although the OMB guidance does not apply to calculating savings estimates for Blueprint efforts, it serves as an example of a best practice. Further, OMB's guidance states that in calculating benefits and costs, the department should use an appropriate baseline. The Blueprint coordinator said that he would have to go back to numerous agencies and staff offices to try to obtain this information. During an October 2015 meeting with the coordinator and officials from most of the agencies and staff offices in our review, USDA officials requested an opportunity to provide

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<sup>29</sup>The baseline year is important for determining whether savings are being measured from the same point in time and whether the year represents typical spending by the department, according to the Office of Management and Budget's Circular No. A-4, *Regulatory Analysis*, Sept. 17, 2003.

<sup>30</sup>Office of Management and Budget, Circular No. A-4, *Regulatory Analysis*, Sept. 17, 2003. See also Office of Management and Budget, Circular No. A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*, Oct. 29, 1992.

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additional information describing the methodologies used to develop the savings estimate. We agreed to the request; however, the additional information provided was also insufficient to assess the reliability of the methodologies used. Without such information on how the calculations of the savings estimate were performed, we are unable to assess whether the methodologies used were sound.

We have shown in prior work on the Information Quality Act the importance and widespread use of federal information, making its accuracy imperative.<sup>31</sup> The Information Quality Act requires OMB to issue government-wide guidelines to ensure and maximize the quality, objectivity, utility, and integrity of information, including statistical information, disseminated to the public.<sup>32</sup> In addition, this act requires agencies to issue their own guidelines. According to USDA's website, in implementing its information quality guidelines, the department acknowledges that ensuring the quality of information is as important as other departmental management objectives, such as ensuring the success of agency missions, observing budget and resource priorities and restraints, and providing useful information to the public. The website states that USDA agencies and offices will strive to ensure that the information they disseminate is substantively accurate, reliable, unbiased, and presented in an accurate, clear, complete, and unbiased manner. Without the documentation on how the calculation of the savings estimate was performed for the 15 Blueprint efforts, it will be difficult for USDA to provide reasonable assurance that the methodology is sound and any financial savings resulting from the Blueprint are accurate and reliable.

The Blueprint coordinator compiled the combined savings estimate for all 15 Blueprint efforts from cost and savings data that were self-reported by the agencies either to offices responsible for collecting the data or directly to the coordinator. For example, the Office of the Chief Financial Officer collected cost data and calculated the savings estimate for the travel efficiencies effort, but the Blueprint coordinator collected any savings estimated by agencies for the agency-specific efforts. This official said he

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<sup>31</sup>GAO, *Information Quality Act: Expanded Oversight and Clearer Guidance by the Office of Management and Budget Could Improve Agencies' Implementation of the Act*, [GAO-06-765](#) (Washington, D.C.: Aug. 23, 2006).

<sup>32</sup>Consolidated Appropriations Act, 2001, Pub. L. No. 106-554, App. C, Tit. V, § 515, 114 Stat. 2763A-153, 2763A-154 (2000). The law is also referred to as the Data Quality Act.

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did not independently review the quality of any of the savings data reported by agencies, and when given an opportunity to do so after the October 2015 meeting, as discussed, none of the agencies or offices collecting cost or savings data for other efforts provided information describing any actions they took to review the quality of the data they reported to the coordinator. However, on its website, USDA states that its agencies and offices will review the quality (including objectivity, utility, and integrity) of information before it is disseminated to ensure that it complies with the standards set forth in the information quality guidelines.

Furthermore, information that USDA provided describing agency-specific efforts indicates that the savings claimed for a number of these efforts may have been double-counted. For example, USDA provided information describing an NRCS effort to close 24 local offices at the end of fiscal year 2012 that identified savings related to office closures and offering Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments to employees. According to the Blueprint coordinator, these savings would be included in the total savings claimed for “agency-specific efforts.” However, as shown in the list of Blueprint efforts above, USDA also claimed savings related to “office closures” and “Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments.” In addition, USDA provided information describing an agency-specific effort in which ARS claimed it achieved natural gas cost savings by entering into a natural gas auction. However, the list of Blueprint efforts shows USDA also claimed savings for a Blueprint effort called “sustainability - energy savings,” which includes savings from implementing energy-saving practices and working with utility companies to reduce expenditures. USDA provided information describing an agency-specific strategic sourcing effort in which the Food Safety and Inspection Service (FSIS) achieved savings related to office supply, delivery service, and other contracting expenses. However, the list of Blueprint efforts shows USDA also claimed savings related to “strategic sourcing.” The Blueprint coordinator said that the savings related to the agency-specific efforts occurred after the savings from the other Blueprint efforts, which occurred in fiscal years 2012 and 2013, and thus the savings for agency-specific and other Blueprint efforts were not double-counted. However, the information describing NRCS’s, ARS’s, and FSIS’s efforts indicates that the savings occurred in fiscal years 2010 through 2013, not later, and the Blueprint coordinator was unable to provide us documentation clearly showing that the savings from agency-specific efforts were not double-counted in the savings from other Blueprint efforts.

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USDA Does Not Collect and Track Administrative Spending Data That Could Be Used to Target Blueprint Efforts and Monitor Progress

USDA's estimated \$1.4 billion in savings, efficiencies, and cost avoidances from the 15 Blueprint efforts includes more than administrative service improvements, as the Blueprint encompasses efforts to reduce costs related to both administrative services and agency programs. According to the Blueprint coordinator, USDA was unable to identify how much of the savings estimate was specifically related to administrative services because USDA did not distinguish between the two when developing the savings estimate, and the line between whether an activity is purely an administrative service or a programmatic service is often blurred. For example, this official said the costs associated with information technology services used in the delivery of program benefits could be identified as either an administrative or programmatic expense. However, according to this official, the \$1.4 billion figure includes some savings that are clearly programmatic. For example, the coordinator said, a number of the employees who took advantage of the Voluntary Early Retirement Authority or Voluntary Separation Incentive Payments were staff responsible for program delivery, and therefore the savings related to their retirements would be programmatic.

USDA does not collect and track spending data on administrative services. If USDA collected and tracked such spending data, using existing systems, USDA could identify how much of the Blueprint savings estimate was specifically related to administrative services. Such information could help USDA benchmark past spending on administrative services, project future spending, target Blueprint efforts for achieving greater savings, and monitor progress in improving administrative service delivery. According to USDA officials, USDA's existing financial data system—Financial Management Modernization Initiative—does not track cost accounting data for administrative services that could be used to fully capture employee or contracting costs related to administrative services, but could be modified to do so. Further, USDA's department-wide time and attendance system, WebTA, is not configured to capture employee time spent on administrative services. USDA officials said they are reluctant to enhance the financial data system to track administrative service cost data because of agencies' cultural resistance. Specifically, the Blueprint coordinator said that agencies are concerned about consolidation and loss of control over administrative service delivery. In addition, a senior USDA official at one agency stated that enhancing the existing financial system would be costly and may not be worth the effort. However, an official from USDA's Office of the Chief Financial Officer indicated that modifying the existing financial system to track administrative service cost data is feasible but that the office has not conducted an analysis of what such changes may cost.

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USDA Has Identified Some Nonfinancial Benefits from Its Blueprint Efforts, but Is Not Systematically Identifying and Tracking These Benefits

Under federal standards for internal control,<sup>33</sup> managers need both operational and financial data to determine whether they are meeting their agencies' strategic and annual performance plans and meeting their goals for accountability for effective and efficient use of resources. In addition, according to federal financial accounting standards,<sup>34</sup> reliable information on the costs of federal activities is crucial for effective management of government operations, and managerial cost accounting is especially important for fulfilling the objective of assessing operating performance. These standards state that agencies and offices should measure the full cost of their outputs (e.g., the services they provide), including indirect costs, so that total operational costs can be determined. Examples of indirect costs include costs of general administrative services, general research and technical support, security, rent, employee health and recreation facilities, and operating and maintenance costs for buildings, equipment, and utilities (i.e., administrative spending). In addition, these standards state that, to the extent possible, indirect costs should be tracked and assigned to agencies' and offices' outputs. In our work on management and administration spending at the Department of Homeland Security, which is similar to USDA as a department with multiple component agencies and staff offices, we have shown that tracking spending on administrative services to identify resource needs is important for budgetary purposes.<sup>35</sup> Establishing a cost-effective method to track administrative service costs using existing data systems could help USDA benchmark past spending, project future spending, target Blueprint efforts for achieving greater savings, and monitor progress in improving administrative service delivery.

In addition to identifying financial benefits, USDA agencies have identified nonfinancial benefits from their department-wide and agency-specific Blueprint efforts. For example, NRCS officials said that through its efforts to establish national service delivery teams for five administrative services, NRCS is beginning to see some nonfinancial benefits, such as improved communication, reduced times to sell or transfer vehicles, and increased consistency in the delivery of service. ARS documentation and

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<sup>33</sup>GAO/AIMD-00-21.3.1.

<sup>34</sup>Federal Accounting Standards Advisory Board, *Statement of Federal Financial Accounting Standards 4: Managerial Cost Accounting Standards and Concepts*.

<sup>35</sup>GAO, *DHS Management and Administration Spending: Reliable Data Could Help DHS Better Estimate Resource Requests*, [GAO-14-27](#) (Washington, D.C.: Dec. 4, 2013).

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officials cited nonfinancial benefits from its use of the Administrative and Financial Management Customer Service Portal, including transparency of service requests, standardization of the processes, and the ability to measure timeliness. Among the nonfinancial benefits that USDA documentation and officials identified for other Blueprint efforts were reduced processing times, improved quality of service, increased accountability, and enhanced flow of information. However, according to the Blueprint coordinator, USDA has not attempted to comprehensively identify and track nonfinancial benefits from its Blueprint efforts.

In the course of our work, USDA officials made clear that their Blueprint efforts are not just about saving money, but also about improving administrative service delivery. In this regard, Goal 5 of USDA's strategic plan identifies, in part, nonfinancial performance objectives related to the Blueprint, such as increasing efficiencies and flexibility and reducing the time and effort required to deliver services. Further, as discussed, among the best practices USDA identified to guide its implementation of ASP were developing meaningful performance measures and monitoring progress. Systematically identifying and tracking nonfinancial benefits could help USDA develop such performance measures and better monitor its progress toward achieving the Blueprint's nonfinancial performance objectives. In discussing this matter with the Blueprint coordinator and other USDA officials, they generally agreed that systematically identifying and tracking nonfinancial benefits would be useful, but they said to do so would require USDA assigning more staff resources to overseeing Blueprint efforts at the department level. They also questioned whether pulling staff from other duties, including possibly their work to further implement Blueprint efforts, to identify and track nonfinancial benefits would be sensible. Nevertheless, without systematically identifying and tracking these benefits, USDA is without key information needed to oversee and evaluate the progress of its Blueprint efforts, including information necessary to make any needed adjustments to achieve even greater results. Further, identifying and tracking these benefits would better position USDA to report those benefits to Congress and the American public.

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## USDA Has Not Consistently Maintained and Promoted the Use of Existing Tools to Share Information on Agencies' and Staff Offices' Lessons Learned from Blueprint Efforts

USDA does not consistently maintain and actively promote the use of existing tools to document and share agencies' and staff offices' experiences and lessons learned from Blueprint efforts, including efforts to streamline and improve administrative services. According to the Blueprint coordinator, all USDA employees have access to the web-based collaboration tools USDA Connect and may be granted access to the tool SharePoint.<sup>36</sup> Many are using these tools to share experiences and lessons learned related to their Blueprint efforts. However, USDA does not actively promote the use of these tools for this purpose, and the information posted online is often dated because USDA has not assigned staff to ensure this information is kept current. For example, as of June 2015, ASP project information in USDA Connect had last been updated in January 2014. Alternatively, USDA officials said they consider regular senior management meetings to discuss Blueprint efforts to be an information-sharing mechanism, but, as discussed, meeting minutes have not been taken since September 2013. Further, USDA provided examples of meeting minutes taken on or before September 2013, but these minutes did not systematically discuss agencies' experiences and lessons learned, and, according to the Blueprint coordinator, these minutes were not readily accessible to staff implementing the Blueprint.

Federal standards for internal control indicate that agencies should identify, record, and distribute pertinent information to the right people in sufficient detail, in the right form, and at the appropriate time to enable them to carry out their duties and responsibilities.<sup>37</sup> In our body of work on streamlining and transformation, we have shown that managers of successful transformations seek to learn from best practices and lessons learned

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<sup>36</sup>USDA Connect is a social networking application available to USDA employees and contractors. Communities, blogs, and activities can be set up using this application to collect knowledge, exchange ideas, and organize efforts. One USDA Connect community includes information on USDA's ASP initiative. SharePoint provides collaboration space for documents, information, and ideas. A SharePoint site can help staff coordinate projects, calendars, and schedules; discuss ideas and review documents or proposals; and share information with stakeholders.

<sup>37</sup>[GAO/AIMD-00-21.3.1](#).

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wherever they may be found.<sup>38</sup> In addition, according to OMB’s guidance on the preparation, submission, and execution of the budget,<sup>39</sup> agencies should consider lessons learned from past efforts to continuously improve service delivery and resolve management challenges. Although the OMB budget guidance does not apply to documenting experiences from Blueprint efforts, it serves as an example of a best practice.

By maintaining and promoting the use of existing tools to document and share experiences and lessons learned, USDA could help agencies and staff offices learn from the successes of others and avoid past mistakes. For example, other agencies and staff offices could have benefitted from lessons learned from NRCS’s use of outside consultants to assist in streamlining and improving administrative services. NRCS used a consultant to analyze benchmarks and best practices to identify ways to reorganize service delivery. A senior NRCS official said the consultant provided an independent, objective perspective that was critical for employee buy-in of the agency’s reorganization for five administrative services. By documenting these experiences in existing tools, other agencies and staff offices could use the information to help them decide whether using a consultant could assist their efforts as well. The Blueprint coordinator agreed that there is a need for a mechanism within USDA to share lessons learned from Blueprint efforts, but there has been limited effort to promote the existing tools for that purpose. The coordinator said that the existing tools, if promoted and properly maintained, could be effective for sharing lessons learned information and thus USDA does not need to invest in a new system.

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## Conclusions

USDA is one of the largest departments in the federal government and has faced fiscal pressures in recent years amid high expectations to deliver program results and meet customer needs. USDA has taken a

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<sup>38</sup>[GAO-11-908](#). Also see GAO, *2013 Government Shutdown: Three Departments Reported Varying Degrees of Impacts on Operations, Grants, and Contracts*, [GAO-15-86](#) (Washington, D.C.: Oct. 15, 2014); GAO, *Streamlining Government: Questions to Consider When Evaluating Proposals to Consolidate Physical Infrastructure and Management Functions*, [GAO-12-542](#) (Washington, D.C.: May 23, 2012); and GAO, *Highlights of a GAO Forum: Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies*, [GAO-03-293SP](#) (Washington, D.C.: Nov. 14, 2002).

<sup>39</sup>Office of Management and Budget, Circular No. A-11, *Preparation, Submission, and Execution of the Budget* (2015).

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number of actions since 2011 to streamline and improve administrative services throughout the department. Broad initiatives such as the department's Blueprint are critical for reducing spending and eliminating ineffective and wasteful practices.

Opportunities exist to further strengthen Blueprint efforts in three key areas—monitoring progress, identifying and tracking benefits, and sharing lessons learned. To strengthen USDA management's oversight and to document the Blueprint's efforts for a future administration, USDA would benefit from developing a complete list identifying all the various efforts under way and documenting information needed to monitor progress, including status of implementation, time frames for completion, and related performance measures. In addition, providing upper-level management, including the Secretary, with full visibility of all Blueprint efforts at USDA agencies and staff offices would help sustain or build momentum for implementation, enable USDA to hold agencies and staff offices accountable for completing their efforts, serve as a basis for communicating USDA's progress to Congress and the public, and help USDA capture benefits resulting from efforts that otherwise might go unnoticed. Furthermore, USDA may not be committing sufficient staff and budget resources to managing its Blueprint efforts to ensure it has the capacity to identify and monitor the progress of and benefits from these efforts. USDA has made its Blueprint efforts a priority, but 1.5 full-time equivalent employees and an employee on a part-time detail are now managing these important efforts. According to the Blueprint coordinator, with this level of staff committed to managing the Blueprint at the department level, USDA has been unable to identify all Blueprint efforts and comprehensively document key information needed to monitor progress. By reexamining the adequacy of the resources USDA has committed to managing the Blueprint at the department level, USDA could determine whether these resources are sufficient to oversee and coordinate the Blueprint efforts under way across its agencies and staff offices or whether USDA needs to further leverage existing departmental resources.

USDA has claimed over a billion dollars in estimated savings from its Blueprint efforts but has not documented the methodologies used to calculate these estimated savings to ensure they are based on quality information. By doing so, USDA would be in a better position to defend the accuracy and reliability of any financial savings resulting from its Blueprint efforts. In addition, USDA has an opportunity to enhance its Blueprint efforts by building into its existing financial data systems the capability to track spending on administrative services. By establishing a

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cost-effective method to track administrative spending using existing data systems, USDA could benchmark past spending, project future spending, target Blueprint efforts for achieving greater savings, and monitor progress in improving administrative service delivery. In addition to identifying financial benefits, USDA has identified some nonfinancial benefits, but not in a comprehensive manner. Systematically identifying and tracking these benefits would better position USDA to report those benefits to Congress and the American public. Finally, USDA does not take full advantage of its existing web-based collaboration tools for documenting and sharing agencies' and staff offices' experiences and lessons learned from Blueprint efforts. By maintaining and promoting the use of these tools to do so, USDA could help agencies and staff offices learn from past successes and avoid past mistakes.

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## Recommendations for Executive Action

We are making six recommendations to the Secretary of Agriculture.

To strengthen USDA's ability to better manage and monitor the progress of the Blueprint, including efforts to streamline and improve administrative services, we recommend that the Secretary of Agriculture take the following actions:

- Direct the Assistant Secretary for Administration to develop a complete list identifying all of the Blueprint efforts under way and document key information needed to monitor their progress, such as status of implementation, time frames for completion, and related performance measures.
- Direct the Assistant Secretary for Administration to reexamine the adequacy of the staff and budget resources committed to the day-to-day management of the Blueprint, and further leverage existing departmental resources as needed.

To improve USDA's efforts to identify and track the benefits of the Blueprint, we recommend that the Secretary of Agriculture take the following actions:

- Direct the Assistant Secretary for Administration to document the methodologies used to calculate any savings claimed for the Blueprint effort to ensure any such estimate is based on quality information.
- Direct the Chief Financial Officer to develop a cost-effective method, using existing data systems, to collect and track USDA's spending on administrative services to identify baseline spending and target areas for future cost savings.

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- Direct the Assistant Secretary for Administration to systematically identify and track nonfinancial benefits from USDA's Blueprint efforts to better gauge the Blueprint's progress and more fully report its results.

To enhance USDA's efforts to share lessons learned from the Blueprint, we recommend that the Secretary of Agriculture take the following action:

- Direct the Assistant Secretary for Administration to maintain and promote existing web-based collaboration tools, including keeping information in these tools current, for agencies and staff offices to report their experiences and lessons learned from their Blueprint efforts to help strengthen internal information sharing and inform future efforts.

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## Agency Comments and Our Evaluation

We provided a draft of this report to USDA for its review and comment. In written comments, which are reproduced in appendix II, USDA said that in general it recognizes the potential benefits of the GAO recommendations but noted that the associated costs for such recommendations need to be considered prior to implementation. USDA did not directly comment on all six of the specific recommendations in the report but did discuss several points related to the report's findings and recommendations, as discussed below. In addition, USDA provided a technical correction, which we incorporated into the report as appropriate.

Related to strengthening USDA's ability to better manage and monitor the progress of the Blueprint, we recommended that USDA develop a complete list identifying all of the Blueprint efforts under way and document key information needed to monitor their progress, such as status of implementation, time frames for completion, and related performance measures. USDA stated that we recommended that additional reporting be implemented to better understand all Blueprint-related actions across USDA, but that since the department is diverse in its missions and also geographically distributed, such universal knowledge is difficult and striving for complete centralized control of all improvement activities may ultimately be counterproductive to the overall goal of the Blueprint. USDA further stated that through its Cultural Transformation initiative, the department has sought ways to expand the accountability and performance focus across its workforce. USDA concluded that certainly some improvements could be made to enhance reporting on Blueprint activities but such reporting could impede the development of an improvement-focused culture if the reporting became

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too restrictive. Despite USDA's concerns, we continue to believe that identifying all Blueprint efforts under way and documenting key information related to the status of those efforts is critical. For example, providing USDA's upper-level management, including the Secretary, with full visibility of all Blueprint efforts at USDA agencies and staff offices would help to sustain or build momentum for implementation, enable USDA to hold agencies and staff offices accountable for completing their efforts, serve as a basis for communicating USDA's progress to Congress and the public, and help USDA capture benefits from efforts that otherwise might go unnoticed. It would also better position USDA to communicate to the next administration what has been accomplished and what remains to be done under the Blueprint. Furthermore, improved tracking of Blueprint efforts at the department level does not equate to restricting implementation of Blueprint efforts at the agency and staff office level. The agencies and staff offices could still retain their current discretion as to how best to pursue their Blueprint efforts and would still be expected to take the initiative to implement those efforts. Also, reporting on these efforts to the department's upper-level management is needed for that management's oversight of the department's activities.

Related to strengthening USDA's ability to better manage and monitor the progress of the Blueprint, we also recommended that USDA reexamine the adequacy of the staff and budget resources committed to the day-to-day management of the Blueprint, and further leverage existing departmental resources as needed. USDA stated that on the surface, it certainly would appear that with additional staff dedicated at the department-level, then additional progress could be made through increased project oversight and data collection but that a challenge with implementing such a recommendation is that any additional resources dedicated for project management would need to be taken from another area. USDA concluded that such a trade-off may ultimately result in a reduction in the quality or amount of programmatic service provided to USDA's public customers. USDA also noted that despite the relatively small size of the team overseeing the Blueprint at the department level, there have been hundreds of USDA employees engaged in implementing Blueprint projects over the last few years. In this regard, USDA said that it has found it most effective to not limit its Blueprint implementation activities to a single team, but to engage the subject matter experts from across its agencies and staff offices to expand the buy-in of the Blueprint while leveraging its extensive and knowledgeable workforce. Despite USDA's concerns, we continue to believe that USDA needs to reexamine whether it is committing sufficient staff and budget resources to managing its Blueprint efforts at the department level. The Blueprint's

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implementation is a priority for the Secretary of Agriculture and, as stated in USDA's letter, has helped the department maintain a high level of program delivery despite relatively flat budgets and declining staffing levels since 2010. However, as discussed in the report, with the current small level of staff and budget resources committed to managing the Blueprint at the department level, USDA has been unable to identify all Blueprint efforts and comprehensively document key information needed to monitor the progress of and benefits from these efforts. We agree that any decision to dedicate additional staff and budget resources to oversee Blueprint efforts that may result from such a reexamination should not come at the expense of reducing the quality or amount of service provided to USDA's public customers. However, USDA may find that further leveraging departmental resources toward monitoring Blueprint efforts department-wide would help to ensure that these efforts receive the focused, full-time attention needed to be sustained and successful.

Related to improving efforts to identify and track benefits of the Blueprint, we made three recommendations, including for USDA to document the methodologies used to calculate any savings claimed for the Blueprint effort to ensure any such estimate is based on quality information. USDA stated that we identified that additional work is needed to ensure that the reporting of results is more systematically captured and calculated, and said that such a recommendation actually coincides with some improvements that the department has already started to implement during the course of our audit. USDA further stated that one such improvement is its establishment of common savings and cost avoidance methodologies as part of its strategic sourcing initiative. The department recognized the importance of improving the consistency with which it measured results from acquisition actions taken through strategic sourcing and shared-first procurement, and, as a result, it is in the process of establishing common tools to improve the calculation methodology for procurement actions. USDA concluded that once completed, these tools will further enhance the department's ability to track and report on achievements resulting from the Blueprint. This improvement is a good first step; however, we continue to believe it is important for USDA to document information on how the calculations of the savings estimate were performed to provide reasonable assurance that the methodology is sound and any financial savings resulting from the Blueprint are accurate and reliable.

Related to enhancing efforts to share lessons learned from the Blueprint, we recommended that USDA maintain and promote existing web-based collaboration tools, including keeping information in these tools current,

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for agencies and staff offices to report their experiences and lessons learned from their Blueprint efforts to help strengthen internal information sharing and inform future efforts. USDA said that it can see the benefit of improving the way in which it shares lessons learned as we recommend. In addition, USDA stated that not only would such information be of value throughout the department now and for future administrations but that the information could be of use for other departments. USDA stated that it has received several inquiries from other Cabinet-level departments seeking input on their own internal streamlining activities. USDA also said that further benefits may be possible by more fully documenting the processes and results achieved through the Blueprint.

USDA also commented on the costs and benefits of actions taken or not taken as part of the Blueprint. USDA stated that as part of our recommendations, we provided a number of examples of Blueprint-related actions for which we appeared to support organizational changes as they demonstrated “significant” efforts. USDA further stated that at the same time, however, we identified specific USDA organizations, such as APHIS, for not undertaking significant Blueprint-related reorganization actions. According to USDA, one challenge with such a comparison is that reorganizations often come with significant impacts, such as disruption of service, employee morale reductions, and financial costs. USDA noted that by implying or stating that APHIS or other organizations did not put forth appropriate effort because they did not reorganize within the past 5 years, the report presumes that any and all such organizational changes are beneficial. USDA concluded that further analysis would be needed to fully assess whether additional organizational changes would benefit the department and its employees and customers. We agree that any reorganization action needs to be carefully planned and its potential impacts fully considered before deciding whether to undertake that action. However, the purpose of our discussing in the report the Blueprint-related actions, or relative lack thereof, of some USDA agencies and staff offices was to illustrate that the level of effort to streamline and improve administrative services seemed to vary across USDA organizations, which was not well understood at the department level because of insufficient oversight and monitoring, as discussed in the report. For example, as noted in the report, the Blueprint coordinator and other senior USDA officials referred us to individual agencies and staff offices to obtain information on their specific Blueprint efforts because this type of information was lacking at the department level. As we note in the report, without identifying and tracking the status of all of the Blueprint efforts under way across its agencies and staff offices, USDA’s department-level management does not have the information needed to

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determine whether the efforts put forth by each agency and staff office are sufficient to ensure the Blueprint is fully achieving desired results.

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As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees; the Secretary of Agriculture; the Director, Office of Management and Budget; and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff members have any questions regarding this report, please contact me at (202) 512-3841 or [morriss@gao.gov](mailto:morriss@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink that reads "Steve D. Morris". The signature is written in a cursive, slightly slanted style.

Steve D. Morris  
Director, Natural Resources and Environment

# Appendix I: 27 Recommendations Selected for Near-Term Implementation in USDA's Administrative Solutions Project

Table 2 describes the 27 recommendations to improve administrative services that the U.S. Department of Agriculture (USDA) identified in the Administrative Solutions Project and selected for near-term implementation, along with the reported status of their implementation, as of October 2015.

**Table 2: 27 Recommendations to Improve Administrative Services Selected for Near-Term Implementation in the U.S. Department of Agriculture's (USDA) Administrative Solutions Project and the Reported Status of Their Implementation, as of October 2015**

Administrative service	Recommendation	Status of implementation
Civil rights	Centralize equal employment opportunity investigation services	Completed
	Agency civil rights directors should report to agency heads	Completed
	Agency civil rights staff should report to agency civil rights directors	Completed
	Establish a program complaint alternative dispute resolution process	Completed
Finance	Simplify accounts receivable in inspection programs	Completed
	Standardize loans receivable servicing across USDA	Completed
Homeland security	Establish USDA Security Council	Completed
	Improve prioritization/protection of USDA critical infrastructure (security assessments)	Completed
	Standardize USDA intrusion alarm monitoring	Completed
	Standardize security force management	Completed
	Improve oversight of security countermeasure life-cycle management	Completed
	Implement "suspicious activity reporting" policy	Completed
Human resources	Centralize executive resources servicing	Completed
	Create service center model for employee training and education	Completed
Information technology	Consolidate cellular phone contracts	Completed
	Create charter for geospatial center of excellence	Completed
	Establish "enterprise" contracts for standardized security products and service	Completed
Procurement	Establish a "strategic sourcing" program	Completed
	Develop department-wide procurement procedures	In progress <sup>a</sup>
	Establish a contract compliance and oversight process	In progress <sup>a</sup>
Property management	Standardize Bureau of Land Management leasing	Completed
	Establish real property leasing officer program	Completed
	Standardize real property disposal procedures	Completed
	Standardize real and personal property accountability procedures	Completed
	Standardize real property inventory control	Completed
	Standardize vehicle operations cost approval	Completed
	Standardize vehicle mileage tracking	Completed

Source: GAO analysis of U.S. Department of Agriculture information. | GAO-16-168.

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**Appendix I: 27 Recommendations Selected for  
Near-Term Implementation in USDA's  
Administrative Solutions Project**

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<sup>a</sup>According to the USDA Blueprint coordinator, implementation of these recommendations is ongoing as progress on the strategic sourcing program continues.

# Appendix II: Comments from the U.S. Department of Agriculture



FEB 19 2016

United States  
Department of  
Agriculture  
  
Assistant Secretary  
for Administration  
  
1400 Independence  
Avenue SW  
  
Washington, DC  
20250

Steve D. Morris  
Director  
Natural Resources and Environment Division  
Government Accountability Office

Director Morris:

Thank you for the opportunity to review and respond to the Government Accountability Office's (GAO) draft report on the Department of Agriculture's (USDA) streamlining of administrative services. As described in the report, GAO has examined the on-going, multi-year, Department-wide efforts of USDA to identify and implement efficiencies and improvements in its administrative and management services. These efforts, collectively referred to as the Blueprint for Stronger Service (Blueprint), have been undertaken proactively by USDA to improve operational efficiencies as a means of ultimately improving the services and benefits delivered by the Department. In general, USDA recognizes the potential benefit of the GAO recommendations, however, the associated costs for such recommendations also need to be considered prior to implementation.

Since 2010, USDA's discretionary budget has remained relatively flat while its overall staffing levels have declined by nearly 10 percent. Despite these resource challenges, however, the Department has been able to successfully deliver its myriad of programs and services to American consumers, farmers, ranchers, and rural communities. One element that contributed to this success was USDA's sustained focus on improving its internal management through the Blueprint.

During the course of this Administration, USDA's leadership has sought to improve the management of the Department through a focus on continuous improvement and transformation of the culture of the USDA workforce. As GAO identified in its report, through the Blueprint's emphasis on management, the Department identified hundreds of opportunities for improvement. Many of those opportunities have been implemented and the results of the improvements delivered have enabled the Department to enhance its service delivery despite experiencing resource constraints.

Since USDA was one of the first Departments to undertake an initiative as extensive as the Blueprint, the Department can see the benefit of improving the way in which it shares lessons learned as is recommended by GAO. Not only would such information be of value throughout the Department now and for future Administrations, the information could be of use for other Departments. USDA has already received several inquiries from other Cabinet-level Departments seeking input on their own internal streamlining activities. Further benefits may be possible by more fully documenting the processes and results achieved through the Blueprint.

Similar to the recommendation for additional reporting of lessons learned, GAO also identifies a recommendation that further benefit could be achieved if additional Departmental resources were dedicated to the management and implementation of the Blueprint. On the surface, it certainly would appear that with additional staff dedicated at the Department-level then additional progress could be made through increased project oversight and data collection. One challenge with implementing such a recommendation, however, is that any additional resources dedicated for project management would need to be taken from another area. Such a tradeoff may ultimately result in a reduction in the quality or amount of programmatic service provided to USDA's public customers.

It should also be noted that despite the relatively small size of the team overseeing the Blueprint at the Department-level, there have been hundreds of USDA employees engaged in implementing Blueprint projects over the last few years. The Department has found it most effective to not limit its project implementation activities to a single team, but to engage the subject matter experts from across its agencies and staff offices to expand the buy-in of the project while leveraging its extensive and knowledgeable workforce.

In light of the extensive workforce and organizational structure of the Department, GAO also recommended that additional reporting be implemented to better understand all Blueprint-related actions across USDA. Since the Department is diverse in its missions and also geographically distributed, such universal knowledge is difficult. In addition, striving for complete centralized control of all improvement activities may ultimately be counterproductive to the overall goal of the Blueprint. Through USDA's Cultural Transformation initiative, the Department has sought ways to expand the accountability and performance focus across its workforce. Certainly some improvements could be made to enhance reporting on Blueprint activities, but such reporting could impede the development of an improvement-focused culture if the reporting became too restrictive.

As identified above, the Department recognizes the benefits of the Blueprint in terms of the added flexibility it has allowed when addressing resource constraints. Such flexibility has resulted in efforts to reduce costs and avoid inefficiencies whenever possible. GAO has identified, however, that additional work is needed to ensure that the reporting of results is more systemically captured and calculated. Such a recommendation actually coincides with some improvements that the Department has already started to implement during the course of GAO's audit. One such improvement is USDA's establishment of common savings and cost avoidance methodologies as part of its Strategic Sourcing initiative. The Department recognized the importance of improving the consistency with which it measured results from the acquisition actions taken through strategic sourcing and shared-first procurement policy. As a result, the Department is in the process of establishing common tools to improve the calculation methodology for procurement actions. Once completed, these tools will further enhance the Department's ability to track and report on achievements resulting from the Blueprint.

The Department's last comment in response to the GAO report has to do with understanding the costs and benefits of actions taken or not taken as part of the Blueprint. As part of its recommendations, GAO provided a number of examples of Blueprint-related actions for which it appeared to support organizational changes as they demonstrated "significant" efforts. At the same time, however, GAO identified specific USDA organizations, such as the Animal and Plant Health Inspection Service (APHIS) for not undertaking significant Blueprint-related

reorganization actions. One challenge with such a comparison is that reorganizations often come with significant impacts (e.g., disruption of service, employee morale reductions, financial costs). By implying or stating that APHIS or other organizations did not put forth appropriate effort because they did not reorganize within the last 5 years, the report presumes that any and all such organizational changes are beneficial. Further analysis would be needed to fully assess whether additional organizational changes would benefit the Department and its employees and customers.

Furthermore, it should be noted that despite not undertaking organizational changes as a result of the Blueprint, APHIS and the other USDA agencies and offices have undertaken other improvements in recent years that have been beneficial to USDA. APHIS, for instance, has been one of the leading agencies with regard to continuous process improvement activities, having significantly reduced transaction costs and improved timelines for its customers. Although such improvements weren't identified with lists of Blueprint recommendations, they have still provided tremendous value to the Department and its customers.

Once again, thank you for providing an opportunity for USDA to comment on the draft GAO report. The report and the review in which the Department has been engaged with GAO for the last several months has been informative and should help USDA to further refine its efforts to streamline and improve its administrative services. The results of the Blueprint will help the Department adapt to continued resource challenges while improving the service it provides on behalf of the American public.

Sincerely,



Gregory L. Parham

Assistant Secretary  
for Administration

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

Steve D. Morris, (202) 512-3841 or [morriss@gao.gov](mailto:morriss@gao.gov).

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## Staff Acknowledgments

In addition to the contact named above, James R. Jones, Jr. (Assistant Director), Cheryl Arvidson, Josey Ballenger, Kevin Bray, Stephen Cleary, Barbara El Osta, Christine Feehan, Anne Rhodes-Kline, and Kiki Theodoropoulos made key contributions to this report.

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# Appendix IV: Accessible Data

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## Agency Comment Letter

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Text of Appendix II:  
Comments from the U.S.  
Department of Agriculture

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Page 1

USDA

United States Department of Agriculture

Assistant Secretary for Administration

1400 Independence Avenue SW

Washington, DC 20250

FEB 19 2016

Steve D. Morris

Director

Natural Resources and Environment Division

Government Accountability Office

Director Morris:

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Since 2010, USDA's discretionary budget has remained relatively flat while its overall staffing levels have declined by nearly 10 percent. Despite these resource challenges, however, the Department has been able to successfully deliver its myriad of programs and services to American consumers, farmers, ranchers, and rural communities. One element that contributed to this success was USDA's sustained focus on improving its internal management through the Blueprint.

During the course of this Administration, USDA's leadership has sought to improve the management of the Department through a focus on continuous improvement and transformation of the culture of the USDA workforce. As GAO identified in its report, through the Blueprint's emphasis on management, the Department identified hundreds of opportunities for improvement. Many of those opportunities have been implemented and the results of the improvements delivered have enabled the Department to enhance its service delivery despite experiencing resource constraints.

Since USDA was one of the first Departments to undertake an initiative as extensive as the Blueprint, the Department can see the benefit of improving the way in which it shares lessons learned as is recommended by GAO. Not only would such information be of value throughout the Department now and for future Administrations, the information could be of use for other Departments. USDA has already received several inquiries from other Cabinet-level Departments seeking input on their own internal streamlining activities. Further benefits may be possible by more fully documenting the processes and results achieved through the Blueprint.

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Page 2

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the quality or amount of programmatic service provided to USDA's public customers.

It should also be noted that despite the relatively small size of the team overseeing the Blueprint at the Department-level, there have been hundreds of USDA employees engaged in implementing Blueprint projects over the last few years. The Department has found it most effective to not limit its project implementation activities to a single team, but to engage the subject matter experts from across its agencies and staff offices to expand the buy-in of the project while leveraging its extensive and knowledgeable workforce.

In light of the extensive workforce and organizational structure of the Department, GAO also recommended that additional reporting be implemented to better understand all Blueprint-related actions across USDA. Since the Department is diverse in its missions and also geographically distributed, such universal knowledge is difficult. In addition, striving for complete centralized control of all improvement activities may ultimately be counterproductive to the overall goal of the Blueprint. Through USDA's Cultural Transformation initiative, the Department has sought ways to expand the accountability and performance focus across its workforce. Certainly some improvements could be made to enhance reporting on Blueprint activities, but such reporting could impede the development of an improvement-focused culture if the reporting became too restrictive.

As identified above, the Department recognizes the benefits of the Blueprint in terms of the added flexibility it has allowed when addressing resource constraints. Such flexibility has resulted in efforts to reduce costs and avoid inefficiencies whenever possible. GAO has identified, however, that additional work is needed to ensure that the reporting of results is more systemically captured and calculated. Such a recommendation actually coincides with some improvements that the Department has already started to implement during the course of GAO's audit. One such improvement is USDA's establishment of common savings and cost avoidance methodologies as part of its Strategic Sourcing initiative. The Department recognized the importance of improving the consistency with which it measured results from the acquisition actions taken through strategic sourcing and shared-first procurement policy. As a result, the Department is in the process of establishing common tools to improve the calculation methodology for procurement actions. Once completed, these tools will further enhance

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Furthermore, it should be noted that despite not undertaking organizational changes as a result of the Blueprint, APHIS and the other USDA agencies and offices have undertaken other improvements in recent years that have been beneficial to USDA. APHIS, for instance, has been one of the leading agencies with regard to continuous process improvement activities, having significantly reduced transaction costs and improved timelines for its customers. Although such improvements weren't identified with lists of Blueprint recommendations, they have still provided tremendous value to the Department and its customers.

Once again, thank you for providing an opportunity for USDA to comment on the draft GAO report. The report and the review in which the Department has been engaged with GAO for the last several months has been informative and should help USDA to further refine its efforts to streamline and improve its administrative services. The results of the Blueprint will help the Department adapt to continued resource challenges while improving the service it provides on behalf of the American public.

Sincerely,

Gregory L. Parham

Assistant Secretary  
for Administration

## Accessible Text

### Accessible Text for Figure 2: Time Line of the U.S. Department of Agriculture's Key Efforts to Streamline and Improve Administrative Services since 2011

#### 2011

June: Administrative Solutions Project (ASP) initiated.

September: Identification of 379 recommendations to maintain or improve administrative services.

November: Selection of 27 recommendations for near-term implementation.

#### 2012

January: Public release of Blueprint for Stronger Service, including 27 ASP recommendations selected for near-term implementation and announcement of office closures.

January through December: Implementation of 27 ASP recommendations begins, and 249 domestic offices, facilities, and laboratories, and 7 foreign offices, are closed.

#### 2013

January: Selection of four priority areas for Blueprint emphasis: workers' compensation, strategic sourcing, marketplace for shared services, and space utilization.

April: Launch of the signature process improvement initiative as part of the Blueprint.

January through December: Projects and activities ongoing to implement the four priority areas.

#### 2014

January: Identification of leasing improvement process as an outgrowth of the space utilization priority area.

March: Secretary established \$100 million savings goal for strategic sourcing priority area by the end of fiscal year 2015.

January through December: Continued ongoing efforts to implement the four priority areas, with particular focus on space utilization and strategic sourcing.

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**2015**

January through October: Continued ongoing efforts to implement the four priority areas, with particular focus on space utilization and strategic sourcing.

October: Implementation is completed for 25 of the 27 ASP recommendations selected for near-term implementation, and implementation for 2 of those recommendations is ongoing.

Source: GAO analysis of U.S. Department of Agriculture information. | GAO-16-168

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# Related GAO Products

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*Managing for Results: Practices for Effective Agency Strategic Reviews.* [GAO-15-602](#). Washington, D.C.: July 29, 2015.

*Sequestration: Documenting and Assessing Lessons Learned Would Assist DOD in Planning for Future Budget Uncertainty.* [GAO-15-470](#). Washington, D.C.: May 27, 2015.

*2013 Government Shutdown: Three Departments Reported Varying Degrees of Impacts on Operations, Grants, and Contracts.* [GAO-15-86](#). Washington, D.C.: October 15, 2014.

*USDA Contracting: Further Actions Needed to Strengthen Oversight of Contracts for Professional Services.* [GAO-14-819](#). Washington, D.C.: September 29, 2014.

*U.S. Department of Agriculture: Workforce Decisions Could Benefit from Better Linkage to Missions and Use of Leading Practices.* [GAO-14-288](#). Washington, D.C.: March 31, 2014.

*DHS Management and Administration Spending: Reliable Data Could Help DHS Better Estimate Resource Requests.* [GAO-14-27](#). Washington, D.C.: December 4, 2013.

*Combating Nuclear Smuggling: Lessons Learned from Cancelled Radiation Portal Program Could Help Future Acquisitions.* [GAO-13-256](#). Washington, D.C.: May 13, 2013.

*Streamlining Government: Questions to Consider When Evaluating Proposals to Consolidate Physical Infrastructure and Management Functions.* [GAO-12-542](#). Washington, D.C.: May 23, 2012.

*Streamlining Government: Key Practices from Select Efficiency Initiatives Should Be Shared Governmentwide.* [GAO-11-908](#). Washington, D.C.: September 30, 2011.

*Financial Management: NOAA Needs to Better Document Its Policies and Procedures for Providing Management and Administration Services.* [GAO-11-226](#). Washington, D.C.: January 31, 2011.

*Department of Education: Improved Oversight and Controls Could Help Education Better Respond to Evolving Priorities.* [GAO-11-194](#). Washington, D.C.: February 10, 2011.

*Department of Labor: Further Management Improvements Needed to Address Information Technology and Financial Controls.* [GAO-11-157](#). Washington, D.C.: March 16, 2011.

*U.S. Department of Agriculture: Recommendations and Options to Address Management Deficiencies in the Office of the Assistant Secretary for Civil Rights.* [GAO-09-62](#). Washington, D.C.: October 22, 2008.

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