



**U.S. Department of the Interior
Office of Inspector General**

ADVISORY REPORT

EVALUATION OF POLICIES AND PROCEDURES RELATED TO THE RURAL DEVELOPMENT ACT OF 1972

**REPORT NO. 2002-I-0034
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United States Department of the Interior

Office of Inspector General

Eastern Region Audits
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Advisory Report

To: Assistant Secretary, Policy, Management and Budget

From: Robert Romanyshyn *Robert Romanyshyn*
Regional Audit Manager, Eastern Region

Subject: Final Advisory Report on Evaluation of Policies and Procedures Related to the Rural Development Act of 1972 (No. 2002-I-0034)

Summary of Evaluation

This report presents the results of our evaluation of the Department of the Interior's (DOI) policies and procedures related to the Rural Development Act of 1972 (RDA).¹ Our objective was to determine² what policies and procedures DOI had in place to give first priority to rural areas when locating new offices and other facilities, as required by RDA.

We determined that:

- DOI and the U.S. Geological Survey (USGS), 1 of 35 bureaus and offices surveyed, had policies (see the Appendices) regarding RDA. They did not, however, have procedures to ensure compliance with the policies.
- DOI had established 396 facilities in 270 locations in the last 5 years. Of the 270 locations, 197 (73 percent) were located in rural areas (areas with a population of 50,000 or less). DOI's decision to place facilities in rural areas was influenced by its mission, rather than any awareness of the requirements of the RDA.

¹ 42 U.S.C. 3122

² The Treasury and General Government Appropriations Act of 2002 (P.L. 107-67, § 647, 115 Stat. 514 (codified at 5 U.S.C. § 5303 note)) requires the Inspector General of each department to submit a report to the Committee on Appropriations detailing the department's policies and procedures to give first priority to rural areas when locating new offices and other facilities.

Background

The RDA directed the heads of all executive departments and agencies of the Government to establish and maintain departmental policies and procedures giving first priority to rural areas when determining the location of new offices and other facilities. DOI's policy on RDA is found in the Departmental Manual (DM), Part 101, Chapters 3 and 4, which describe the requirements to obtain approval for making organizational changes to headquarters and to first- and second-level field offices. The October 1990 DM policy on RDA defined "rural areas" as:

An area outside the outer boundary of any city having a population of 50,000 or more, and any adjacent urban areas with a population density of more than 100 persons per square mile.

In March 1996, the General Services Administration (GSA) issued Interim Rule D-1,³ which defined "rural" and "rural area" to mean:

Any area that (i) is within a city or town if the city or town has a population of less than 10,000, or (ii) is not within the outer boundaries of a city or town if the city or town has a population of 50,000 or more and if the adjacent urbanized and urbanizing areas have a population density of more than 100 inhabitants per square mile.

In April 1996, the Federal Agriculture Improvement and Reform Act of 1996⁴ redefined "rural" and "rural areas" to mean "a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants."

In December 2001, DOI updated 101 DM, but incorporated language on RDA from GSA's Interim Rule D-1, rather than language from the 1996 Act.

Scope

We surveyed DOI and 35 bureaus and offices to identify policies and procedures for giving first priority to rural locations. We also requested information on new offices and other facilities that were leased or constructed between October 1, 1996 and December 31, 2001. We defined "facility" to be any unit that had staff assigned full time. We asked whether consideration was given to RDA in the selection of new locations. We also asked whether there was any documentation supporting that

³ 41 CFR Ch 101, Subchapter D, Appendix - Temporary Regulations

⁴ 7 U.S.C. 1926

consideration was given to RDA and any written justification if rural areas were not selected.

We received responses from eight bureaus and four offices within DOI. We matched the city and state from the responses to data from the 2000 census to determine the populations of the areas where new facilities were located. We noted that in some instances, multiple facilities had been located in the same places, which explained the difference between the number of facilities and the number of locations.

We conducted our evaluation in accordance with the President's Council on Integrity and Efficiency Quality Standards for Inspections. Accordingly, we conducted tests or reviews of records that we considered necessary under the circumstances.

Discussion

Our evaluation revealed the following:

- **Policy for RDA.** The current DOI policy is a restatement of RDA requirements and GSA's Interim Rule. The DOI policy should declare that DOI will give first consideration to rural areas when locating all new offices and other facilities and clearly direct the bureaus to consider RDA when establishing new offices and other facilities. The USGS policy is outdated. USGS has a 1993 policy similar to the DOI policy in the DM prior to the December 2001 revision. USGS did not update its policy when the DM was revised in December because USGS officials were not aware of the revision.
- **Procedures for RDA.** DOI and its bureaus do not have procedures to ensure that rural areas are given first priority when locations are selected for new offices and other facilities. We believe that DOI should either develop procedures for implementing RDA requirements or direct the bureaus to develop those procedures. To ensure compliance with RDA, DOI should have a process to document that first consideration is given to rural areas. The justification for not selecting rural areas should also be documented.
- **DOI Consideration of RDA.** Of the 270 locations selected for new offices or other facilities within the past 5 years, 197 locations, or 73 percent, had populations of 50,000 or less (the general definition of "rural area" in pending legislation—HR 2646, the Agriculture, Conservation, and Rural Enhancement Act of 2002). The mission of DOI influenced the placement of the facilities in rural areas rather than the requirements of RDA.
- **Updating RDA Policy.** DOI did not update the DM regarding policy on RDA in a timely manner. In fact, DOI did not have a process for updating the DM to reflect changes resulting from the 1996 Act. Rather, DOI updated its policy in December 2001 as part of revising the DM for the DOI website. When making the

December 2001 revision, however, DOI used GSA's Interim Rule D-1 instead of the provisions in the 1996 Act. We also determined that the process for revising the DM in December 2001 was not clearly defined. Two employees in the Office of Planning and Performance Management (PPP) maintain the DM. Other offices and bureaus, however, did not notify PPP of all legislative changes affecting the DM. The Office of Acquisition and Property Management commented on the December 2001 revision at the request of PPP, although it is not clear which office should have been responsible for revising the DM in 1996.

- **Pending Revisions to RDA.** The enactment of proposed legislation and changes to GSA's Interim Rule are anticipated within the coming months. Congress has proposed legislation that will affect the definition of "rural" and ultimately require revisions to the DM. The Agriculture, Conservation, and Rural Enhancement Act of 2002 (HR 2646) proposes a general definition of "rural and rural area [to] mean a city, town, or unincorporated area that has a population of 50,000 inhabitants or less." This definition eliminates the confusion between interpretations of the existing language. In addition, GSA has indicated that it plans to revise its definition of "rural" and "rural area" in the spring of 2002. These two proposed changes should be monitored and the final versions used to revise the DM to reflect the new definitions.

In the April 25, 2002 exit conference, the Office of Acquisition and Property Management concurred with the contents of the report. A response to the Office of Inspector General is not required, since this report does not contain any recommendations.

This advisory report will be listed in our semiannual report to Congress, as required by Section 5(a) of the Inspector General Act (5 U.S.C. app. 3).

APPENDIX 1

Department of the Interior Departmental Manual

Effective Date: 12/11/01

Series: Organization

Part 101: Organization Management

Chapter 3: Planning and Approval for Headquarters and First-Level Field Offices

Originating Office: Office of Planning and Performance Management

101 DM 3

3.1 Purpose. This chapter defines responsibilities and describes the requirements to obtain approval for making headquarters and first-level field office organization changes, and for establishing, abolishing, or relocating first-level field offices as defined in 101 DM 2.4A(10). Requirements for changing second-level field offices are provided in 101 DM 4.

3.2 Scope. The policy and the requirements apply to all bureaus and offices of the Department.

3.3 Policy. Organization descriptions of headquarters and first-level field offices are published in the Departmental Manual.

A. Headquarters organization descriptions published in the Departmental Manual will include delineation of both line and staff organizations through at least the division level.

B. The Departmental Manual must include the functional statement and location of any headquarters program and technical or administrative organizational unit that is not located in the headquarters city.

C. First-level field office organization descriptions published in the Departmental Manual will describe general functions and responsibilities but not organizational substructure.

D. The Departmental Manual must include the geographic locations of first-level field offices and delineation of the geographic areas under their jurisdictions.

3.4 Responsibility. Bureaus and offices are responsible for implementing internal procedures to ensure comprehensive and expeditious Departmental clearance reviews.

APPENDIX 1

3.5 Planning for Organizational Changes. Early coordination and briefing with appropriate Departmental offices fosters identification of potential issues and concerns and can result in significant savings of time during the Departmental clearance review.

A. Whenever possible, field offices/organizations will collocate and share administrative and support services in the interest of economy and efficiency.

B. All organizations, both headquarters and field, will be structured to perform their mission in a manner that is both effective and efficient and that promotes quality services to customers.

C. Staffing plans for organizational structures must be established within the limits of budgetary and personnel ceiling controls.

D. Bureaus/Offices must observe the requirements of 370 DM 711, Subchapters 1-8, Labor Management Relations, Obligation to Negotiate, and bureau policies covering labor management relations. The Department's statutory obligation to consult with labor organizations outlined in 370 DM 711, 4.1C, National Consultation Rights, **must** be met to avoid unfair labor practices. The labor-management relations aspects of proposed organizational changes should be coordinated with the Office of Personnel Policy when the proposal becomes a final draft and before the proposed DM release is submitted to the Department for review and approval. Response time for national consultation may require a maximum time of 35 days, which includes the required time for actual review by the unions. The Office of Personnel Policy will analyze the consultative documents to determine the amount of time required. Following national consultation, the package can be submitted formally to the Department.

3.6 Federal Policies Related to Field Office Changes

A. Space Management. When planning changes to field organizations and locations, consideration must also be given to FPMR 101-17, FPMR 101-18, Temporary Regulation O 1, FMR 102-79 and 425 DM 1. Coordination with GSA may also be required.

B. Rural Development. The Rural Development Act of 1972 (RDA) requires that first priority be given to the location of new offices and facilities in rural areas.

(1) Rural area means any area that is:

(a) within a city or town if the city or town has a population of less than 10,000, or

(b) not within the outer boundaries of a city or town if the city or town has a population of 50,000 or more and if the adjacent urbanized and urbanizing areas have a population density of more than 100 inhabitants per square mile.

APPENDIX 1

(2) Urban area means any metropolitan area as defined by the Office of Management and Budget and any non-metropolitan area that meets one of the following criteria:

(a) A geographical area within the jurisdiction of any incorporated city, town, borough, village, or other unit of general local government, except county or parish, having a population of 10,000 or more inhabitants;

(b) That portion of the geographical area within the jurisdiction of any county, town, township, or similar governmental entity which contains no incorporated unit of general local government, but has a population density equal to or exceeding 1,500 inhabitants per square mile; or

(c) That portion of any geographical area having a population density equal to or exceeding 1,500 inhabitants per square mile and situated adjacent to the boundary of any incorporated unit of general local government which has a population of 10,000 or more inhabitants. (Source: Intergovernmental Cooperation Act of 1968, 40 U.S.C. 535.)

3.7 Departmental Review and Clearance.

A. Submitting Requests for Organizational Changes. Requests for changes to headquarters and first-level field offices will be submitted by memorandum. (Guidance for preparing the memorandum is contained in Appendix 1). The request will be submitted to the Department for final review and clearance as follows:

(1) Bureau Directors will submit requests for organizational changes through their Program Assistant Secretary to the Assistant Secretary - Policy, Management and Budget.

(2) Secretarial Office Heads reporting to the Secretary or Deputy Secretary will submit requests for changes to the Assistant Secretary - Policy, Management and Budget.

(3) Secretarial Office Heads reporting to the Assistant Secretary - Policy, Management and Budget will submit changes to the Director, Office of Planning and Performance Management.

B. Documents Required. Requests for changes to organizations will include the following:

(1) Clearance Record (Form DI - 228);

(2) Transmittal Sheet (Form DI - 415);

APPENDIX 1

(3) Proposed Departmental Manual release (the revised chapter(s)). The requirements for formatting organization chapters are described in 011 DM 2.5A;

(4) Justification memorandum (including supporting documents) as described in 101 DM 3, Appendix 1;

(5) Staffing Matrix (See sample in Appendix 2). The staffing matrix may be developed in landscape as it will not be included as part of the chapter in the electronic system. It is only used as supporting information.

(6) Appropriate organizational charts;

(7) Maps of regional offices, as needed;

(8) Annotated copy of the current DM Chapter indicating the proposed revisions.

C. Review and Surnaming. The Assistant Secretary - Policy, Management and Budget will forward all requests to the Office of Planning and Performance Management. The Office of Planning and Performance Management will determine the appropriate reviewing offices, monitor, and coordinate the Departmental review with the appropriate policy offices.

(1) Secretarial offices will review the request simultaneously for adherence to Departmental policies and/or other Federal requirements. Upon completion of the reviews, and if necessary, resolution of any issues, each office will surname and return the Clearance Record to the Office of Planning and Performance Management. The reviewing offices may vary, but will generally include:

(a) The Office of Planning and Performance Management will review proposals to determine if the requirements in 101 DM have been met.

(b) The Office of Personnel Policy will review proposals for position management, human resources, and labor-management relations implications.

(c) The Office of Congressional and Legislative Affairs will review proposals for the impacts of proposed changes on Congressional districts and as appropriate, will notify members of Congress.

(d) The Office of Budget will review proposals for cost effectiveness, consistency with fiscal policy, the effect of proposed full-time equivalent employment on Departmental targets, and any effects on understandings the Department has with Congress regarding reprogramming. The Office of Budget will advise bureaus and offices on whether or not a reorganization proposal must be forwarded to any Congressional Committees.

APPENDIX 1

(e) Any other Secretarial Offices, as appropriate, for review of legal or program implications in areas under their jurisdictions.

(2) Each reviewing office will be given **ten** working days to review the request and submit comments to the Office of Planning and Performance Management.

D. Resolving Issues. The Office of Planning and Performance Management is responsible for resolving any conflicts and problems that arise during the review process. Reviewing offices must notify the Office of Planning and Performance Management of their concerns and problems. The Office of Planning and Performance Management will coordinate with the reviewing office(s) and the requesting office to determine appropriate action to resolve the matter. If satisfactory resolution is not reached at the office or bureau level, the Office of Planning and Performance Management will coordinate with the appropriate bureau or office head, Assistant Secretary and/or other Secretarial Officers to resolve the matter. If the problem is not resolved at the Assistant Secretary level, the request will be forwarded to the Secretary along with a description of the unresolved problem(s) and a recommendation(s) for resolution.

3.8 **Approval**. Upon receipt of the surnames and/or resolution of issues, the Office of Planning and Performance Management will forward the request to the Assistant Secretary - Policy, Management and Budget (and when appropriate, the Secretary) for signature and final approval.

3.9 **Implementation**. An organization change becomes effective upon approval or on a date specified in the directive. Interim organizational changes, assignments of personnel, or reprogramming of funds and other resources related to organizational changes at levels affecting the Departmental Manual may not be implemented until a Departmental Manual release or a Secretary's Order is approved.

3.10 **Announcements**. Congressional or public notification of organizational changes at levels affecting the Departmental Manual may not be made without the approval of the Assistant Secretary - Policy, Management and Budget, the supervising member of the Secretariat, and the Director of Congressional and Legislative Affairs. For major organizational changes, the Department's Office of Communications may require a communications plan as prescribed in 470 DM 1.3A(3), prior to notifying the public.

CONTENTS OF MEMORANDUM REQUESTING
APPROVAL OF
HEADQUARTERS OR FIRST-LEVEL FIELD OFFICE
ORGANIZATIONAL PROPOSALS
WHICH AFFECT THE DEPARTMENTAL MANUAL
(Justification Memorandum)

Prepare a memorandum addressed to the approving official as required in 101 DM 3.6A. The purpose of the memorandum is to explain the reason for the change and highlight key management decisions and significant organization impacts and changes. The memorandum should also address the following:

1. Description of the organizational change, including the name and location of both proposed and present organizations.
2. Justification for change.
 - a. Factors making the change necessary.
 - b. Rationale for selecting organizational structure and/or location proposed.
3. Cost effectiveness.
 - a. Cost of the reorganization (e.g., relocation costs).
 - b. Operational cost for the proposed organization and the difference in operational costs between the present and proposed organization (e.g., costs associated with salaries, utilities, rent, transportation, travel).
4. Management effects.
 - a. Effects on program management and operations including both efficiency and effectiveness.
 - b. Effects on the quality of goods and services provided to customers.
5. Budgetary impacts and/or effects on pending budget requests.
6. Human Resources requirements (Position Management, human resources, and Labor-Management Relations).

APPENDIX 1

- a. Explain how the proposed changes comply with 370 DM 312, Position Management, and/or explain the reason for any deviations. The explanation should include some consideration of the following:
 - (i) Cost effectiveness of work structures (how many positions are needed to do the work, whether specific positions are needed, etc.).
 - (ii) Fragmentation of the organization and distribution of complex work over too many positions.
 - (iii) Establishment of too many levels in the chain of command.
 - (iv) Justification for any newly established senior level positions, e.g., deputy, special assistant, and staff assistant, etc.
 - (v) Supervisory ratio (number of employees supervised).
 - b. Specifically identify in the new organization those positions which are proposed at the SES level and indicate any increases or decreases in the number of these positions as compared to the current organization.
 - c. Analyze and explain the effects of the reorganization on employees in terms of accretion or erosion of duties, increased or decreased career potential, changes in reporting relationships, grade level changes, and gain or loss of positions. Where any of these changes could be construed to affect employees adversely, specific actions should be explained (i.e., reassignments, grade and pay retention, reduction-in-force).
 - d. Indicate compliance with 370 DM 711, 4.1C, National Consultation Rights.
7. Indicate the name, organization, and telephone number of a person(s) to whom questions should be directed.
 8. Attach the following documents to the memorandum:
 - a. The proposed new or revised Departmental Manual release. (Formatting requirements for organization chapters are described in 011 DM 2.5A.)
 - b. Organization chart(s) and maps, as appropriate.
 - c. A Staffing pattern matrix, when needed (See Appendix 2).
 - d. A copy of the current organization chapter published in the Departmental Manual, annotated to indicate the changes being made to the organization.

APPENDIX 1

101 DM 3
Appendix 2

SAMPLE OF STAFFING PATTERN MATRIX Administrative Services

PROPOSED ORGANIZATION								
Current Org.	Curr. Pos.	Assoc. Dir., Admin. Serv.	Hum. Res.	Mgmt. & Fiscal Services Div.	Contract. & Prop. Mgmt. Div.	EEO	Pos. to Units Outside Prop. Org.	Pos. Elim.
Assoc. Dir, Admin.	1	1	.	.	.	.	.	.
Deputy Assoc. Dir., Admin.	1	.	.	.	.	.	.	1
EEO	4	.	1	.	.	3	.	.
Pe.r.	4	.	4	.	.	.	.	.
Budget	6	.	.	5	1	.	.	.
Fin.	4	.	.	4	.	.	.	.
Org. & Methods	6	.	.	6	.	.	.	.
Cont. & Prop. Mgmt.	6	.	.	.	4	.	1*	1
Subtotal	32	1	5	15	5	3	1	2
New Pos.		.	1	.	.	.	.	.
Total		1	6	15	5	3	30	.

*Office of Information Resources Management

(For positions transferred outside of the proposed organization, use an asterisk beside the number and provide the name of the unit(s) at the bottom of the page.)

Note: For each row, the sum of the numbers to the right of the "Current Positions" column (number in the "Proposed Organization" plus number "Transferred" and/or "Eliminated") should equal the number in the "Current Positions" column.

APPENDIX 1

Department of the Interior Departmental Manual

Effective Date: 12/11/01

Series: Organization

Part 101: Organization Management

Chapter 4: Planning and Approval for Second-Level Field Offices

Originating Office: Office of Planning and Performance Management

101 DM 4

4.1 Purpose. This chapter defines responsibilities and describes the requirements to obtain approval for establishing, abolishing, or relocating second-level field offices, as defined in 101 DM 2.4.

4.2 Policy. Second-level field office general organization descriptions are published in the Departmental Manual.

A. The Assistant Secretaries, Solicitor, Inspector General, and Heads of Secretarial Offices may, within their respective areas of responsibility, establish, abolish, consolidate, or relocate any permanent second-level field office below the first-level field office (except as noted in 101 DM 4.2C below), subject to review by the Office of Budget, Office of Congressional and Legislative Affairs, and the Office of Planning and Performance Management.

B. Descriptions of specific second-level field offices and their geographic locations are not required to be published in the Departmental Manual except as noted in paragraph D below.

C. Actions to abolish, transfer, or consolidate BIA agencies, sub-agencies, and field stations are subject to the approval of the Secretary/Deputy Secretary as required by 25 U.S.C. 62 and 63, and Executive Order 10250, as amended.

D. General descriptions of the overall functions and identification of the geographic locations of BIA agencies, sub-agencies, and field stations, will be published in the Departmental Manual.

4.3 Planning for Organizational Changes. The planning process required for establishing, abolishing, transferring, or consolidating second-level field offices will comply with the provisions of 101 DM 3.

APPENDIX 1

4.4 Departmental Review Procedures.

A. Submitting Proposed Changes. Proposed changes to second-level field offices are submitted to the Department only for review. The proposed changes will be described in a memorandum and submitted as follows:

(1) The Solicitor, Inspector General, and Heads of Secretarial Offices will submit a memorandum to the Assistant Secretary - Policy, Management and Budget (A/S-PMB).

(2) Heads of bureaus will submit a memorandum through their Program Assistant Secretary to the A/S-PMB.

B. Content of the Memorandum. The content and format of the memorandum and any supporting documentation are described in 101 DM 4, Appendix 1. Organization changes that abolish, transfer, or consolidate BIA Indian agencies and field stations will follow the procedures outlined in 101 DM 3.6. Supporting documents for changes to proposed BIA agency and Field stations are also described in that part of the chapter. The contents of the memorandum prescribed in 101 DM 4, Appendix 1, may be substituted for supporting documents identified in 101 DM 3.6.

C. Review Period. The A/S-PMB will forward the memorandum to the Office of Planning and Performance Management.

(1) The Office of Planning and Performance Management will have **ten** working days from receipt of the memorandum to obtain the Departmental review and inform the bureau or office of any Departmental concerns or problems with the proposed changes.

(2) The Office of Planning and Performance Management will forward the proposal to the Office of Budget, Office of Congressional and Legislative Affairs, and to other offices for review, as appropriate.

(3) Departmental reviewing offices will have **five** working days to review the proposal and notify the Office of Planning and Performance Management of any concerns.

D. Resolving Issues. If there are problems or concerns, the Office of Planning and Performance Management will assume lead staff responsibility in working with the bureau or office to resolve the problems and the review period may be extended up to five additional working days. Extensions must comply with 101 DM 4.4.

(1) If resolution cannot be obtained within the extended time, the Office of Planning and Performance Management will forward the notification to the A/S-PMB along with a description of the unresolved problem(s) and recommendation(s).

APPENDIX 1

(2) If the problem is not resolved at the Assistant Secretary level, the notification will be forwarded to the Secretary for resolution.

4.5 **Approval.** The Department does not approve second-level field office changes except as noted in 101 DM 4.2C above.

4.6 **Announcements.** Congress and the public can be notified ten working days from the Office of Planning and Performance Management's receipt of the memorandum, if there are no problems. If there are problems, notices to Congress and the public can be made following resolution of the problems. Personnel assignments, reprogramming of funds or other resources and interim changes will not be implemented until the Congress and the public can be notified.

JUSTIFICATION MEMORANDUM
FOR DEPARTMENTAL REVIEW OF
SECOND-LEVEL FIELD OFFICE
ORGANIZATIONAL PROPOSALS
WHICH DO NOT AFFECT THE DEPARTMENTAL MANUAL

Prepare a memorandum addressed to the approving official as required in 101 DM 4.4A containing information described below. If any part(s) of this request cannot be addressed, please explain.

1. Description of the organizational change for both the proposed and present field offices. Include the name, location and type of change.
2. Justification for change.
 - a. Factors making the change necessary.
 - b. Rationale for selecting site proposed.
3. Cost effectiveness.
 - a. Cost of the reorganization (e.g., relocation costs.)
 - b. Operational costs for the proposed organization and the difference in operational costs between the present and proposed organization (e.g., costs associated with salaries, utilities, rent, transportation, travel, etc.)
4. Management effects.
 - a. Effects on program management and operations including both efficiency and effectiveness.
 - b. Effects on the quality of goods and services provided to customers.
5. Budgetary impacts and/or effects on pending budget requests.
6. Human Resources Requirements (Position Management, Human Resources, and Labor Management Relations).

APPENDIX 1

- a. Indicate compliance with 370 DM 312 (Position Management System) or justification for noncompliance.
 - b. Explain any increase or decrease in total number of positions, or any changes in grade, level, rank, or reporting relationship.
 - c. Explain any adverse impacts resulting from the change.
 - d. Indicate compliance with 370 DM 711, 4.1C, National Consultation Rights.
7. Indicate the name of the organization and phone number of the person(s) to whom questions should be directed.

APPENDIX 2



U.S. Geological Survey Manual

100.1 - Policies and Procedures for Organization Changes

9/17/93

OPR: Admin/Office of Personnel

1. Purpose. This chapter describes the policies and procedures to be followed for all organization changes within headquarters and field offices of the U.S. Geological Survey (USGS), including the opening, closing, and relocation of field offices.

2. Policies.

A. It is departmental and USGS policy to establish and maintain sound organizational structures for effectively managing the functions required to accomplish departmental and USGS goals and objectives.

B. It is also the policy of the Department and the USGS to maintain field organizations and locations that are well organized, coordinated, and positioned to carry out the Department's mission with maximum effectiveness and efficiency. When considering the establishment or location of a field office, attention should be given to effective management and communications; cooperation with State, local, and other Federal Government organizations; impact on personnel; and the cost effectiveness of organizational alternatives. To the extent practical, field offices shall be located to operate efficiently and to meet clientele needs while effectively carrying out USGS responsibilities. Whenever possible, USGS field offices should collocate within a local area, either in the same or in adjacent buildings, to ensure economy in the use of required services. (See also SM 100.1.4C.)

3. Definitions.

A. *Division*. The first subordinate organizational component below the Office of the Director.

B. *Office*. Generally the first subordinate organizational component below a division.

C. *Branch*. Generally the first subordinate organizational component below an office.

D. *Section*. Generally the first subordinate organizational component below a branch.

E. *Unit*. Generally the first subordinate organizational component below a section.

F. *First-Level Field Office*. A first-level field office is the first subordinate organizational component below a division that is placed outside the headquarters structure and falls into one of the following two categories:

APPENDIX 2

(1) A regional office or office of equivalent status that has responsibility for program and/or administrative activities within a geographically defined area; or

(2) A non-regionalized field office that reports to a headquarters organization and provides specialized services nationwide, such as administration, engineering, or research that is not limited to a specific geographic area.

G. *Second-Level Field Office.* A second-level field office is a subordinate organizational component below a first-level field office that is placed outside the structure of the first-level field office, except for traveling field teams. A second-level field office may be known by such various titles as district, subdistrict, State office, laboratory, project office, or field headquarters.

H. *Temporary Field Office.* A field office that, because of the nature of its work, is expected to be operational for no longer than 12 months.

I. *Organization Change.* Any change in the established structure of an organizational component, including the establishment of a new component, the transfer of significant functions from one component to another, the abolishment of an organizational component, the revision of servicing areas or boundaries, or a change in the title of a component.

4. Requirements.

A. *Approvals.*

(1) *Approval by the Department.*

(a) Any proposed organization change that would result in a change to the organization's description as published in the Departmental Manual requires prior approval and signature of the Assistant Secretary--Policy, Management and Budget before such changes may be implemented, even on an interim basis. The organizational structure and functions of USGS components down to and including the first echelon below the Division level (usually an office) are described in the Departmental Manual (120 DM Chapters).

(b) Prior approval by the Assistant Secretary--Water and Science is required for the opening, closing, or relocation of any permanent field office not at the level to be included in the Departmental Manual.

(2) *Approval by the Director.* All requests for departmental approval require the prior approval and signature of the Director, USGS.

(3) *Preclearance by the Congressional Liaison Office.* Opening, closing, or relocating field offices must be precleared by the USGS Congressional Liaison Office.

(4) *Approval by the Division Chief.* Changes in organization structure that do not require departmental approval may be approved by the appropriate division chief. This does not include opening, closing, or relocating field offices, but does include changes to headquarters and field

APPENDIX 2

organizations that are not reflected in the Departmental Manual. Personnel actions, regardless of organizational level, are subject to applicable personnel regulations and policies and the processing requirements of the servicing personnel office.

B. Organization Structure. Departmental policies, including standards for organization structure, are contained in 101 DM Chapters.

C. Federal Policies. The USGS must comply with governmentwide policies affecting organization structures and the location of field offices. These policies are stated in the directives described below.

(1) *Regional Organization.* Office of Management and Budget (OMB) Circular A-105 requires that bureaus and offices with field organization structures comply with Standard Federal Region boundaries, subboundaries and headquarters cities.

(2) *Space Management.* Federal Property Management Regulations (FPMR) 101-17, FPMR 101-20, and Departmental Manual Part 425 require certain steps to be taken in planning changes to field organizations and locations. These steps include coordination with the General Services Administration (GSA) regarding space needs. (See SM 429.1)

(3) *Rural Development.* Notwithstanding the requirement to use headquarters cities of the Standard Federal Regions, Public Law 92-419 requires that first priority be given to the location of new offices and facilities in rural areas. A rural area is defined as an area outside the outer boundary of any city having a population of 50,000 or more and any adjacent urban areas with a population density of more than 100 persons per square mile. All other locations are classified as urban areas.

D. Implementation of Changes. In accordance with departmental requirements, no changes may be announced or enacted, no interim changes may be made, no funds may be reprogrammed, no requests for new space may be made, and no requests for personnel actions may be initiated until approval for the change is granted and the Division receives the approval in writing (101 DM 3.4B and 101 DM 4.4B). The Assistant Director for Administration will give a copy of this approval to the appropriate division chief and regional management officer.

5. Responsibilities.

A. The Assistant Director for Administration coordinates the approval of organization changes described in 4A(1) and (2) above, reviews and recommends appropriate action to the Director, and prepares such changes for publication. The Assistant Director for Administration assures that all proposed changes are in compliance with governmentwide and departmental policies and in consonance with sound organization theory, position management, 5 USC 71 Labor Management Relations, space and facilities guidelines, and other established requirements. The Office of Personnel has operational responsibility for these activities and should be consulted before submission of a request for a change to resolve any questions concerning the applicability of these policies.

APPENDIX 2

In addition, the Office of Personnel will provide the following services if requested:

- (1) Analyze and recommend an appropriate division of functions, organization and staffing, and skill mixes to accomplish assigned functions;
- (2) Provide guidance concerning position management and the position management implications of proposed personnel actions and reorganizations;
- (3) Conduct studies of special problems and develop systems, procedures, and policies to improve organizational effectiveness;
- (4) Conduct research to develop and evaluate new management techniques, practices, and systems in conjunction with a proposed organization change;
- (5) Conduct studies to evaluate organizational and management effectiveness; and
- (6) Determine the applicability of and USGS compliance with Federal laws, regulations, and guidelines.

B. *The Division* requesting an organization or field office change provides all necessary information and coordinates the actions with appropriate administrative support organizations as described in SM 100.1.6 below to ensure the provision of services that will be required by the proposed change.

6. Procedures.

A. *Initial Planning Phase.* When an organization or field office change is being planned, the Division should contact the Assistant Director for Administration or regional management officer for advice and assistance regarding personnel implications, space requirements, organizational alternatives, and for guidance to speed approval of the change. Policy and procedural guidance is available from the Office of Personnel.

- (1) The Division must coordinate with the Office of Personnel or the servicing personnel office on the following specific items:
 - (a) Position management and classification implications of any organization or field office change to ensure that necessary steps are taken to minimize any adverse impact on the work force;
 - (b) Organization or field office changes involving personnel relocation, reassignment, or termination of employment, so that preparations can be made for applying pertinent Office of Personnel Management regulations concerning the issuance of advance notice and informing employees of their rights regarding retirement eligibility, severance pay, and health benefits; and

APPENDIX 2

(c) Responsibilities to labor unions whose members may be affected by the organization or field office change so that steps may be taken to fulfill obligations to unions with national consultation rights and to ensure that impact bargaining commitments to local unions are met.

(2) As appropriate, the Division must consult with the Office of Facilities and Management Services or the regional management officer on space and other general service needs. If a field office is to be established or relocated, division management must determine the geographic location for the proposed field office before submitting a request for approval. The request to approve the field office change should be initiated and approved before a request is submitted to the GSA regional office to locate specific office space. When an office is to be relocated, the moving office must initiate the request for approval in sufficient time to allow approval of the change before vacating their present space. The time required for locating new office space by the responsible GSA regional office usually takes between 9 months and 1-1/2 years. More information on space policies and procedures is contained in Departmental Manual Part 425 and SM 429.1

B. Submitting Requests for Change. The Division prepares the request for approval of organization changes described in paragraph 4A(1) above. The Division chief submits the request, in memorandum form, to the Assistant Director for Administration.

(1) Requests for changes in headquarters or first-level field office organization structure must contain all items listed in Appendix A.

(2) Requests for changes to second-level field offices must contain all items listed in Appendix B.

(3) Requests that require a change to the Departmental Manual must include an organization statement in the form of a Departmental Manual release and contain the information outlined in Appendix C.

C. Approval Process.

(1) The Assistant Director for Administration will forward all requests to the Office of Personnel to review proposed changes to assure that all requirements are met and to coordinate the proposal through the approval process.

(2) If a field office change is proposed, the Office of Personnel coordinates with:

(a) The servicing personnel office to assure that a position management review has been done, arrangements have been made to fulfill obligations to unions representing affected employees, and all personnel implications have been considered and resolved;

(b) The regional management officer to determine the availability of space in the proposed location; and

APPENDIX 2

(c) The USGS Congressional Liaison Office for preclearance of the proposed change before submission to the approving official.

(3) The Office of Personnel prepares the formal request and submits the request through channels to the appropriate level for approval.

D. Implementation Process.

(1) The Office of Personnel notifies the Division and regional management officer when approval is received for an organization or field office change.

(2) The Division consults with the Office of Personnel or the servicing personnel office on the following items as appropriate:

(a) Advance and final notice to employees;

(b) Classification of positions and qualifications of employees;

(c) Consultation with local unions; and

(d) Initiation of personnel actions.

(3) The Division sends a memorandum to the Office of Personnel requesting the establishment of or change to organization codes prior to initiating any personnel actions.

(4) The Division consults with the Office of Financial Management to make any necessary adjustments to the accounting system.

(5) The Division consults with the appropriate space and facilities office to arrange for space, renovations, telephones, moving employees, etc.

(6) The Division notifies the Payroll Coordinator in writing when an office is established, relocated, or abolished and it requires a change of address for payroll documents.

[Return to Survey Manual Table of Contents](#)

[Return to Survey Manual Index](#)

[Return to Survey Manual Home Page](#)

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