

FY 2011 Explanatory Notes

Office of the Secretary

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OFFICE OF THE SECRETARY

Purpose Statement

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department. This involves providing policy direction for all areas of the Department's responsibilities including research, educational and regulatory activities, nutrition, conservation, and farm programs, forestry, and international agriculture. It also involves maintaining relationships with organizations and others in the development of programs and maintaining liaison with the Executive Office of the President and members of Congress on all matters pertaining to Departmental policy.

The Office of the Secretary also oversees special projects that are conducted at the behest of the Congress. These projects include short-term studies, investigations, and research on matters affecting agriculture or the agricultural community. Usually, specific appropriations are provided to carry out these projects. Project results are reported to the appropriate Congressional Committees.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201-2202). The delegation of regulatory functions to the Department employees and authorization of appropriations to carry out these functions are contained in 7 U.S.C. 450c-450g. The authority of the Secretary to streamline and reorganize the Department is contained in the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354.

As of September 30, 2009, there were 63 employees located in Washington, DC.

The Office of the Secretary did not have any Office of Inspector General or Government Accountability Office evaluation reports during the past year.

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Available Funds and Staff Years
2009 Actual and Estimated 2010 and 2011

<u>Item</u>	<u>Actual 2009</u>		<u>Estimated 2010</u>		<u>Estimated 2011</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Office of the Secretary.....	\$12,942,851	59	\$16,433,000	87	\$18,491,000	92
Cross-Cutting Trade Negotiations and Biotechnology Resources.....	1,611,000	--	1,622,000	--	1,672,000	--
Healthy Food Financing Initiative.....	--	--	--	--	35,000,000	--
Total, Appropriations.....	14,553,851	59	18,055,000	87	55,163,000	92
<u>Obligations under other USDA appropriations:</u>						
Reimbursements:						
Advisory Committee Liaison Services.....	196,813	2	199,000	2	205,000	2
Faith Based Initiative.....	201,317	2	409,000	2	422,000	2
Office of Ecosystem Services & Markets.....	718,784		500,000	3	--	--
Other Reimbursable Programs.....	1,534,384	--	--	--	--	--
Subtotal, Reimbursements.....	2,651,298	4	1,108,000	7	627,000	4
Homeland Security Balances.....	3,286,364	--	1,000,000	--	--	--
Transfers to other USDA agencies.....	-1,978,000	--	<u>a/</u>	--	<u>a/</u>	--
Total, Office of the Secretary.....	18,513,513	63	20,163,000	94	55,790,000	96

a/ Amount to be transferred to USDA agencies for Congressional Relations to be determined.

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Positions By Grade and Staff Year Summary
2009 Actual and Estimated 2010 and 2011

Grade	2009	2010	2011
	Washington, D.C.	Washington, D.C.	Washington, D.C.
Senior Executive Service	30	33	32
GS-15.....	11	18	17
GS-14.....	4	7	7
GS-13.....	2	6	9
GS-12.....	3	5	5
GS-11.....	3	8	8
GS-10.....	3	4	4
GS-9.....	1	3	4
GS-8.....	3	3	3
GS-7.....	2	3	3
GS-4.....	1	4	4
Total Permanent Positions.....	63	94	96
Unfilled Positions end-of-year.....	0	0	0
Total, Permanent Full-Time Employment, end of-year.....	63	94	96
Staff Year Estimate.....	63	94	96

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Appropriation Language
(Including Transfers of Funds)

The estimates include appropriation language for this item as follows (new language underscored).

Office of the Secretary

For necessary expenses of the Office of the Secretary, [\$5,285,000] \$5,936,000: *Provided*, That not to exceed \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

Office of Tribal Relations

For necessary expenses of the Office of Tribal Relations, [\$1,000,000] \$1,025,000: to support communication and consultation activities with Federally Recognized Tribes, as well as other requirements established by law.

Office of the Assistant Secretary for Administration

For necessary expenses of the Office of the Assistant Secretary for Administration, [\$806,000] \$828,000.

Office of the Assistant Secretary for Congressional Relations
(Including Transfers of Funds)

For necessary expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, [\$3,968,000] \$4,081,000: *Provided*, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level[:
1 *Provided further*, That no funds made available by this appropriation may be obligated after 30 days from the date of enactment of this Act, unless the Secretary has notified the Committees on Appropriations of both Houses of Congress on the allocation of these funds by USDA agency: *Provided further*, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.]

Office of the Under Secretary for Research, Education and Economics

For necessary expenses of the Office of the Under Secretary for Research, Education and Economics, [\$895,000] \$920,000.

Office of the Under Secretary for Marketing and Regulatory Programs

For necessary expenses of the Office of the Under Secretary for Marketing and Regulatory Programs, [\$895,000] \$920,000.

Office of the Under Secretary for Food Safety

For necessary expenses of the Office of the Under Secretary for Food Safety, [\$813,000] \$836,000.

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Office of the Under Secretary for Farm and Foreign Agricultural Services

For necessary expenses of the Office of the Under Secretary for Farm and Foreign Agricultural, [\$895,000] \$920,000.

Office of the Under Secretary for Natural Resources and Environment

For necessary expenses of the Office of the Under Secretary for Natural Resources and Environment, [\$895,000] \$920,000.

Office of the Under Secretary for Rural Development

For necessary expenses of the Office of the Under Secretary for Rural Development, [\$895,000] \$920,000.

Office of the Under Secretary for Food, Nutrition and Consumer Services

For necessary expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services, [\$813,000] \$836,000.

Office of Ecosystem Services and Markets

2 For necessary expenses of the Office of Ecosystem Services and Markets, \$2,021,000.

1 The first change deletes language that limits obligating funds 30 days after the enactment of the Act. The language limits funds to support activities of Congressional Relations.

2 The third change adds language to support the Office of Ecosystem Services and Markets. The language is necessary so funds appropriated to this account may be used to provide support towards activities to fully address Congressional direction provided under Section 2709 of the 2008 Farm Bill.

Healthy Food Financing Initiative

For necessary expenses of the Secretary to carry out demonstration projects to increase access to healthy foods in rural and urban areas, \$35,000,000, to remain available until September 30, 2012, which the Secretary may use for financial and technical assistance; may transfer to the Intermediary Relending Program, for infrastructure and operations to enhance marketing of locally and regionally produced foods, for the costs of authorized direct loans (as defined in section 502 of the Congressional Budget Act of 1974); and may use, not to exceed \$1,400,000, for the Federal administrative costs of carrying out and evaluating such demonstration projects: Provided, That in addition, to further enable the Secretary to carry out such demonstration projects, the Secretary may also reserve a total, in aggregate, of up to \$15,000,000 of the funds made available in this or any other Act in the Rural Community Facilities Program account, in the Marketing Services account, in the Rural Business Program account, in the Rural Development Loan Fund Program account, for section 379E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) and for section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005), and the Secretary may use such reserved amounts for technical or financial assistance; for the costs of authorized

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direct or guaranteed loans (as defined in section 502 of the Congressional Budget Act of 1974); and, not to exceed \$600,000, for the Federal administrative costs of carrying out and evaluating such demonstration projects: Provided further, That the Secretary, under the prior proviso, may reserve not more than 10 percent of the funding available for a specific program activity in the accounts specified therein: Provided further, That the Secretary, in carrying out such demonstration projects, may make or guarantee loans notwithstanding any applicable legal limitations regarding eligibility, area served, size of loan, or size of loans made by borrowers that the Secretary determines would interfere with the objectives of such demonstration projects: Provided further, That the Secretary, to carry out such demonstration projects, may transfer the funds appropriated or reserved herein into an account to be used for the costs of direct loans under section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)): Provided further, That the Secretary, to carry out such demonstration projects, may use one or more consolidated solicitation and application processes: Provided further, That any funds provided for under this heading for such demonstration projects shall be in addition to any other funds that the Secretary may use for carrying out such projects.

This change adds language to support the Healthy Food Financing Initiative. The language is necessary to help substantially reduce the number of food deserts in our Nation over the next several years and increase the supply of healthy foods. It will also create new markets for farmers, create jobs, and support broader development efforts to revitalize distressed communities.

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Lead-off Tabular Statement

Appropriations Act, 2010	\$18,055,000
Budget Estimate, 2011	<u>55,163,000</u>
Increase in Appropriation	<u>+37,108,000</u>

Summary of Increases and Decreases
(On basis of appropriation)

<u>Item of Change</u>	<u>2010 Estimated</u>	<u>Pay Costs</u>	<u>Program Change</u>	<u>2011 Estimated</u>
Office of the Secretary...	\$18,055,000	+\$172,000	+\$36,936,000	\$55,163,000

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Project Statement
(On Basis of Appropriation)

	Actual 2009		Estimated 2010		Increase or Decrease	Estimated 2011	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Office of the Secretary.....	\$3,387,303	19	\$3,663,000	23	+\$601,000	\$4,264,000	23
Cross-cutting Trade Negotiations and Biotechnology Resources.....	1,611,000	--	1,622,000	--	+50,000	1,672,000	--
Healthy Food Financing Initiative...	--	--	--	--	+35,000,000	35,000,000	--
2. Under/Asst. Secretaries:							
Office of Tribal Relations.....	--	--	1,000,000	5	+25,000	1,025,000	5
ADM.....	673,482	4	806,000	4	+22,000	828,000	4
Congressional Relations.....	1,521,273	12	3,968,000	17	+113,000	4,081,000	17
REE.....	597,468	2	895,000	5	+25,000	920,000	5
MRP.....	724,019	3	895,000	5	+25,000	920,000	5
Food Safety.....	609,023	4	813,000	4	+23,000	836,000	4
FFAS.....	637,696	3	895,000	5	+25,000	920,000	5
NRE.....	731,453	2	895,000	5	+25,000	920,000	5
OESM.....	0	0	0	0	+2,021,000	2,021,000	10
RD.....	634,876	3	895,000	5	+25,000	920,000	5
FNCS.....	601,369	2	813,000	4	+23,000	836,000	4
Civil Rights.....	846,889	5	895,000	5	-895,000	0	0
Unobligated Balance.....	674,149	--	--	--	--	--	--
Subtotal available or estimate.....	13,250,000	59	18,055,000	87	+37,108,000	55,163,000	92
Transfer to other agencies.....	1,978,000	--	<u>a/</u>	--	--	--	--
Total, Appropriation.....	<u>15,228,000</u>	<u>59</u>	<u>18,055,000</u>	<u>87</u>			

a/Amount to be transferred to USDA agencies for Congressional Relations to be determined.

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Justification of Increases and Decreases(1) An increase of \$37,108,000 for the Office of the Secretary (OSEC) consisting of:(a) An increase of \$172,000 for pay costs increases.

This increase is needed to cover pay and benefit cost increases for existing staff to maintain the current level of service to ensure adequate leadership, guidance and policy direction for the Department.

(b) An increase of \$35,000,000 for the Healthy Food Financing Initiative.

The 2011 Budget provides funding for a new multi-year Healthy Food Financing Initiative (HFFI) that will increase the availability of affordable, healthy foods in underserved urban and rural communities, particularly through the development or equipping of grocery stores and other healthy food retailers. To support this initiative, the Departments of Agriculture, Health and Human Services, and Treasury have partnered to make available over \$400 million in financial and technical assistance to community development financial institutions, other nonprofits, public agencies, and businesses with sound strategies for addressing the healthy food needs of communities. These organizations will use federal grants, below-market rate loans, loan guarantees and tax credits to attract private sector capital for an even greater investment in projects that increase access to fresh produce and other healthy foods. The goal is to substantially reduce the number of food deserts in our nation over the next several years.

Food deserts are communities in which residents do not have access to affordable and healthy food options. Instead of supermarkets and grocery stores, these communities are typically served by fast food restaurants and convenience stores that offer little if any healthy options. This lack of access contributes to a poor diet and can lead to higher levels of obesity and other diet-related diseases, such as diabetes and heart disease. Most often, these communities are economically distressed and less attractive, under conventional financing, to retailers of healthy food. But effective local programs have shown that well-targeted financing and technical assistance can create viable business outcomes and access to healthier food options. Targeting federal financial assistance to these areas will not only increase the supply of healthy foods and create new markets for farmers, but also create jobs and support broader development efforts to revitalize distressed communities.

For FY 2011, the Budget includes a total of \$50 million (\$35 million requested here and \$15 million that would be reserved from accounts in the Rural Development and Marketing and Regulatory Program mission areas) for the Healthy Food Financing Initiative, which is designed to support local and regional efforts to increase access to healthy food, particularly for the development of grocery stores and other healthy food retailers in urban and rural food deserts and other underserved areas. Through the initiative, funds will be made available from a number of loan, grant, promotion, and other programs to provide financial and technical assistance to support market planning and promotion efforts as well as infrastructure and operational improvements designed to stimulate consumer demand, enhance marketing, expand demand and retail outlets for farm products, and increase availability of locally and regionally produced foods.

(c) An increase of \$810,000 for travel and increased operating costs.

This increase is needed to fully fund all travel and increasing operating costs for the Office of the Secretary. Over the past several years the Office of the Secretary has been financially constrained, often having to

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fund operating costs by delaying or deferring the filling of staff positions. This increase will improve the oversight, policy guidance and supervision of the programs and activities of the Department.

- (d) An increase of \$2,021,000 to include the Office of Ecosystem Services and Markets (OESM).

This funding is needed to expand the Department’s efforts to develop technical guidelines to quantify environmental services provided by America’s farmers, ranchers, and forest landowners. This increase will allow USDA to implement additional activities to fully address Congressional direction provided under Section 2709 of the 2008 Farm Bill. The OESM activities will include developing science-based guidelines for environmental benefits related to conservation and land management activities, including water quality, biodiversity, and wetland restoration. These guidelines, along with the Greenhouse Gas mitigation guidelines being developed by the Office of the Chief Economist, will support the participation of agriculture producers in emerging markets for ecosystem services. By participating in these markets, farmers, ranchers, and forest landowners will be able to generate additional income through conservation activities. Because of the requirements associated with developing technical guidelines and the importance of the potential benefits to farmers, ranchers and forest landowners, the Department may also utilize other funding mechanisms, such as reimbursable agreements, to implement direction contained in the 2008 Farm Bill.

- (e) A decrease of \$895,000 for the transfer of the Assistant Secretary for Civil Rights office to Departmental Management (DM).

This office was transferred to DM as part of an overall transformation project in USDA to increase efficiency and avoid unnecessary costs.

Geographic Breakdown of Obligations and Staff Years
2009 Actual and Estimated 2010 and 2011

	<u>2009</u>		<u>2010</u>		<u>2011</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
District of Columbia.....	\$14,553,851	59	\$18,055,000	87	\$55,163,000	92
Unobligated balance....	674,149	--	--	--	--	--
Total, Available or Estimate.....	15,228,000	59	18,055,000	87	55,163,000	92

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Classification By Objects
2009 Actual and Estimated 2010 and 2011

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Personnel Compensation:			
Washington, D.C.....	\$9,190,417	\$12,104,000	\$12,921,000
11 Total personnel compensation.....	9,190,417	12,104,000	12,921,000
12 Personnel benefits.....	2,290,373	3,054,000	3,813,000
Total pers. comp. & benefits.....	11,480,790	15,158,000	16,734,000
Other Objects:			
21 Travel and transportation of persons.....	376,015	617,000	1,154,000
22 Transportation of things.....	0	5,000	5,000
23.3 Communications, utilities, and misc. charges.....	557,728	630,000	635,000
24 Printing and reproduction.....	200,644	208,000	220,000
25.2 Other services.....	1,033,014	1,039,000	35,998,000
25.3 Purchases of goods and services from Government Accounts.....	227,412	150,000	150,000
26 Supplies and materials.....	326,644	218,000	227,000
31 Equipment.....	351,604	30,000	40,000
Total other objects.....	3,073,061	2,897,000	38,429,000
Total direct obligations.....	14,553,851	18,055,000	55,163,000
Position Data:			
Average Salary, ES positions.....	\$154,757	\$157,852	\$160,219
Average Salary, GS positions.....	90,419	92,227	93,610
Average Grade, GS positions.....	13.1	13.1	13.1