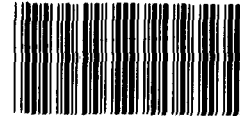# GAO

**United States
General Accounting Office
Washington, D.C. 20548**

Information Management and
Technology Division

B-249416

July 20, 1992

The Honorable Patrick J. Leahy
Chairman, Committee on Agriculture,
  Nutrition, and Forestry
United States Senate

Dear Mr. Chairman:

In response to your June 26, 1992, request, we reviewed the
fiscal year 1993 information technology budgets of four U.S.
Department of Agriculture (USDA) farm service agencies.[1] In
your June 10 letter to the Secretary of Agriculture, you
expressed concern that these agencies may spend money for
computer technology that will not be needed if USDA is
restructured. As arranged with your office, the objective of
our review was to identify planned fiscal year 1993
information technology expenditures that should be postponed
until the Secretary of Agriculture has reported to the
Congress the Department's plan for restructuring USDA.

The four agencies are presently revising their fiscal year
1993 budget documents. USDA officials expect the revised
budget documents to be available by September 15, 1992. As a
result, sufficient information is not available at this time
to identify information technology expenditures that should
be postponed. The following discusses USDA's budget revision
process and the status of budget revisions.

BACKGROUND

USDA administers its farm programs and services through one
of the largest and most decentralized organizational
structures in the federal government. Operating this
organizational structure is costly. In fiscal year 1991, the
four farm service agencies spent about $10 billion, with over
32,000 employees administering programs in about 8,000 field
offices. This does not include about 15,000 Agriculture
Stabilization and Conservation Service field office employees
who are not classified as federal employees, but are funded
by the federal government. Both the Secretary of Agriculture
and the Congress are considering actions to streamline USDA's
structure.

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[1] The Agriculture Stabilization and Conservation Service,
Farmers Home Administration, Federal Crop Insurance
Corporation, and Soil Conservation Service.

GAO/IMTEC-92-72R, ADP: USDA Farm Service Agencies

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Change in USDA's field structure would have implications for any information technology modernization that the farm service agencies are planning. One change being considered involves establishing single service centers that will be responsible for all programs administered by the four farm service agencies. Another change involves consolidating two or more of the agencies' field offices. Both of these options would affect agencies' information technology needs. For example, moving to a single service center approach would alter the business processes and information flow within and among the offices, changing field office computer equipment and information system requirements. Similarly, consolidating field offices would mean reallocating the work load and therefore re-evaluating the technology to support an altered work load.

AGENCIES' INFORMATION TECHNOLOGY
BUDGETS UNDER REVISION

This past March, USDA reported to the Office of Management and Budget that the four farm service agencies planned to spend $397 million during fiscal year 1993 on information technology. According to USDA, this includes $191 million to meet long-range objectives--such as computer equipment purchases and information systems development projects--and $206 million to meet ongoing operations and maintenance of existing information systems.

In order to identify information technology expenditures that could be postponed, we requested documents from USDA that supported the agencies' fiscal year 1993 budgets. This information is essential for determining those anticipated expenditures that are (1) necessary to meet the agencies' mission needs during fiscal year 1993, (2) needed in the future regardless of how USDA is restructured, or (3) needed in the future but likely to be affected by restructuring USDA. However, according to USDA, the documents provided to support the March 1992 figure of $397 million are no longer valid.

As of July 1 of this year, all four agencies were revising their information technology budgets to reflect changes in the agencies' long-range plans and reallocate funds for projects not expected to be completed during fiscal year 1992. USDA officials agreed to provide these revised budgets and their supporting documentation when they have been reviewed by the Department's Office of Budget and Program Analysis and the Office of Information Resources Management. This review is expected to be completed by September 15, 1992.

In light of the budget revisions, it is unclear at this time how the four agencies plan to spend the $397 million budgeted
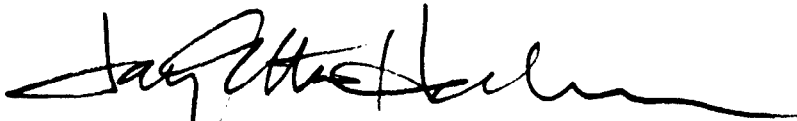
for information technology during fiscal year 1993. Until USDA completes a detailed analysis of the four farm service agencies' fiscal year 1993 information technology budgets, identifying those planned expenditures that are (1) necessary to meet the agencies' mission needs during fiscal year 1993, (2) needed in the future regardless of how USDA is restructured, or (3) needed in the future but likely to be affected by restructuring USDA, the Department will not have sufficient information to justify its proposed fiscal year 1993 planned expenditures to the Congress.

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We provided the information in this letter to USDA's Director, Office of Information Resources Management; and Director, Office of Budget and Program Analysis. Both agreed with the facts as presented.

We are providing copies of this letter to the Ranking Minority Member of this Committee, the Chairman of the House Agriculture Committee, and the Chairmen of the House and Senate Appropriations Committees.

If you have any questions about this letter, please contact me at (202) 512-6416.

Sincerely yours,

JayEtta, V. Hecker
Director, Resources, Community, and
    Economic Development Information Systems

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