



Highlights of [GAO-05-58](#), a report to the Committee on Agriculture, House of Representatives

## Why GAO Did This Study

The U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS), working with state and local partners, provides landowners with technical assistance for multiple programs to plan and implement conservation measures that protect soil, water, and wildlife. For years, the Congress has been seeking detailed cost information on this assistance as it examined USDA budget requests. In part, because NRCS's financial system was not designed for estimating future budgets, in 1998 NRCS began developing additional cost data and a computer model for estimating future technical assistance costs. GAO was asked to (1) review NRCS's technical assistance cost estimates and (2) identify causes of any differences between the estimates and actual costs ultimately reported by NRCS.

## What GAO Recommends

To improve NRCS's cost estimates, GAO recommends that the Secretary of Agriculture direct the Chief of NRCS to identify the estimated costs incurred by partners, ensuring that estimates are more comparable with actual costs when tested, and modify the assumptions for estimating the time that tasks take to better reflect actual work conditions. NRCS generally agreed with the findings and recommendations and indicated it would use them as the basis for making improvements to its estimation methods.

[www.gao.gov/cgi-bin/getrpt?GAO-05-58](http://www.gao.gov/cgi-bin/getrpt?GAO-05-58).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Lawrence J. Dyckman, (202) 512-3841, [dyckmanl@gao.gov](mailto:dyckmanl@gao.gov).

# AGRICULTURAL CONSERVATION

## USDA Should Improve Its Methods for Estimating Technical Assistance Costs

### What GAO Found

In 2003, NRCS started testing its computer model by comparing estimates of technical assistance costs for 10 Farm Bill conservation programs, with actual costs reported by NRCS. GAO's analysis of these comparisons shows that NRCS's model made estimates, program-by-program, which varied considerably from the agency's actual costs. For fiscal year 2003, for example, NRCS's model estimated that the technical assistance costs for seven Farm Bill programs would be higher by 9 to 50 percent, than NRCS ultimately incurred. For three other Farm Bill programs, the estimates were lower than the agency incurred by 16 to 60 percent. Most of the estimates fell outside NRCS's goal of estimating to within 10 percent of the agency's actual costs. In addition, for the 10 Farm Bill conservation programs combined, NRCS estimated its technical assistance costs at \$295 million for fiscal year 2003, which is about 15 percent more than the \$257 million that NRCS incurred. NRCS officials generally agreed with this analysis.

GAO identified several reasons for the differences between the cost estimates and the actual costs.

- First, some of NRCS's technical assistance work was delayed, occurring later than NRCS assumed when it estimated its costs. This contributed to some overestimation by the model, according to NRCS officials.
- Second, NRCS's estimates include costs incurred by NRCS's partners. Such costs are generally not included in the actual costs reported by NRCS.
- Third, some data NRCS uses in its model are based on inaccurate assumptions. For example, when developing estimates about the time it takes NRCS staff to perform technical assistance tasks for use in the model, NRCS assumes, among other things, that its staff are fully trained and perform technical assistance work without interruption. These assumptions do not reflect actual workplace conditions and lead to underestimates. NRCS officials said they would reconsider these and other assumptions.