**MEMORANDUM**

**Date:** **12/10/14**

**To: Ben Herink and John Gehrke**

**From: Andy Quinn**

**Re: Update on FY15 Omnibus.**

Ben and John,

With the release of the FY15 Omnibus spending legislation yesterday, we were able to see what the funding levels will be for FY15, as well as any relevant legislation. We have included a chart that lists what the final agreement was for FY15 spending, as well as what was proposed in the individual House and Senate appropriations bills. I have added that chart for you below, with the numbers in thousands of dollars:

|  |  |  |  |
| --- | --- | --- | --- |
|  | House | Senate | Agreement |
| Farm Ownership Loans: |  |  |  |
|  Direct  | $1,500,000 | $1,500,000 | ($1,500,000) |
|  Subsidy |  |  |  |
|  Guaranteed  | $2,000,000 | $1,500,000 | (2,000,000) |
|  Subsidy |  |  |  |
| Farm Operating Loans: |  |  |  |
|  Direct | $1,252,004 | $1,252,004 | (1,252,004) |
|  Subsidy | $63,101 | $63,101 | 63,101 |
|  Unsubsidized Guaranteed  | $1,393,443 | $1,393,443 | (1,393,443) |
|  Subsidy | $14,770 | $14,770 | 14,770 |
| Emergency Loans | $34,667 | $34,667 | (34,667) |
|  Subsidy | $856 | $856 | 856 |
| Indian Tribe Land Acquisition |  |  |  |
| Loans | $2,000 | $2,000 | (2,000) |
|  Subsidy |  |  |  |
| Conservation Loans-Guaranteed | $150,000 | $150,000 | (150,000) |
|  Subsidy |  |  |  |
| Indian Highly Fractionated Land | $10,000 | $10,000 | (10,000) |
|  Subsidy |  |  |  |
| Boll Weevil Eradication  | $60,000 | $60,000 | (60,000) |
|  Subsidy |  |  |  |
| ACIF Expenses: |  |  |  |
|  Salaries and Expenses | $306,998 | $306,998 | $306,998 |
|  Administrative Expenses | $7,920 | $7,290 | $7,920 |

In addition, the omnibus also had specific report language regarding the Farm Service Agency, which I have put below:

* The agreement provides $1,200,180,000 for the Farm Service Agency. The agreement includes sufficient funding to maintain staffing levels and does not support the significant funding and staffing shifts proposed in the budget request. The agreement does not permit the closure of 250 Farm Service Agency (FSA) county offices or the elimination of 815 non-federal staff years, as proposed in the budget. The agreement reiterates dissatisfaction with the agency's budget submission. The budget request did not provide a rationale for the proposed office closures and staffing changes, did not clearly describe the effect of those proposed actions, and did not include a timeline for the implementation that demonstrates how savings could be achieved. Therefore, the agreement includes a temporary moratorium on closing offices and relocating employees until a comprehensive assessment of workload, based on new farm bill requirements, can be conducted by the agency. FSA is directed to initiate a workload analysis to assess the impact of new farm bill programs on current and future activities in county offices nationwide and complete this analysis by August I, 2015. In addition, the agreement directs the agency to enter into a contract with an independent third party, the National Academy of Public Administration, and includes $900,000 to conduct this independent review of the workload analysis and determine a clear path forward to ensure the agency continues to provide the highest level of customer service. The independent review shall begin within 30 days after completion of the workload analysis by FSA and the review shall be submitted to the Committees no later than one year after FSA has contracted with the third-party entity.

The language also highlights the fault by the USDA in implementing a hiring freeze of FSA personnel to fund the further development of MIDAS, which Congress did not approve and which has not produced a working system. The legislation directs the USDA to deliver a finished project, and requires monthly briefings for the committee regarding all IT projects and activities related to farm program delivery.