

USDA

**Presentation: Janie Hipp
Trust Reform Commission
Bismarck, ND
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Questions and Perspectives

- ▶ Improvement/Streamline delivery of services
- ▶ Top three recommendations to strengthen or improve trust management/administration
- ▶ Suggestions on trust administration models

- ▶ Info regarding USDA
- ▶ USDA grants
- ▶ Keepseagle settlement
- ▶ USDA approach to trust responsibility
- ▶ USDA appraisal approaches



USDA General Information



USDA General Information

- ▶ Federal department providing leadership on food, agriculture, natural resources
- ▶ 150th anniversary 2012
- ▶ 17 Agencies
- ▶ 39 departmental offices
- ▶ Over 100 commissions and boards
- ▶ Locations in every state (field offices) and in numerous foreign countries
- ▶ Reach into virtually every county
- ▶ Funding across 7 broad mission areas



USDA General Information

- ▶ Key Areas of focus / strategy:
 - Revitalizing Rural Economies
 - Conservation of Natural Resources, including Forests
 - Improving the Nutrition of our Children
 - Sustainable agricultural production, including local and regional food systems
 - Food safety
 - Research, Education and Extension of Knowledge

- Critical additional focus
 - Civil rights – issuing in new era
 - Transformational leadership



USDA General Information

- ▶ Seven Mission Areas
- ▶ Natural Resources & Environment
 - Forest Service
 - Natural Resources Conservation Service
- ▶ Farm and Foreign Agriculture Service
 - Farm Service Agency
 - Foreign Agriculture Service
 - Risk Management Agency



USDA General Information

- ▶ Research, Education and Economics
 - National Institute of Food and Agriculture
 - Economic Research Service
 - Agriculture Research Service
 - National Agricultural Statistical Service
 - National Agricultural Library
- ▶ Rural Development
 - Rural Housing
 - Rural Utilities Service
 - Rural Business
 - Rural Community Development



USDA General Information

- ▶ Food, Nutrition & Consumer Services
 - Food and Nutrition Service
 - Center for Nutrition Policy and Promotion
- ▶ Food Safety
 - Food Safety and Inspection Service
- ▶ Marketing and Regulatory Programs
 - Animal and Plant Health Inspection Service
 - Agricultural Marketing Service
 - Grain Inspection Packers and Stockyards Administration



USDA General Information

- ▶ Establishment of Senior Advisor to the Secretary, Tribal Affairs
- ▶ Establishment of Office of Tribal Relations
- ▶ Point of Contact Identification for Tribal Consultation and Collaboration
- ▶ Responsibility for implementation of Action Plan
- ▶ Internal leadership and working groups established



USDA Programs and Services

▶ USDA Grants

- Throughout the Department
- Example: beginning farmer and rancher grants can be found in AMS, NIFA, OAO, RD, FSA, and sub-grantees of regional programs through NIFA
- Grants for Education and Research – Example: NIFA
 - Over 140 different grant-funding authorities
 - Climate change; food safety; sustainable food production; obesity and nutrition; technology
- Cooperative Agreements
 - Wildlife Services
 - Animal Plant Health Inspection Service
 - Forest Service
 - Etc.



USDA Programs and Services

- ▶ USDA Loans
 - Farm Service Agency
 - Farm Ownership
 - Farm Operating
 - Direct and Guaranteed Loans
 - Rural Development
 - Direct and Guaranteed Loans
 - Housing
 - Business Development
 - Infrastructure Development

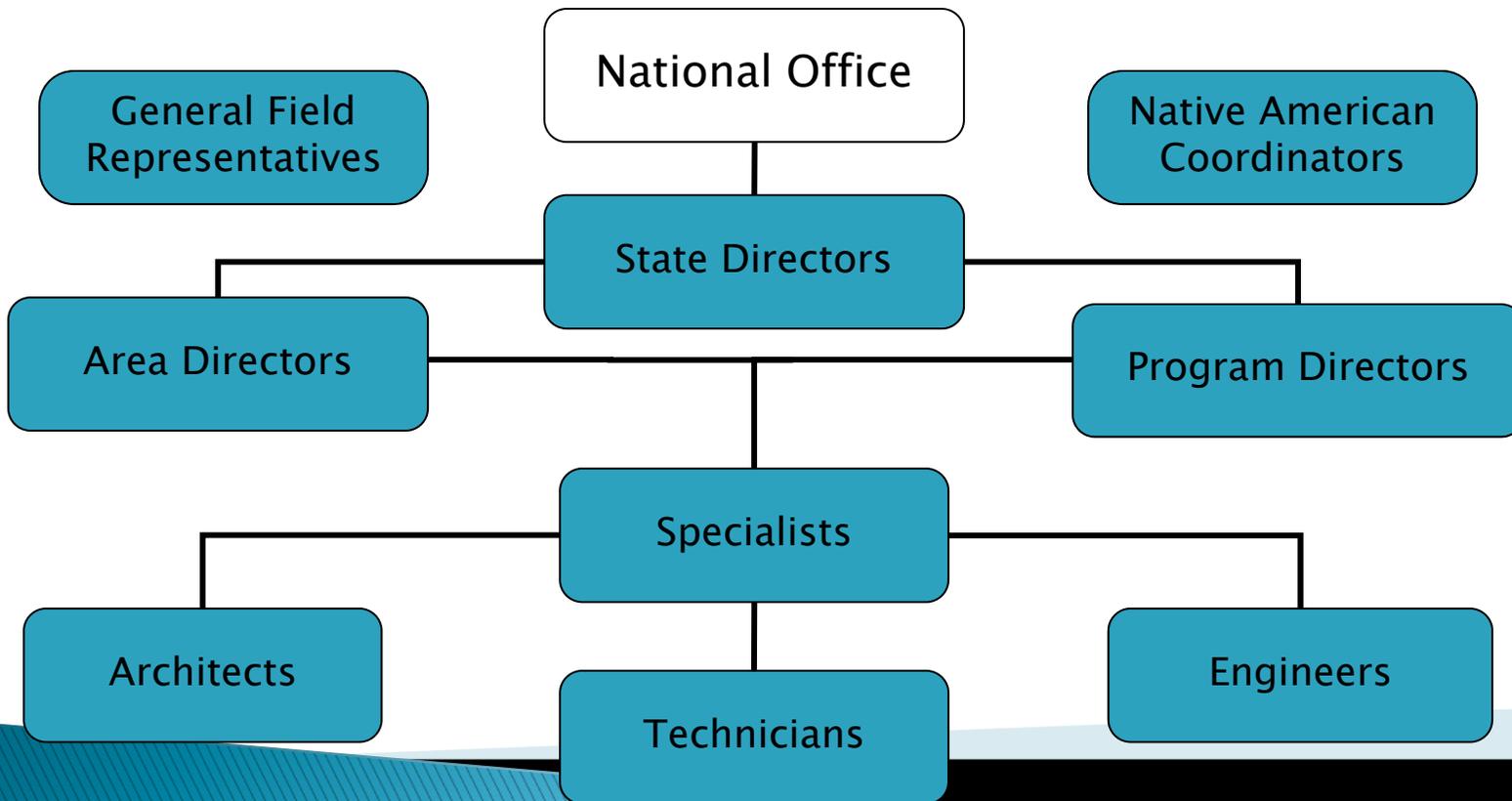


USDA Programs and Services

- ▶ Infrastructure Loans – Generally found in RD
 - Water
 - Sewer
 - Telecommunications
 - Broadband
 - Electric
 - Telephone
 - Community Facilities
 - Single and Multi-Family Housing
- ▶ Rural = 50,000 population or less; in some cases rural = 10,000 or less



USDA Rural Development Organizational Structure



USDA Rural Development

- ▶ **Business and Industry Loan Guarantee**
 - Rural = 50,000 or less
 - Tribes, tribal enterprises and individually owned businesses are eligible
 - Acquisitions, conversions, enlargement, repair, modernization, development
 - Purchase land, easements, rights-of-way, buildings, facilities, equipment, leasehold improvements, machinery, supplies, or inventory
 - You work with a lender, we guarantee the loan



USDA Rural Development

- ▶ **Rural Business Enterprise Grant**
 - Rural = 50,000 or less
 - Tribes, other public entities and non-profits are eligible
 - Funds do not go directly to businesses!
 - Very flexible program
 - Rural job & business creation / economic development
 - Revolving loan funds
 - Business Incubators
 - Training



USDA Rural Development

▶ **Single Family Housing Direct**

- Rural = 20,000 or less
- Very low and low income applicants who cannot qualify for other credit are eligible
- 100% financing available
- Up to 38 year terms
- Interest rates as low as 1%
- No monthly mortgage insurance required

▶ **Single Family Housing Guaranteed**

- Rural = 20,000 or less
- Low and moderate income applicants are eligible
- 100% financing available
- No monthly mortgage insurance required
- 30-year fixed rate loans
- You work with a lender, we guarantee the loan
- Interest rates determined by lender



USDA Rural Development

- ▶ **Community Facility Grants and Direct Loans**
 - Rural = 20,000 or less
 - Tribes, units of local government & non-profits eligible
 - Essential community facility acquisition, construction, renovation, or the purchase of equipment & furnishings
 - Loan / Grant Combinations
 - Up to 40 year terms on loans
 - Grants are available on a prorated basis for projects in communities with smaller populations and lower median household incomes.
 - **Grants are capped at 75% of the project cost.**



USDA Rural Development

- ▶ Water and Environmental Grants and Direct Loans
 - Rural = 10,000 or less
 - Drinking water, sanitary sewer, solid waste and storm drainage facilities in rural areas
 - Tribes, Public bodies and non-profit organizations are eligible
 - Direct loan and grant combos very common
 - **Grants are capped at 75% of the project cost**
 - We work with EPA, Indian Health Service , and other USG agencies in interdepartmental working group



USDA Rural Development

- ▶ **Substantially Underserved Trust Areas (SUTA)**
 - Section 6105 of the Food, Conservation & Energy Act of 2008 (2008 Farm Bill)
- ▶ Affects RUS Programs Only
 - Rural Electrification Program
 - Water & Waste Disposal Program
 - Telecommunications Program
- ▶ Consultation occurred over 1 ½ year period – over 30 locations
- ▶ SUTA final regulations are in place and can be used by Tribes
- ▶ Application + SUTA Request
- ▶ Lower interest rates; waiver of provisions; longer loan terms; must still be financially feasible



USDA Action Plan

Tribal Consultation and Collaboration



USDA Strategies and Focus Action Plan

- ▶ **Departmental Regulations**
 - Adoption of new Departmental Regulation
 - Requirement that all 17 agencies institute new agency-level policies in conformance with DR
 - Critical events as triggers – identification
 - Office of Tribal Relations reviews all Departmental regulations
- ▶ **Accountability and Reporting**
 - Adoption of a Department-wide accountability and reporting “platform” to ensure consistency and accountability
 - Adoption of performance measures incorporated into performance plans
 - FS and NRCS are leading



USDA Strategies and Focus Action Plan

- ▶ Education and Training
 - Senior Policy Level
 - SES and Field Leadership Level
 - All employee level
- ▶ Incorporation of Tribal consultation in the Department and Agency Strategic Plans
- ▶ Advisory and Leadership Working Groups
 - Reconstitute internal groups
 - Institute external groups
 - Ensure we pursue AI/AN membership on commissions and boards



UDSA Strategies and Focus Action Plan

- ▶ Consultation Venues and Topics
 - Identify key consultation venues for multi-agency consultation efforts
 - Future potential and current topics
 - Rural Development and Infrastructure
 - FDPIR (Food Distribution Program on Indian Reservations) – ongoing
 - Education and Extension (FRTEP – Federally Recognized Tribal Extension Program)
 - Subsistence issues
 - Forest management and planning
 - Fractionated Land
 - Animal disease traceability
 - Etc.....



USDA Strategies and Focus Action Plan

- ▶ Comprehensive regulatory review
 - Across all agencies of the Department
 - Identification of barriers and opportunities
 - Incorporating legal issues into review
- ▶ Federal/State/Tribal
 - Acknowledgement that many USDA programs are delivered by states
 - Identification of key areas of conflict
 - How to use our roles to encourage greater engagement with states in solving mutually shared problems
- ▶ Conflict Resolution
 - Recognition of the importance of incorporating conflict resolution into the consultation and collaboration process



USDA Strategies and Focus Action Plan

- ▶ Inter-departmental willingness to coordinate in consultation venues
- ▶ Coordination in consultation is essential at USDA
- ▶ Regional “centers of excellence” – what would that look like – can these become permanent fixtures for consultation venues?
- ▶ Legislative, budget, regulatory consultation
- ▶ Farm Bill consultation
 - Several pieces of important legislation tend to craft USDA’s work
 - USDA does not write the Farm Bill
 - Consultation when a new Farm Bill emerges will begin in earnest almost immediately



USDA Update

▶ Accomplishments

- Major portions of the Action Plan have been accomplished, are underway or have reached major milestones
 - Over 2000 Consultations and Collaborations in the last two years
- SUTA – final regulation in place – SUTA implementation on infrastructure programs of RD
- Comprehensive needs assessment of educational/extension needs in Indian Country
- FSA engaged in consultation on Fractionated Land Loan program – Farm Bill versions include amendments to that program
- Agencies are seeing the importance of their ‘base’ programs in Indian Country



USDA Update

- ▶ From 2009–2011 Rural Development provided over \$1.3 billion in direct and guaranteed loans and grants in Indian Country
- ▶ Over 80% increase in one year (2010–2011) in NRCS Conservation projects deployed in Indian Country
- ▶ Sacred Sites Process – Forest Service and Office of Tribal Relations – imminent release of Final Report
 - Over 100 listening sessions and individual or intertribal consultation venues
 - Major themes: co-management; sacred places; training and education; coordination interdepartmentally



USDA Areas of Future Work

- ▶ We still have much to do
- ▶ Training and Education is a critical need
- ▶ Cultural competency for our employees is also a critical need
- ▶ Employees need to be given the freedom to be creative and begin to address the needs in Indian Country in new ways and with new partnerships
- ▶ Need to embed consultation protocols and improvements throughout all agencies of the Department



USDA Areas of Future Work

▶ Areas of Future Growth

- Comprehensive Internship/Mentorship program
 - Workforce needs in all areas of ag and natural resources
- Co-management of natural resources
- Sacred site concerns
- Evolving stresses on natural resources
- Evolving stresses on food supply (disease, safety, etc.)
- Linking the health/nutrition issues to food supply, local/regional food systems and rural economic development in Indian Country



USDA

Keepseagle v. Vilsack Update



Keepseagle Update

- ▶ In 2010, Keepseagle v. Vilsack discrimination case against USDA was settled
- ▶ Claims period occurred in 2011
- ▶ Track A payments (\$50k) have all occurred to successful claimants
- ▶ Track B payments (\$250k) are forthcoming in weeks (October 2012)
- ▶ Debt Relief to all successful Track A and Track B claimants
- ▶ Cy Pres fund determination
- ▶ Continued implementation of Programmatic Relief



Keepseagle Update

- ▶ \$680 million compensation
- ▶ \$80 million debt relief to successful claimants
- ▶ 25% tax relief payments directly to the IRS
- ▶ Moratorium during claims period
- ▶ Programmatic relief
 - Council for Native American Farming and Ranching
 - Guide to FSA lending
 - Additional rounds of debt servicing to all claimants, regardless of whether successful or not
 - Ombudsman (all underserved)
 - Technical Assistance
 - Intertribal Ag Council Network of technical assistance providers in place in 13 regions



Keepseagle Update

- ▶ Council for Native American Farming and Ranching
 - Scope is “all-USDA”
 - Seated in mid-2012
 - First meeting August 2012
 - Second meeting likely in December 2012
 - Regional representation throughout Indian Country, including Alaska
 - 4 members of USDA (Sr. Advisor Tribal Relations; Administrator, FSA; Director, Farm Loan Programs; Assistant Secretary for Civil Rights)
 - Other 11 members all from Indian country
 - One member is a Keepseagle class legal counsel – Sarah Vogel, ND



Keepseagle Update

- ▶ Important next steps for Council
- ▶ Identify priorities for recommendations to the Secretary
- ▶ Establish regular means to hear from Indian Country
- ▶ Establish communication relationships with other USDA Boards and Commissions & DOI Boards and Commissions



USDA Approach

Trust Responsibilities & Appraisals



USDA Approach

▶ Trust Responsibilities

- Still evolving
- Recognize Trust responsibilities
- Would benefit by an all-USG approach so that ground gain would not be lost in the future
- Almost all USDA authorities arise from Ag Committees drafting and passage of legislation
- Improved communication between Indian Affairs Committees and committees that cross into trust issues and the Ag Committees
- Many of USDA authorities are silent
- Only a handful of Tribal set-asides; no 638 authorities
- Improving program-by-program; authority-by-authority
- Need to be efficient in consultation practices due to widely varying size and scope of USDA agencies/budgets



USDA Approach

- ▶ Appraisals
 - 2 different appraisal processes
 - USPAP and Yellow Book
 - Appraisal processes depend on whether the function is loan/credit or land management in focus
 - RD and FSA – 2 primary appraisal-focused agencies
 - Also NRCS – conservation program delivery
 - In some cases the appraisal function is performed in-house; in other cases is out-sourced; dependent on administrative personnel funding levels
 - Due to recent retirements and early-outs, USDA is fundamentally restructuring its administrative management services
 - Very willing to sit continually with DOI/BIA/OST/and other USG agencies to achieve consistency in appraisal functions



USDA Approaches

- ▶ New MOUs between BIA + NRCS/FSA and BIA + RD
- ▶ Implementation teams will be seated and begin their processes soon
- ▶ Joint consultation
- ▶ Work together and with Tribes to identify needs and deploy resources
- ▶ Collaborate on training and cross-training employees from the departments involved
- ▶ Information/data sharing
- ▶ Performance of appraisal requirements
- ▶ Environmental responsibilities' coordination
- ▶ Expedite processes



Questions

- ▶ Recommendations for improvement/streamlining of services
 - In terms of deployment of USDA programs and services in Indian Country, we must have as complementary and tight a working relationship with BIA/OST, etc. as possible
 - Strategic planning at the Tribal government level is critical
 - Trusted advisors are critical
 - These are most often NOT in federal employment and likely will not be employed in the near term
 - How do we get the right information where it is needed



Questions

- ▶ From the USDA lens
 - Rural revitalization
 - Conservation of natural resources
 - Local and regional planning
 - Nutritious and safe food supply
 - Business development
 - Research and deployment of technology to improve lives
- ▶ USDA has a family of agencies that have 150 years of experience in these array of issues
 - No need to and no time to recreate the wheel
 - Efficient deployment of federal resources to allow local communities, tribal governments and individuals to make decisions that grow their economies and care for their resources and their people



Final comments

▶ Ag lens

- UCC example – Ag Lien systems – need both
- Leasing example – Cash rent/crop share
 - Cash rent leases often do not meet the definition for “actively engaged in farming” which entitles the landowner to participate in some federal farm programs
 - Cash rent leases also allow the tenant to maximize their gain in the short term, usually at the expense of the landlord (general ag law principle).
 - In order to lessen this tendency, ag leases that are cash rent based need to be very specific concerning types of activities allowed on the land and the enforcement mechanisms to address non-compliance (i.e., sustainability)
- Decision Support tools to allow the best decisions possible for the landowner and the farmer/rancher exist and change continually
- Use of technology in the food production process
- Keeping up with farming/ranching trends
- No one federal agency can house all the modern tools – requires partnerships



Final, final comments

- ▶ Close coordination
- ▶ Continual communication
- ▶ Use technology to bridge our divides
- ▶ Focus on the youth and their needs
- ▶ Fix problems that seem un-fixable
- ▶ Get lean, efficient, and effective
- ▶ Focus on accountability
- ▶ Focus on USG coordination of resources – tear down silos and coordinate service delivery



Contact Information

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