

2007 Legislative Conference

March 5, 2007

Place: Crystal City Sheraton Hotel, Washington DC

Time: 8:30 AM

Call to Order:

Welcome: NASCOE President: Dan Root

Opening Prayer: Steve Morrison

National Anthem: Deb Esselman-Baird, CED, WI

Dan Root: NASCOE President, Did introductions of NASCOE Executive Board and Committee Chairpersons. He introduced Ms. Lasseter. "She is a friend to all of us."

FSA Administrator, Teresa Lasseter: She welcomed everyone to Washington DC. A trip to Washington DC is truly and experience and makes you feel more patriotic and aware of what it took to make this country. She discussed the following:

- **Technology:** She feels much better today than even from last week. The Secretary is aware of the problem. She met with the Secretary, OCIO, Budget and many others last week regarding the computer situation. Within 3 weeks we will have a business plan and an IT solution. It was suggested that we might have to deliver the new farm basis on a manual basis. She expressed her surprise at that remark and said that it's not "do-able". There is a meeting later today regarding this situation. The Secretary is determined to find a solution. She knows it's working somewhat better than a month ago but it still needs to work better. Have a team of 65 people consisting of IT specialists to work on the problem. They are working hard to get ready for the next farm bill.
- **Office Structure:** Did not feel a mandate from Washington should be used, the states should decide where offices would be situated. She told the states to come up with plans. Have 27 state plans: to consolidate 125 offices and open 1. They are changing the location of services. Wants to deliver better, more timely programs for our farmers. Currently there are 58 offices that have no employees, 139 that have one employee, 138 have 2, and 515 have 3 employees. There are 361 offices that do not have a CED. It is more important than ever to restructure but remember that our number one priority is to provide good service to our customer. We have to keep the employees in mind, but service to farmers is number one. The customer is the whole reason for FSA as an agency.
- **Mark Keenum, Under Secretary for FFAS:** He could not be present at the meeting. Ms. Lasseter discussed what an asset he is to USDA. She gave his background as he worked his way around Mississippi and then to Washington DC. He hit the ground running. He came to all the administrator's offices and listened to what they said. He is an advocate for FSA and we should be thankful for that.
- **IPIA, Improper Information Act:** She doesn't like how the ACT defines improper payments but we must follow the law. We must be accountable and accurate. She was pleased that they could give some relief from the initial review, but we cannot be lax. She wants recommendations and suggestions sent to Washington. This helps us all do a better job.
- **Farm Bill:** The Secretary has submitted proposals but they are only proposals. He attended listening sessions held all over the country. He released USDA's proposal for the Farm Bill at the end of January. There are power point presentations available to view on the proposals. It is a starting point for debate on the Farm Bill.
- **Disaster Legislation:** There is a possibility of such legislation, but the administration is on record as opposing such legislation. There are many dire needs across the country. If we receive such legislation, we will do our best to deliver the program.
- **Morale:** Take this message back to other employees: your morale should be high. Our jobs are never easy but they are rewarding and meaningful and one of the main reasons why our country's agriculture is so strong. We feed much of the rest of the world and you play a major role in that. Tell employees they are appreciated by her and the rest of America for the jobs they do. We as an agency need to recognize the importance of our jobs and how it contributes to the communities.
- **Thank you** for the job you are doing in your counties.

Dan Root, NASCOE President: These are exciting times for NASCOE. He thanked Mike Mayfield and Trice Smith for the hard work they have done as Legislative Chairs. He discussed meeting with NACD. They agreed with NASCOE and will be good partners. They agreed with administration in conservation. Bill Wilson, president of NACD, agreed that NRCS should do technical work and FSA do administrative work. We must believe in the message we are going to send. We need the enthusiasm of the new folks. Remember to use the NASCOE business cards when doing visits.

Some tips to remember about dealing with congress:

- Keep congressional contacts informed. Once you build relationship, follow-up
- Keep lines of communication open and active
- Be adjustable to change, there are many changes in staffing
- Keep language simple and jargon free
- Make sure we have something important to say
- Keep congressional aides informed
- Don't act in partisan manner
- Be yourself. Don't be someone you are not, be humble and open.

Congratulated New Jersey for new membership. All 50 states are now represented by NASCOE.

Discussed how FSA Tomorrow was affected by NASCOE membership becoming involved and doing something about this.

Improper Payments: Ms. Lasseter really fought on our behalf.

Reception on Tuesday. Area execs will be reviewing attendance at the area meetings.

Legislative Chairs: Mike Mayfield and Trice Smith:

TRICE: They are very thankful for Legislative Committee. The congressional research service has defined many problems Congress has to deal with and will have a lot to do this year. Be prompt and patient with legislators.

MIKE: Discussed how we can affect change. We have the opportunity to discuss our problems and take the same passion that we have for our farmers to our legislators. Be positive and tell them how important it is that we have the computers and equipment necessary to deliver programs for their constituents. Be excited that you have the opportunity to actually tell them. We have the chance to tell our legislators that FSA is where we should concentrate limited dollars to deliver farm programs. There are position papers for everyone. Conservation administration, benefits for employees and general Farm Bill applications are the issues. It is critical to leave FSA on their minds because there are so many people meeting with them discussing problems, we want them to remember FSA's message. He congratulated the first time folks for becoming involved and hoped they would keep their enthusiasm and take that to the Hill. Agriculture and the rural community are important to him and to all of us. He wants to serve them through all their problems and he is sure that we all have the same goal. This is our mission and we must send our message to the Hill.

2008 National Convention: Omaha, NE will be the site for the 2008 Convention. There are raffle tickets available because National Conventions are expensive.

2007 National Convention: Myrtle Beach, SC: The registration form should be posted to the website next week. Raffle tickets are available.

NE Area Rally: Maine: June 2-3.

SE Area Rally: Georgia Spring of 2008 will be in Savannah Georgia.

Midwest Rally: May 4-5 in Frankenmuth, MI

IL and MO having a joint convention March 23-24

SW Area Rally: April 20-21 in Colorado

NW Rally: Spokane, WA June 8-9

PAC Presentation, Cliff Fussell, Mike Mayfield:

MIKE: The PAC was voted on by the membership. The payroll deduction was very hard to establish. They were able to get a payroll allotment, members can participate on a by-weekly basis. Why do we want a PAC? Allows us to participate in arenas that we have not been able to access before. It is a tool to defend NASCOE and FSA. Bob Redding, our legislative consultant, will make recommendations on how to use the money. NASCOE votes on where it goes. There is a federal election website that will list where monies go and you can track where the money goes. Payroll allotments provide a steady source of funding. They have tried to set a goal for participation in PAC. They will provide any information needed for the PAC. If anyone has concerns, please express them to Mike or Cliff. A representative from Redding's firm will help with process of signing up. This makes us all collectively strong and if we invest \$3 for \$4 each pay period, we can affect some change. If you do without one cup of Starbucks coffee per pay period, you can make this commitment!

CLIFF: Look at PAC as promotional process. Look at this sincerely and realize that this will help get our message to the legislators. Can go to www.fec.gov for information. Direct deposit forms are available, which makes this is an easy way to be pro-active and for members to get involved.

DAN ROOT: We need the PAC to make our voice more effective.

Bonnie Heinzman, WASCOE VP: Recognized Trice Smith as Legislative Chairperson. Mike and Trice make a wonderful team and do a good job. Recognized farmers that came along to meet with legislators. Last year at this time we had just come through FSA Tomorrow and everyone was a bit down and wondering what was next. Then came improper payment review and that set everyone back. Ms. Lasseter got the initial payment review % down, but the bottom line was that less than 1% was actually improper payments. We should be proud of that. Then the web collapsed. The administration is working on the web, but we continue to do our job. We seem to be struggling along with a lot of things, but remember that we are accountable. Even though we are short staffed, no training, etc, we still have less than 1% improper payments. We are very efficient, we deliver at less than 5% of cost. We are fiscally responsible, but continue to “make do” and get the job done. Despite everything that beats us down, remember that we are the “can do agency” and we will get the job done.

Gene Vognild, RASCOE: Spoke on behalf of Clara Ruth Saint. All can join as associate members. Discussed how difficult it is to speak to congress people if you are not a constituent. Thanked everyone for having RASCOE here. Gene has attended every NASCOE convention since they began.

Gerald Nelson, RASCOE, Discussed the RASCOE benefits position paper. He highlighted some of the bills to discuss, such as Windfall Elimination Act. There were 326 co-sponsors to the ACT last year, but it did not make it out of committee. The new bill this year, by January 16, the bill had been presented again, and there are 222 co-sponsors to date. This needs to be put through the Ways and Means Committee. He plans to demand action on this bill, HR-1110, regarding health insurance premium being considered on a pre-tax basis. A retiree could save \$829 per year. Both bills are to the House Ways and Means Committee.

Cole Simms, NAFEC, Secretary/Treasurer: Membership is on the rise and indicative of how committees feel across the country. The newsletter is on the internet. Dennis Kuhlengel will become the new president. He encouraged everyone to become a member. www.nafec.org is the official website. NAFEC will support NASCOE on the Hill.

Review position papers:

FSA and the Next Farm Bill: Reviewed the paper and discussed the points that need reviewed. There will be a specialty crop luncheon on Tuesday with producers and their organizations. Kevin Dale discussed coalition partnerships and how important it is. He discussed the Partnership booklet and the information that is available in it. Used 85% of workload and the administrative guidelines for the separation of duties as a guideline to come up with 9,800 employees as a baseline number based on programs as they are now. If we get more programs, then the number will have to be adjusted. At this time there are 8,740 employees. OMB Circular A123 will have a huge impact to offices based on separation of duties. Also need to have temporary employees written into legislation in the event of new programs.

Employee benefits: Benefits at this time are about as fragile as they have ever been due to budget. Discussed Social Security Windfall Elimination Provision, Government Pension Offset, Cost of Living Adjustments, Health Insurance, Retirements Benefits, Sick Leave, Liability Protection, and Whistleblower Act. If they change the formula for figuring retirement benefits and use the High 4, CSRS lose \$3,140, FERS lose \$1,060 over 5 years. If it is based on the High 5, employees will lose \$6530 for CSRS and FERS could lose \$2190. It is important to get credit for unused sick leave for FERS employees. There is currently a study going on to determine how much sick leave used for FERS employees vs. CSRS. FSA employees are currently not covered under the Whistleblower Protection Act.

Conservation: Conservation administration is the issue that needs to be highlighted. FSA has the ability to administer all conservation programs and the field offices cannot keep up with both technical and administrative duties, and farmers lose out. FSA’s primary goal is to serve America’s farmers and ranchers and FSA has been the most efficient administrative agency. The key is to administer all conservation programs. NACD is supportive of FSA administering programs due the effect of increased workload without increased staffing to do the work. NRCS cannot provide both technical support and administrative work and provide good service to the farmers.

Becky Zirpel, NASCOE Benefits: will be meeting with Pat Farmer, Darla Hensley, benefits officer, and possibly someone from OPM. Becky wants to discuss various benefits programs. Annuity payments-needs to be more education on this issue for all employees and the STO employees. Health insurance and leave will be discussed. The goal is to let them know we are out here and establish contacts.

Tammy Eibey, CAPWIZ Coordinator: 2254 employees signed up, Midwest has 34% of that. Tammy reviews reports and sends them on. Be sure to follow through on an action alert and scroll down the note to send, otherwise it won’t send. There is a CAPWIZ Power Point available to be shown at State Conventions. Anyone can sign up for CAPWIZ. Encourage producers and farm organizations to sign up for the program. The current contract runs through this September and will have to be reviewed at the National Convention. We need to encourage members and non-members to sign up. Coalition partners should be encouraged to sign up. CAPWIZ has proven to be very effective.

Congressman Marion Berry, AR, Introduced by Larry Segars: Encouraged everyone to keep our soldiers and their families in mind. He comes from a strong farming background. Farm programs enable the United States farmers to provide abundant and affordable food for this country. It is very important to communicate with your elected officials. He thinks there will be a new farm bill and it should be a good one. It was not a good move to have NRCS administer conservation programs. Both parties want a good farm bill and the atmosphere is positive. He thinks it is exciting to write a farm bill when farm prices are generally good. There are many difficulties in writing a farm bill. The future for American Agriculture is exciting. He is very optimistic but there is a lot of hard work ahead of us on the farm bill.

Robert Redding, NASCOE Legislative Consultant: Reviewed ethics rules. PAC current balance about \$1000. Made a couple of contributions to legislators last year. Only RASCOE and Redding can solicit for PAC. Will be sending out rules on PAC participation to clarify things for employees. Cannot pay for lunch or dinner for members of congress. Have only 41 signed up for direct deposit to date.

Sean Rafferty introduced the commodity speakers and acted as the moderator for the question and answer session.

Commodity Speakers: Reece Langley-Senior Director USA Rice, Tim Lust-CEO National Sorghum Producers, Krysta Harden-CEO National Association Conservation Districts

Reece Langley: Budget is the largest issue for the Farm Bill. The baseline for the commodity programs is proposed to be reduced over 30% from the current bill. All the groups are trying to get the largest allocation possible and there is a movement to get more funding for the new farm bill. Congress wants a good farm bill and the budget resources necessary. There is a lot of competition for dollars from all aspects of agriculture. A lot of competing needs and interests have involvement in the farm bill. Some legislators feel current farm bill has good programs that work well, but there is focus on specialty crops, nutrition, renewable energy, commodity programs, and conservation programs. Many legislators are focused on the farm bill.

The USDA farm bill proposal: the proposed for \$200,000 limitation is getting a lot of attention. Feel means testing is not viable and AGI component has added a new angle to the debate. Adjusting loan rates based on Olympic averages is not going to provide a strong safety net. Counter Cyclical program, the proposal is to make it more of a revenue program, more study needs to be done to determine the feasibility of this proposal. WTO negotiations will have an impact on the farm bill. The administration's ag policies have an impact with WTO talks and will affect the farm bill process. We must all work together in the farm bill debate to put a good bill together. Budget committees are to trying to get started working on the bill. The goal is to have the new farm bill signed by the end of September. This will be a difficult deadline to meet, but Senator Peterson has expressed the desire to extend the current bill if the September deadline cannot be met.

Tim Lust: Thanked everyone for what they do. There has been a tremendous amount of turnover in congress since 2002. We cannot assume that legislators and their staff understand about ag issues. We have a responsibility to educate them. The farm bill is very important to sorghum producers. Strongly support current farm bill. Direct payments are very important. Loan rate increase benefited many producers. Must equalize loan rates between counties and providing an equal playing field is very important to all ag producers. Things will significantly change in ag in the future. Energy: will focus on cellulose and sugar content side of producing ethanol. Conservation-water quantity is much more significant issue than water quality in grain sorghum areas. Wind erosion is very significant and sorghum could help with this. WTO-Brazil has challenged that the Brazil case did not go far enough and in July it will be revisited. This will be a factor in putting together the farm bill. We must be aware of who the "other side" is and how well they are funded when looking at the farm bill.

Krysta Harden: NACD has been working well with NRCS and this has been very beneficial to the farmers. Wants NASCOE and NACD to work closely together because we have the same customer base and we need to be sure to keep a good working relationship. NACD was formed over 60 years ago for conservation districts. Our members make our decisions, not like some environmental groups that have decisions made by people not involved in the land. Need a Title II to be sure that the land is protected and give the landowners the tools they need. NACD understands the need for safety nets for commodity, but conservation issues must also be addressed. Resource needs all over the country are important and different. There are 3004 Conservation districts in this country. If there is a resource concern somewhere, it matters to NACD. Feel that NACD can work with FSA to determine the best decisions for farmers regarding office restructuring. Should not be based strictly on financial decisions, but look at all the factors when restructuring. The question needs to be asked: How will this program be delivered? Who will deliver it? Who will provide it to the farmer? NACD can partner with NASCOE to enable our farmers to build their businesses.

Questions and Answers:

Q: How do your association(s) feel about e-gov vs personal attention?

A: Many producers have adopted e-gov regarding LSP's, but they still want the personal attention and explanations for programs. Many are concerned about compliance if they only do things online.

Q: What is your association doing to support funding for FSA program delivery?

A: Have been very supportive for funding for FSA programs and will continue to support those efforts.

Q: How could the delivery of conservation programs be improved?

A: The farm bill created more programs and it splintered funding and took away basic technical assistance. Many farmers are told that they have to hire help that conservation specialists could be providing. Technical assistance is vital to the farmers. Must be more uniformity in program delivery. Inconsistency creates a hostile environment for farmers to deal.

Q: How do you see NASCOE's involvement in the next farm bill?

A: Communication is the key. We cannot assume that legislators understand farm program delivery. Also need to partner with commodity groups in order to get the message out. Half of the conservation budget is CRP, so FSA has a significant role in Title 2.

Q: Are you aware of the problems with the computers and would you be willing to voice this concern to congress?

A: Yes, they are aware and yes they will voice a concern.

Q: What do you see in the future in renewable energy ?

A: It takes money to pursue any energy plan and especially in the cellulose side of producing energy.

Q: Would they be willing to sponsor information explaining the problems with IT to congress?

A: Be sure to give partner groups good information so they can give the correct information to congress. We want more money going to producers and they will pledge support to get the job done.

Q: In your opinion, what will the final farm bill look like?

A: Commodity: will be similar to current farm bill with changes to support prices for certain commodities. There will probably be changes to payment limitation that hopefully will not be damaging to producers. Probably will not have permanent disaster legislation due to budget. When they know the budget, then the farm bill can be fashioned accordingly. There is a large process in developing the farm bill, but the energy title will have serious budget issues even though there is tremendous support. Title II will be strong, but there might be some combining of program and delivery. CRP will be affected. 45 million acres is the current CAP. The energy program may impact CRP. May be some increase in conservation programs, but it will be budget based. CRP, WRP should stand alone. Super EQIP is being discussed, but other programs may be incorporated into EQIP. Have cost-share programs combined.

Q: Will the farm stored facility loan program continue?

A: It may continue, but at this point there is not a lot to base that opinion on. With the interest in increasing grain production, storage will be a problem and will become an issue that needs to be addressed.

Robert Redding: Reviewed etiquette for meetings and farm bill progress.

Meeting adjourned for Area Meetings at 3:45 pm.

Respectfully submitted,
Deborah Esselman