

RURAL DEVELOPMENT PLAN FOR OPERATIONS IN THE ABSENCE OF APPROPRIATIONS

I. MAJOR PROVISIONS OF MISSION AREA PLAN

- If Rural Development (RD) is informed that there will be the absence of appropriations authority, RD will, within two business days, inform all agency employees of their work status and assignments for the period beginning with the absence of appropriations. If RD is not notified that there will be the absence of appropriations authority, RD will send a notice to all employees informing them of the situation and directing them to report for their regular work shifts. Employees will then be advised of their work status and assignments, and an orderly shutdown of non-expected mission area operations will be effected within four hours.
- The Under Secretary will instruct field supervisors setting standards for office staffing to provide for an orderly shut-down of non-expected mission area operations and the continuation of expected activities. As an interim measure, personnel not needed to continue expected activities or to assist with closing down non-expected operations will be released within the first four business hours of the period of absence of appropriations or as soon as practical thereafter. State Directors and staff reporting to them will in their entirety be considered non-expected. Excepted employees will be in headquarters in Washington, DC and in St. Louis, MO. The Finance Office in St. Louis, Missouri, will provide financial services support for RD loan customers and, in some cases, Farm Service Agency loan customers.
- The Office of the Secretary is expected to provide approved language for consistent “out of office” signage, outgoing voice mail and email messages, and other public notification by headquarters and field offices that non-expected functions have ceased. In the absence of such approved language during the up to four hours that orderly shut-down activities are taking place, such language will be supplied by the Office of the Under Secretary.
- The orderly shut-down of non-expected activities includes taking measures to secure files and data systems, securing RD and customer funds, making necessary contacts with contractors, customers, and partners outside the mission area, and canceling meetings, hearings, loan closings, and other previously arranged RD business not necessary for continued operations.
- Supervisors will identify any other tasks necessary to continue expected operations and for the orderly shut-down of non-expected activities. Supervisors will also identify those employees needed to administer the expected operations or necessary for the orderly close down of non-expected operations.¹ These plans are to be reviewed by the Administrators, State Directors, Deputy Administrator for Operations

¹ Guidelines used for these interim measures are set forth in Attachment A.

and Management, Deputy Administrator for the Centralized Servicing Center, Chief Financial Officer, Deputy Chief Financial Officer (Finance Office), Budget Director, and Chief Information Officer for their respective areas of jurisdiction. Upon timely completion of their review, the plans will be submitted to the Under Secretary for approval and forward to the Office of the Secretary for their final approval.

- All employees in travel status for other than excepted activities will be directed to return to their duty stations.
- The Under Secretary will review the close-down activity plans and the list of positions deemed necessary to continue RD excepted activities and make decisions regarding these activities with final concurrence from the Assistant Secretary for Departmental Management and the Office of Budget and Program Analysis.
- Once final determinations are made and all necessary notice and bargaining with affected employee unions over impact and implementation of the shut-down is complete, employees performing non-excepted functions will be notified and placed on furlough or other personnel action taken as appropriate for the circumstances. All such employees will be informed of their duty to avoid voluntary work and to refrain from using mobile information technology equipment while on furlough, either through a common notice supplied by the Office of the Secretary or, if not, through a common notice supplied by the Under Secretary.
- The Under Secretary will review the sufficiency of excepted function staffing on a weekly basis, releasing staff no longer needed or adding staff with such additional skills as might be required to address an unforeseen circumstance. The Under Secretary will notify the Assistant Secretary for Departmental Management and the Office of Budget and Program Analysis of any changes to the approved plan.

II. EXCEPTED ACTIVITIES

RD has no program activities that would continue in the absence of an appropriation. However, there are certain limited activities that are viewed as “excepted” for the purpose of preserving property. This property includes RD’s loans and grants portfolio, which exceeds \$146 billion and serves as collateral for loans, and borrowers’ funds paid to RD in escrow for real estate taxes and property insurance.

If the excepted activities to preserve Government property are not permitted during the absence of appropriations, borrower remittances could be lost in our payment lock box bank processes, and Personally Identifiable Information (PII) could be jeopardized. In addition, data could be lost as a result of overlays or overloads, and multiple batch updates of the MortgageServ system, if run back-to-back, could result in an inability to recover the financial system. Furthermore, protective advances for properties in foreclosure could not be made to protect the Government’s interest in the properties.

Included among these excepted activities are:

- Processing nightly updates for each RD financial system—AMAS, CLSS, MortgageServ, Guaranteed Loan System (GLS), and PLAS—to include daily cash remittances and disbursements. Remittances represent funds returned to the Federal Government and should not be delayed. This effort will include:
 - Balancing and reconciling all RD loans, as well as those Farm Service Agency (FSA) loans on the two financial systems (GLS and PLAS) that are shared between RD and FSA.
 - Ensure that front-end applications, such as Management Agent Interactive Network Connection, RD Utility Program Customer Initiated Payments, Lender Interactive Network Connection, and GLS remain available for borrower/lender cash remittances.
- Advancing funds from time to time for the purpose of protecting and preserving RD assets; e.g., placing protective bids at foreclosure sales to ensure that RD's loan collateral is not lost and paying for critical repairs necessary to preserve such property.
- Ensuring that RD performs its fiduciary responsibilities in accounting for and processing customers' funds, such as loan escrow accounts, in an accurate and timely manner. This will help RD avoid creating unnecessary hardships for our customers and litigative risks for RD by processing escrowed funds to pay insurance and tax payments on time; thus, reducing the probability of insurance policy cancellations and tax penalties being assessed.
- Providing for the performance of critical contract obligations under no-year or multi-year or other funds remaining available for these purposes.
- Ensuring that EAP and Lifecare (Workers' Compensation) services are provided, though on a reduced schedule.

III. IMPACT OF PROGRAM SHUT-DOWNS

Rural Development's mission is to serve as a catalyst for economic and community development activities in rural areas through loans and grants to individuals, businesses, and communities. The shut-down of RD loan and grant making activities for a prolonged period of more than two weeks would have an immense adverse impact on the rural economy. Should RD not be allowed to continue loan and grant making operations for an extended period, the impact would be substantially more serious.

- No additional loans/grants would be available during the period except for emergency purposes and to protect the Government's interest.

- No new RD rural housing loans or guarantees would be issued, which would result in a setback in construction start-up, as well as a potentially costly inconvenience to buyers and sellers depending on a Single Family Housing loan or guaranteed loan closing. A more permanent interruption in the program would cause a substantial reduction in housing available in rural areas relative to population.
- New and expanding businesses would be unable to access loan guarantees to create new jobs and save existing jobs and with them, the potential taxpayers who would hold those jobs.
- No loans or assistance for essential community facilities would be made, delaying the financing of health care, emergency response, and other essential services to rural communities. Projects already financed that are under construction would be delayed in having any bridge financing replaced with permanent financing from USDA. A long-term close-down would place RD seriously behind in our mission of improving quality of life and economic opportunity in rural areas with limited income. The current community facility loan program is one of the very few sources of financing for essential community facilities in rural areas.
- Travel and training for RD operations would be suspended during the period of close-down. Even if a shut-down were not prolonged, the public's confidence in RD operations held by outside lenders, sponsors, and program participants would be negatively impacted.
- After shut-down operations, RD state and area office employees located in communities throughout the United States would be furloughed or otherwise terminated. Without the earning power of these employees, local economies will be negatively impacted due to reduced spending.
- No loans or advances would be made or issued for modernizing rural America's electric and telecommunications infrastructure. Borrowers would not be able to improve service, meet Federal Communication Commission deadlines, or pay off short-term bridge loans. No advances would be issued to pay invoices on construction contracts, which could result in defaults on contracts and increase construction costs. Ultimately, this could lead to RD loan security problems.

IV. PROGRAMS OPERATING UNDER CONTINUING AUTHORITY

Rural Development has a number of programs that contain broad authorizations under no-year appropriations for the Secretary to utilize funds for necessary servicing actions or to make and insure loans and to make grants until the appropriated funds are expended. Programs administered under no-year appropriations include the following: Rural Community Development Initiative Grants, Community Facilities Direct Loans, Community Facilities Guaranteed Loans, Community Facilities Grants, Community Facilities Economic Impact Initiative Grants, Community Facilities Tribal College and University Grants, Section 521 Rental Assistance Program, Section 542 Rural Housing

Voucher Program, Section 514 and Section 516 Farm Labor Housing Loan and Grant Program, SFH 502 Guaranteed, SFH 523 Mutual and Self-Help Housing Grants, SFH 504 Very Low Income Repair Grants, SFH 509 Construction Defects, Value Added Producer Grant Program, Business and Industry Guaranteed Loan Program, Rural Business Enterprise Grant(RBEG), Rural Economic Development Loans and Grants (REDLG), Rural Microenterprise Assistance Program(RMAP), Rural Energy for America Program (REAP), Water and Waste Disposal Loan and Grant Program, Section 306C Water and Waste Disposal Grants, Section 306D Water and Waste Disposal Grants for Alaskan Villages, Wastewater Revolving Fund Grants, Solid Waste Management Grants, Household Water Well Grants

None of these programs will continue operating in the absence of appropriations except to the extent that servicing actions may be required to preserve the property of Rural Development as identified in Section II, Excepted Activities.

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DETAILED LIST OF ACTIVITIES

The following plan addresses procedures for activities not excluded from close down procedures:

Prior to Day 1, the following actions will be completed:

The Under Secretary, Deputy Under Secretaries, Chief of Staff, Administrators, and Deputy Administrator for Operations and Management will identify those functions that need to be performed that are solely associated with an orderly interruption of normal activities. Such functions may include but are not limited to:

- Identifying measures to secure records, personal property, real property, and facilities that will be maintained and protected until appropriate disposition is accomplished.
- Drafting communication strategy for communicating with Agency employees.
- Drafting communication strategy for making contacts outside the Agency that is necessary to communicate our status.
- Identify all potential meetings, hearings and other previously arranged Agency business that may need to be cancelled.
- Identify all essential employees and ensure that employees have been identified consistently and fairly in compliance with applicable personnel regulations.
- Identify employees whose presence at work will be required to perform functions associated with the orderly cessation of program activities. This includes employee name, title and function the employee will perform.
- Identify what Chief Information Officer systems support is needed to maintain essential financial services and information technology infrastructure.
- Identify what instructions and procedures Human Resources Management will provide to employees for the close down period.
- Identify appropriate Department contacts for communications purposes and orderly close down of the agency.
- Contact any employee in travel status and direct to return to duty station by the last day of available appropriation.
- Initiate bargaining over furlough related topics.

First half of Day 1 (First business day funds are not available):

All employees will be directed to report to their supervisors to receive assignments of duties or other pertinent information for an orderly shutdown. For those employees on telework status, “report” may be done by telephone.

The Under Secretary, Administrators, State Directors, and subordinate managers and supervisors will coordinate the following activities intended to suspend Agency’s operations:

- Communicate shutdown instructions and procedures to all employees.
- Distribute furlough notices at headquarters and all field units to all employees who have not been determined to be necessary for the Agency’s termination activities
- Contact any employees on leave and communicate that their leave is cancelled.
- Contact any employee in travel status and direct to return to duty station.
- Ensure all employees who are to be released complete timesheet entry and submit them to approving official.
- Delay any employee transfer of station.
- Ensure all records, personal property, and real property are secured.
- Cancel all meetings, hearings and previously arranged Rural Development business.
- Validate existing communication strategy and employee contact information for future communications.

There will be daily communications by the Under Secretary on the status of the shutdown procedures with the Department contacts previously identified.

The Director of Human Resource Management will be responsible for:

- Providing instructions and procedures to managers and supervisors for all employees during the close down period. This will include provisions for calling back employees in the event it is determined they are needed to complete shutdown procedures.
- Providing specific instructions for employees to complete final time and attendance reports.
- Ensuring individual furlough notices will be prepared, reviewed, and approved.
- Ensure all employees timesheets are processed by the National Finance Center.
- Delay hiring of new employees.

The Director of the Procurement Management Division will be responsible for:

- Coordinating with all contracting officers (COs) and contracting officer technical representatives (COTRs) to notify all contractors and vendors that work is suspended.
- In the case where excepted work requires the continued support of contractors’ assistance, coordinating with all COs and COTRs to notify affected contractors and vendors that work is to continue.

The Rural Housing Service Administrator will be responsible for ensuring that emergency Agency activities continue related to cash management, escrow, claims processing, and pay-off activities at the Centralized Servicing Center.

Second half of Day 1:

Managers and supervisors will coordinate the following activities intended to terminate Agency's operations:

- Document the status of cases and projects so that they can be resumed, transferred, or otherwise appropriately handled when Rural Development's ultimate funding situation is resolved.
- If applicable, prepare files for permanent storage, transfer to related agencies, or other disposition.
- Complete identification of employees whose presence at work will be required to perform functions associated with the orderly cessation of program activities. This includes:
 - Name of each employee required to continue closedown operations,
 - Title and location of each employee identified, and
 - The function that each identified employee is to perform.
- A finalized listing will be submitted to the Office of the Under Secretary no later than the end of Day 2.
- COs and COTRs will continue to contact all contractors and vendors to let them know whether work is suspended or to be continued.

The Rural Utilities Service Administrator and Assistant Administrator for Telecommunications will notify those General Field Representatives who will be considered "excepted" based on their analysis of which broadband telecommunications projects are at what point of construction and by whom in order to ensure proper construction of loan collateral and proper development of financial systems by telecommunications borrowers new to RUS with the Broadband Initiatives Program of the American Recovery and Reinvestment Act.

Day 2:

Only employees leading, directing, and performing work identified as "excepted" from shut-down procedures will continue to work. These employees will be directed to perform only those activities as enumerated above. As each shut-down function is completed, managers and supervisors must notify the manager or supervisor at the next highest level or, at headquarters, the respective program Administrator or Deputy Administrator of Operations and Management, through channels, of completion and identify those employees who were responsible for the task.

Each employee whose shut-down function is completed will be furloughed immediately and formally notified by their supervisor or appropriate manager if the supervisor is not available. There will be daily communications by the Under Secretary on the status of the shut-down procedures with the Department contacts previously identified.

The RHS Administrator will complete identification of CSC employees whose presence at work will be required to perform functions associated with the orderly cessation of program activities. The RHS Deputy Administrator for CSC will ensure designated CSC employees' ability to reenter the facility.

Managers and supervisors will coordinate the following activities intended to terminate Agency's operations:

- Ensure all records; personal property and real property are secured.
- Validate existing communication strategy and employee contact information for future communication need.

Day 3 and through the second week of shut-down:

Only employees who were previously identified as required to perform functions necessary for orderly shutdown of program activities and those employees previously identified as required to perform functions that are excepted from the closedown will report for work.

Employees will be directed to perform only those activities as enumerated earlier.

Employees completing close down functions, continue tasks as outlined under Day 2 for each succeeding day until the Under Secretary determines the shutdown is complete.

There will be daily communications by the Under Secretary on the status of the close down procedures with the Department contacts previously identified.

In the third week and beyond:

Only employees who were previously identified as required to perform functions necessary for orderly shutdown of program activities and those employees previously identified as required to perform functions that are excepted from the closedown will report for work.

Additional employees will report at CSC, and the RHS Multi-Family Housing representative will join the Administrator in the National Office.

Additional RUS General Field Representatives will report if determined necessary by the Administrator and Under Secretary.

There will be at least weekly communications by the Under Secretary on the status of the close down procedures with the Department contacts previously identified.

RHS SFH has an open contract administered by the SFH Guaranteed Loan Division. The contractor is with Deloitte & Touche, LLC. This contract would not be affected by a temporary shutdown because the work is ongoing and current activity is already funded. Should the shutdown extend more than 3 weeks, the contractor will be notified to put any further activities on hold because of USDA's inability to monitor contract activities.

RHS MFH has a contractor, ICF, that is responsible for the administrative support of the Housing Voucher program. ICF has two subcontractors, Quadel Consulting Corporation and Signal group. Quadel is responsible for handling all paperwork; maintaining contact with tenants and landlords; managing the payment process; tracking voucher offers, acceptances, renewals, terminations, and participating in the appeal process; processing voucher renewal requests and move requests; reviewing tenant income self-certifications, and establishing the payments contract with the landlord. Signal Group conducts a rent comparability study (RCS) on each property where the owner intends to prepay the mortgage or RD intends to foreclose. The RCS data is part of the formula needed to calculate the amount of the Housing Voucher. Should the shutdown extend more than 3 weeks, the contractor will be needed on a short-term basis (2 days per month) to assist in the emergency financial transactions for Multi-Family Housing Vouchers and Rental Assistance.