



April 3, 2019

## Proposed Relocation/Realignment of USDA's ERS and NIFA

### Background

As part of the proposed reorganization of the U.S. Department of Agriculture (USDA), Secretary Perdue announced in August 2018 the department's intention to relocate the Economic Research Service (ERS) and the National Institute of Food and Agriculture (NIFA) outside the Washington, DC, metropolitan area. He also proposed the realignment of ERS from the Office of the Undersecretary for Research, Education, and Economics (REE) to the Office of the Chief Economist. Among the stated reasons for the agency relocations are (1) improving USDA's ability to attract and retain qualified staff without the burden of the high cost of living; (2) placing USDA resources closer to the many agricultural stakeholders who live and work outside the Washington, DC, area; and (3) creating departmental savings on high employment costs and rent.

In a subsequent USDA notice in the *Federal Register*, interested parties were invited to make proposals for siting the relocated headquarters of ERS and NIFA. Logistical needs for a new site included "location within a reasonable distance of a commercial primary airport and the transportation infrastructure to have commuting options for employees." The notice also stressed the importance of a site "in close proximity to a critical mass of intellectual capacity" and stated that economic incentives and lower upfront capital costs would be factors in the site selection process. With respect to the relocation of ERS, the notice also emphasized the need for enhanced information technology security to handle the agency's confidential statistical information.

In October 2018, USDA announced that it had received 136 expressions of interest in 35 states. That initial list has been narrowed to 68 locations for further consideration. A final decision on the site(s) is expected in May 2019. USDA announced that it would be working with the consulting firm Ernst and Young to assist in the site selection process and to manage the actual relocation.

### Economic Research Service

ERS was founded in 1961 as the successor agency of the Bureau of Agricultural Economics, which was established in 1922. ERS conducts economic and statistical analyses on agricultural commodities, trade and international agriculture, rural demography, agricultural marketing, food price forecasting, surveys of farm and crop production practices, farm and rural labor and income analysis, food safety and nutrition, natural resources, and the environment. More recently, ERS has developed geospatial online mapping tools to integrate and display data and research results geographically. ERS is one of 13 "principal statistical agencies" of the Federal Statistical System of the

United States, a decentralized agency or organizational unit of the executive branch coordinated by the Office of Management and Budget whose activities are predominantly the collection, compilation, processing, or analysis of information for statistical purposes.

### National Institute of Food and Agriculture

A 2004 USDA task force report recommended the formation of a National Institute for Food and Agriculture. The task force recommended that such an institute should

- support fundamental research addressing the frontiers of knowledge while leading to practical results or further scientific discovery;
- distribute research grants through a competitive, peer-reviewed process and be solely a grant-awarding entity, not one that conducts its own in-house research;
- enhance, not replace, existing USDA research;
- receive oversight from committees of scientists and a council of advisors;
- achieve increasing annual appropriations over a five-year period until it received \$1 billion per year; and
- be located in Washington, DC, to be close to the other major federal science agencies.

NIFA was formally established four years later in the 2008 farm bill (Food Conservation and Energy Act, P.L. 110-234) as the successor agency of the Cooperative State Research, Education, and Extension Service (CSREES). Currently, NIFA administers both formula and competitive grant funds under the 1887 Hatch Act and the 1914 Smith-Lever Act and oversees a wide range of cooperative extension and education functions of the former CSREES.

### External Response to the Proposed Relocation

Criticism of the proposed ERS and NIFA relocations and realignment began almost immediately. Scientists and scientific organizations have mounted aggressive campaigns to slow or reverse the planned relocation. The American Statistical Association joined with 59 other organizations in sending a letter to House and Senate agriculture appropriations subcommittees on November 18, 2018, requesting that "no funding be used for relocation beyond that already provided for its relocation within the National Capital Region." As stated in the letter, the signers' "fundamental concern is that the proposed relocation and realignment will undermine the quality and breadth of the work these agencies support and perform—work that is vital to informing and supporting U.S. agriculture, food and rural economies." This concern about the "quality and breadth of work" may reflect the fact that, within the metropolitan Washington area, NIFA and ERS researchers can more easily communicate and interact with their counterparts in other federal research and statistical

agencies, as was recognized by the 2004 USDA task force in its recommendation that the newly created agency be located in the Washington metropolitan region.

A second letter opposing the relocation and signed by 99 academic, statistical, research, and producer groups was sent March 25, 2019, to the House and Senate Appropriations Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. The letter was also sent to the chair and ranking members of the House and Senate Appropriation Committees. That letter requested that “no funding be used for relocation or reorganization of ERS and that no funding be used for the relocation of NIFA outside the National Capital Region.” The letter requested that any reprogramming requests from USDA to continue implementing the relocation be denied.

### Congressional Response

Members of the minority on the House Agriculture Committee sent a letter on March 27, 2019, to the Subcommittee on Agriculture Appropriations supporting USDA's relocation proposal, pointing out that key functions of USDA such as the Agricultural Research Service and the National Agricultural Statistics Service are already located outside the Washington area. The letter's signers stated their support for the relocation as a means “to improve the agency's ability to recruit top talent from universities across the nation while being closer to rural America and reducing taxpayer expenditures.” The letter further noted the Secretary's commitment that no ERS or NIFA employee would be involuntarily separated during the transition and that employees would be offered relocation assistance and receive the same base salary as before.

Senators Pat Roberts and Debbie Stabenow—chair and ranking members, respectively, of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry—wrote to Secretary Perdue September 7, 2018, pointing out that the “agencies play a critical role in advancing agricultural research and analysis on topics such as food and nutrition, food safety, global markets and trade, resources and environment and the rural and agricultural economy.” Senators Roberts and Stabenow asked for responses to 12 detailed questions regarding the proposed relocation and realignment.

On December 19, 2018, Representative Chellie Pingree introduced the Agricultural Research Integrity Act (115<sup>th</sup> Congress, H.R. 7330), which would have blocked the proposed relocation. The bill would have also blocked the Secretary's plan to move ERS from the Undersecretary of REE to the Office of Chief Economist, which is under the Office of the Secretary. No action was taken on the bill before closure of the 115<sup>th</sup> Congress. The explanatory statement accompanying the FY2019 appropriations bill contains language directing USDA to “delay indefinitely” the proposal to reorganize ERS under the Office of the Chief Economist and to provide Congress with a “detailed analysis” and cost estimates of the proposed relocation of both ERS and NIFA. The statement calls for cost estimates and a “detailed analysis of any research benefits” to be included in the Trump Administration's FY2020 budget

request when the spending blueprint is delivered to Congress. Similar language also appears in the explanatory statement of the Senate agriculture appropriations bill for FY2019. These cost estimates were not included in the Administration's FY2020 budget request.

In March 27, 2019, testimony before the House Appropriations Subcommittee on Agriculture Appropriations, a senior USDA advisor to the Secretary of Agriculture stated that in addition to the original logistical needs to be met in the site selection process, other variables to be considered in the cost-benefit analysis would include quality of life, cost of living, land costs, labor force variables, infrastructure, commute times, and access to data centers.

In response to a letter from Representative Steny Hoyer and Delegate Eleanor Holmes Norton in late September 2018, USDA's Office of the Inspector General (IG) began a review of the proposed relocation. This review, which has not been completed, is to address USDA's legal and budgetary authority to execute the realignment of ERS under the Office of the Chief Economist and the relocation of the agencies outside the Washington, DC, metropolitan area. The IG review is expected to determine “USDA's adherence to any established procedures relating to agency realignment and relocation, and procedures associated with cost benefit analyses (including factors such as staff recruitment and retention, access to agency services, and cost efficiencies).”

### Other Issues

At a March 28, 2019, hearing before the Subcommittee on Appropriations, former USDA Undersecretaries for REE and directors of ERS pointed to other issues that may bear on the decision to realign ERS under the Office of the Chief Economist at USDA. As one of 13 “principal statistical agencies” of the Federal Statistical System, ERS subscribes to the Statement of Commitment to Scientific Integrity of the National Research Council's (NRC) *Principles and Practices for a Federal Statistical Agency*. Four principles are noted as fundamental for a federal statistical agency: relevance to policy issues, credibility among data users, trust among data providers, and independence from political and other undue external influence. The federal statistical agencies may conduct analyses, but they do not advocate policies or take partisan positions.

Concern was expressed in the hearing from witnesses that a realignment of ERS under the Office the Chief Economist and away from the Washington region could potentially raise questions about the independence and objectivity of future ERS analyses and may conflict with the NRC principles. The NRC discussion of agency independence notes that “independence must include separation of the statistical agency from the parts of its department that are responsible for policy-making (or law enforcement) activities.”

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