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Good Morning USDA Family,

When we became aware that NIFA's lease was expiring, that caused us to look at areas outside of the National Capitol Region where from a value perspective we could sign a new lease. We began to look nationally for both ERS and NIFA leases that would help increase operations and efficiencies while also saving money.

We have worked hard over the past 10 months to undergo a thoughtful and diligent process regarding the relocation of ERS and NIFA. I know that this time, especially for the employees directly affected, has been personally and professionally challenging. I am grateful for your patience and your continued hard work.

Today, I am announcing that the Kansas City Region will be the new home for both ERS and NIFA. In addition, while we announced in August the realignment of ERS under the Office of the Chief Economist, after hearing feedback, USDA will not move forward with the realignment plans. The agency of ERS will remain under the REE mission area. It was important for me that employees were the first to hear of this news and that you heard from me personally.

Below this letter you will find a press release that will be issued publicly today at 10:00am ET. In addition, myself and our leadership team will be addressing ERS and NIFA employees today to discuss the decision, the process we underwent, and next steps.

I want you all to know that this decision was not entered into lightly. And having recently undergone a major relocation of my own, I understand that this decision creates personal disruption for some of our colleagues and their families. But I want to make sure that this transition and the coming months are as smooth and as minimally disruptive as possible.

None of this reflects on the jobs being done by our ERS or NIFA employees, and in fact, I frequently tell my Cabinet colleagues that USDA has the best workforce in the federal government. These changes are more steps down the path to better service to our customers and will help us fulfill our informal motto to "do right and feed everyone."

As you all know, we have evaluated 136 expressions of interest from parties in 35 states, based upon objective criteria and mission operational needs, and conducted site visits to three areas – Kansas City, North Carolina, and Indiana. The Kansas City Region takes into account the expectations that employees wanted in a new location.

The Kansas City Region has proven itself to be a hub for all things agriculture and is a booming city in America's heartland. There is already a significant presence of USDA and federal

government employees in the region. Boasting not only a low cost of living, with high-quality, affordable housing, it has an excellent public school system and a community filled with family-oriented activities. The city itself is extremely livable, with access to arts, culture, and a thriving food scene. Our belief is that this relocation will give USDA the opportunity to attract a staff with training and interest in agriculture.

Finally, taxpayers stand to receive significant savings as we will generate nearly \$300 million nominally over a 15-year lease term on employment costs and rent. This will allow us to redirect more funding for our research of critical needs like rural prosperity and agricultural competitiveness, and for programs and employees to be retained in the long run, even in the face of tightening budgets.

On top of those savings, state and local governments have offered generous relocation incentives packages totaling more than \$26 million, which will help offset relocation expenses. All of this makes the Kansas City Region an excellent home for ERS and NIFA and our employees. The move will place important USDA resources closer to many stakeholders, most of whom live and work far from the Washington, D.C. area. You've heard me say it time and again, that our goal is to make USDA the most effective, efficient and customer-focused department in the entire federal government. I believe that this decision will only improve the great work that we've done in both agencies.

I want you to know it's an honor to serve alongside each of you and to be a part of this great USDA family.

Sincerely,  
Secretary Sonny

## **Secretary Perdue Announces Kansas City Region as Location for ERS and NIFA**

*Move puts ERS, NIFA closer to customers, expected to save nearly \$300 million nominally*

**(Washington, D.C., June 13, 2019)** – U.S. Secretary of Agriculture Sonny Perdue today announced the U.S. Department of Agriculture (USDA) will relocate the Economic Research Service (ERS) and National Institute of Food and Agriculture (NIFA) to the Kansas City Region.

“Following a rigorous site selection process, the Kansas City Region provides a win win – maximizing our mission function by putting taxpayer savings into programmatic outputs and providing affordability, easy commutes, and extraordinary living for our employees,” **said Secretary Perdue.** “The Kansas City Region has proven itself to be hub for all things agriculture and is a booming city in America’s heartland. There is already a significant presence of USDA and federal government employees in the region, including the Kansas City ‘Ag Bank’ Federal Reserve. This agriculture talent pool, in addition to multiple land-grant and research universities within driving distance, provides access to a stable labor force for the future. The Kansas City Region will allow ERS and NIFA to increase efficiencies and effectiveness and bring important resources and manpower closer to all of our customers.”

USDA conducted a Cost Benefit Analysis and conservative estimates show a savings of nearly \$300 million nominally over a 15-year lease term on employment costs and rent or about \$20 million per year, which will allow more funding for research of critical needs like rural prosperity and agricultural competitiveness, and for programs and employees to be retained in the long run, even in the face of tightening budgets. On top of that, state and local governments offered generous relocation incentives packages totaling more than \$26 million. Finally, this relocation will give USDA the opportunity to attract a diverse staff with training and interest in agriculture. You may click [HERE](#) to view USDA's Cost Benefit Analysis.

“We did not undertake these relocations lightly, and we are doing it to enhance long term sustainability and success of these agencies. The considerable taxpayer savings will allow us to be more efficient and improve our ability to retain more employees in the long run. We will be placing important USDA resources closer to many stakeholders, most of whom live and work far from Washington, D.C. In addition, we are increasing the probability of attracting highly-qualified staff with training and interests in agriculture, many of whom come from land-grant universities. We look forward to this new chapter as we seek to fulfill our motto at USDA, which is to ‘do right and feed everyone,’”**added Secretary Perdue.**

In addition, USDA announced in August the realignment of ERS under the Office of the Chief Economist. While we believe there is considerable synergies and benefits to a realignment, after hearing feedback from stakeholders and Members of Congress, USDA will not move forward with the realignment plans. The agency of ERS will remain under the Research, Education, and Economics mission area.

### **Background:**

USDA announced in August it would undertake the relocations for three main reasons:

1. To improve USDA's ability to attract and retain highly qualified staff with training and interests in agriculture, many of whom come from land-grant universities. USDA has experienced significant turnover in these positions, and it has been difficult to recruit employees to the Washington, DC area, particularly given the high cost of living and long commutes.
2. To place these important USDA resources closer to many of our stakeholders, most of whom live and work far from the Washington, DC area.
3. To benefit the American taxpayers. There will be significant savings on employment costs and rent, which will allow more employees to be retained in the long run, even in the face of tightening budgets.

As part of the [rigorous site selection process](#), USDA narrowed the [136 Expressions of Interest](#) received using a set of established criteria defined by USDA, NIFA, and ERS leadership. The criteria included:

- *Quality of Life*: Subcategory examples include Diversity Index, Residential Housing Costs, Access to Healthcare, and Home and Community Safety Ranking.
- *Costs (Capital and Operating)*: Subcategory examples include Commercial Real Estate Costs, CPI Index, and Wage Costs.
- *Workforce*: Subcategory examples include Labor Force Growth Rate, Unemployment Rate, and the Labor Force Population.

- *Logistics / IT Infrastructure*: Subcategory examples include Lodging Availability, Proximity to Customers, and Airport Accessibility.

The top Expressions of Interest were reviewed in detail, and USDA selected a [short list of locations](#) offering existing buildings with sufficient space to meet ERS and NIFA requirements.

While 90% of USDA employees are located outside of the D.C. area, ERS and NIFA are the only USDA agencies that don't have representation outside of the national Capital Region (NCR). Upon the relocation announcement, USDA proposed that sufficient staff levels would remain in the NCR to complete mission critical activities that require physical presence in or near Washington, D.C. at the recommendation of customers and stakeholders. In both the cases of ERS and NIFA, leadership reviewed the critical functions and staffing needs within and outside the NCR. Senior ERS and NIFA staff, with input from partner agencies and stakeholders, recommended to Secretary Perdue the critical functions to be retained within the NCR.

Out of NIFA's 315 positions, 294 will relocate while 21 will stay in the NCR. Of the 329 ERS positions, 253 will relocate while 76 will stay in the Washington, D.C. area.

As a result of this move, no ERS or NIFA employees will be involuntarily separated. Every employee who wants to continue working will have an opportunity to do so, although that will mean moving to a new location for most. Employees will be offered relocation assistance and will receive the same base pay as before, and the locality pay for the new location.

USDA will be working with the General Services Administration to secure a permanent lease space through a competitive process in the Kansas City Region. USDA will continue to keep ERS and NIFA employees apprised as updates occur.

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