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Relocation of the USDA Research Agencies: NIFA and ERS

In October 2019, the U.S. Department of Agriculture (USDA) relocated most staff positions at two of its research agencies—the National Institute of Food and Agriculture (NIFA) and the Economic Research Service (ERS)—from their long-term location in Washington, DC, to Kansas City, MO. About 75% of affected employees declined to relocate and left the agencies. While ERS and NIFA have prioritized hiring new staff, some agency activities have been reduced or delayed. The USDA budget request for FY2021 proposes an ERS staff level that is 41% lower than in FY2018—before the relocation.

Agency Background

NIFA is USDA's principal extramural research agency (awarding grants to non-federal entities). It administers approximately \$1.5 billion in federal funding annually. NIFA supports research, education, and extension projects conducted in partnership with land-grant colleges and universities, other institutions and organizations, and individuals. NIFA awards include capacity (formula-based) and competitive grants.

ERS is a USDA intramural research agency (employing federal researchers). It has an annual budget of about \$85 million. ERS conducts economic and statistical analyses on topics of interest to Congress, agricultural producers, and stakeholders. Topics include agricultural commodities, trade, marketing, food price forecasting, farm and rural income, food safety, and nutrition.

Relocation and Realignment Proposal

In August 2018, USDA Secretary Sonny Perdue announced the intention to relocate ERS and NIFA from Washington, DC, to a location outside of the Washington, DC, area. Among the stated reasons were (1) improving USDA's ability to attract and retain qualified staff without the burden of a high cost of living, (2) placing USDA resources closer to stakeholders, and (3) lowering agency employment costs and rent.

Concurrent with the relocation proposal, the Secretary proposed an organizational realignment: moving ERS from within the USDA Research, Education, and Economics (REE) mission area to the Office of the Chief Economist (OCE). REE consists of four research agencies. OCE is a staff office within the USDA Office of the Secretary.

External Response

Criticism of USDA's relocation and realignment proposals began almost immediately. In November 2018, the American Statistical Association and 59 other organizations sent a letter to congressional appropriations committees requesting that Congress not provide funding for relocation. In March 2019, 99 academic, statistical, research, and producer groups sent a letter to congressional appropriations committees requesting that they prohibit

USDA's use of funds to implement the proposed relocation and realignment and that they deny related reprogramming requests. These groups asserted that USDA's proposal would "undermine the quality and breadth of the work these agencies support and perform" and "result in a major negative impact on U.S. farmers, ranchers, consumers, and researchers."

The primary external supporters of the relocation were advocates for smaller government or those supporting regional interests in hosting the agencies. The Acting White House Chief of Staff referred to the relocations as "a wonderful way to streamline government."

Congressional Response

Members of Congress expressed various views on USDA's proposals, as exemplified by letters in 2018 and 2019. In 2018, the chair and ranking member of the Senate Committee on Agriculture, Nutrition, and Forestry asked Secretary Perdue to provide data and plans for implementing the proposals. In 2019, some Members on the House Agriculture Committee supported relocation in a letter to the House agriculture appropriations subcommittee. In 2019, chairs of two subcommittees of the House Agriculture Committee opposed relocation in a letter to Secretary Perdue.

Some Members of Congress attempted to block or delay USDA's proposals through legislation, such as the proposed Agriculture Research Integrity Act (115th Congress: H.R. 7330; 116th Congress: H.R. 1221 and S. 1637).

Other legislative attempts included provisions in two years of annual appropriations bills. The explanatory statement accompanying the Consolidated Appropriations Act, 2019 (P.L. 116-6), supported an "indefinite delay" of ERS realignment and directed USDA to include in the FY2020 President's budget request cost estimates and an analysis of expected research benefits. The Further Consolidated Appropriations Act, 2020 (P.L. 116-94), did not address the proposals, and the relocation had already occurred. The report accompanying the earlier House bill (H.R. 3164) stated that USDA "flatly refused numerous requests ... to provide the initial cost benefit analysis that preceded the decision to go ahead with the proposal."

OIG and GAO Reviews

In 2018, two Members of Congress requested that the USDA Office of the Inspector General (OIG) review USDA's legal and budget authority for the proposals and the sufficiency of a cost-benefit analysis (CBA) used to justify them. The August 5, 2019, OIG report found that USDA had legal authority. It also found that USDA had not complied with approval and reporting requirements specified in the FY2018 appropriations act (P.L. 115-141). USDA asserted that its actions complied with all applicable

laws and that the provisions in P.L. 115-141 were unconstitutional. OIG asserted that USDA's position on constitutionality was inconsistent with its prior positions.

In December 2019, members of the House Committee on Science, Space, and Technology requested that the Government Accountability Office (GAO) audit USDA decisions related to these relocations. As of April 2020, GAO has not released a report.

USDA Proposal Updates and Analysis

After announcing its proposals in August 2018, USDA proceeded with site selection. It solicited expressions of interest for siting ERS and NIFA, and in October 2018 it announced receipt of 136 proposals in 35 states. In May 2019, USDA announced three finalist regions: Greater Indianapolis (Indiana), Kansas City (Kansas and Missouri), and Research Triangle (North Carolina).

On June 13, 2019, USDA released a CBA at the time of its site decision. USDA selected the Kansas City Region for relocation and noted that some staff positions would remain in Washington, DC: 76 for ERS and 21 for NIFA. USDA also announced that it would not realign ERS under OCE.

The CBA compared the Washington, DC, area to the three finalist regions and concluded that relocating to Kansas City would save \$300 million over 15 years. In response, the Agricultural and Applied Economics Association released a report concluding that USDA overstated the costs of not relocating and that USDA "failed to follow federal guidelines" for the CBA. The report estimated the move would cost between \$83 million and \$182 million when accounting for the lost value of research from employees who would resign rather than move.

Leadership and Staffing Levels

Since the relocation, leadership positions at NIFA and ERS have been staffed primarily by acting officials.

Staffing levels have declined at ERS and NIFA since USDA announced its proposals (see **Figure 1**). The CBA showed that USDA would require 294 of 315 government employees at NIFA, and 253 of 329 employees at ERS, to

relocate. The annual *Explanatory Notes* for the President's budget requests identify 412 permanent full-time positions at NIFA from FY2016 to FY2020. Staffing of 315 at the time of the CBA suggests an initial vacancy rate of 25%.

By September 30, 2019—the effective date of the relocation—NIFA had 250 permanent full-time employees and ERS had 239, according to the FY2021 President's budget request. As of February 1, 2020—four months after relocation—NIFA had 105 and ERS had 106. Compared with full staffing levels cited in the CBA, NIFA and ERS are operating with approximately 33% of their staff.

In March 2020, USDA reported that over 150 active recruitments are in process for ERS and NIFA and that it is using additional tools to help ensure mission continuity: using re-employed annuitants, short-term contractors, and employees on detail from other agencies. USDA conducted a virtual career fair in April 2020.

Mission Delivery

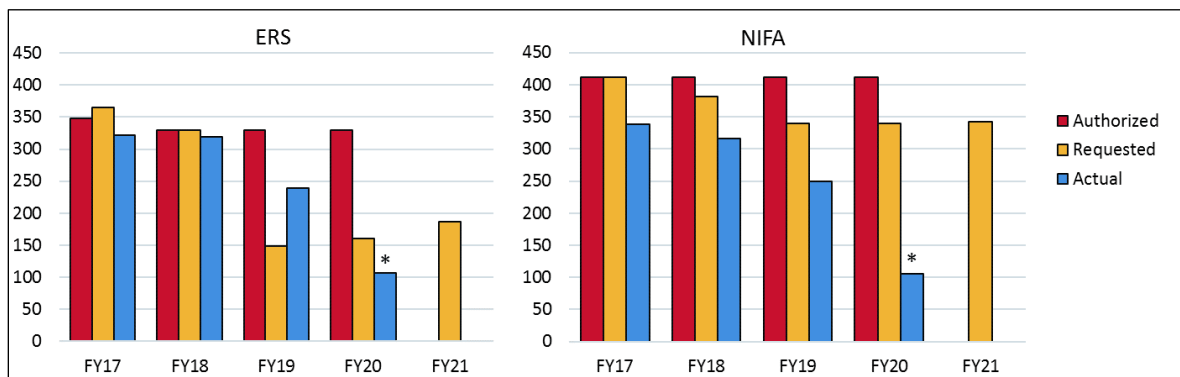
Since the relocation, NIFA grantees have experienced delays in receiving awarded funds, which are typically released one to two months after the start of the next fiscal year. A notice to grantees of March 12, 2020, advises that FY2019 capacity and competitive awards may be released by the end of March 2020 and April 2020, respectively (three to five months later than is typical). This notice stated that NIFA did not yet have a timeline for issuing FY2020 awards.

Media reports citing USDA internal memos suggest that ERS has delayed or discontinued numerous reports. Senator Debbie Stabenow sent a letter to USDA in September 2019 raising concerns about ERS report delays and discontinuations and USDA's transparency regarding impacts of the relocation on mission delivery.

Congressional Interest

Congress may be interested in how NIFA and ERS are meeting their responsibilities with reduced workforces, and in the future, as new staff are hired. In addition to the GAO and OIG reviews, Congress may consider exercising oversight of USDA implementation of the relocations and any benefits as anticipated by the CBA.

Figure 1. Permanent Staff Positions at ERS and NIFA



Source: Annual President's budget request, FY2019, FY2020, FY2021; CRS communication from USDA on March 5, 2020; annual appropriations acts, FY2019, FY2020.

Notes: *FY2020 "actuals" are employment data as of February 1. Other "actuals" are employment data as of September 30 of each fiscal year.

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