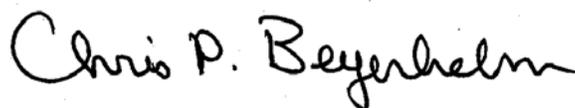


For: State Offices

FLP Goal Evaluation Methodology

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A Background

FLP goals:

- are an important component of overall program management
- set priorities and provide direction for program implementation
- directly contribute to the accomplishment of broader strategic goals contained in the FSA and USDA strategic plans.

Establishing measurable long-term and annual goals, monitoring performance on an ongoing basis, and reporting results achieved, provides FLP a level of credibility that does not exist in many Federal programs. In this era of limited budgetary resources, the ability to demonstrate program performance will likely carry greater weight in funding decisions.

It is also recognized that the budget constraints that limit staffing and administrative funding, negatively affect the ability to meet FLP goals. In response, a new goal evaluation methodology has been developed and is being implemented in FY 2012.

B Purpose

This notice provides the methodology that will be used to evaluate FLP performance.

Note: This notice does not change the FY 2012-2016 FLP goals that were distributed by DAFLP memorandum on December 22, 2011.

C Contact

If there are questions about this notice, contact Ken Hill, LMD, at kenneth.hill@wdc.usda.gov.

Disposal Date	Distribution
November 1, 2012	State Offices

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2 Evaluation Methodology

A Overview

The goal evaluation methodology consists of 2 components as follows:

- a point value is assigned for accomplishment of each goal (subparagraph B)
- additional points may be earned based on 2 indicators (subparagraph C).

If an aggregate score of 80 or greater is achieved, goals are considered met.

B Point Values for Goals

A point value is assigned for accomplishment of each of the eight FLP goals. Special emphasis is being placed on the goals, “lending to SDA farmers” and “primary loan servicing processing time”. As such, accomplishment of those goals is worth 20 points each; all other goals are worth 10 points each.

Goal	Point Value
Direct loan delinquency rate.	10
Direct loan processing time.	10
First year delinquency rate.	10
Guaranteed loan delinquency rate.	10
Guaranteed loan processing time.	10
Lending to beginning farmers.	10
Lending to SDA farmers.	20
Primary loan servicing processing time.	20
Total	100

C Additional Points for Workload

An additional 10 points will be added to a State’s total if either of the following is met:

- the number of borrowers in the portfolio per County Office GS-1165 employee exceeds the national average by 20 percent (baseline: 20 percent above FY 2009-11 National Average = 101 borrowers)
- loan obligations (\$) per County Office GS-1165 employee in a given year exceed the national average by 20 percent (baseline: 20 percent above FY 2009-11 National Average = \$4,658,203).

Example: A State meets 5 of 8 goals for a total of 70 points. However, because the State has 115 borrowers per County Office GS-1165 employee, exceeding the baseline for that indicator, the State receives an additional 10 points; the goals are now considered met.

Note: The employee numbers that will be used in calculations for FY 2012 were provided by DAFO and are included in Exhibit 1.

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2 Evaluation Methodology (Continued)

D State Office Action

State Offices should develop area-specific goals when possible and apply the methodology described in subparagraphs B and C for evaluating performance.

Examples: If a particular area within a State has a better opportunity to make loans to SDA and/or beginning farmers, the area's target should be higher for those goals.

Similarly, another area's direct loan processing time goal may be adjusted based on accomplishments on this goal.

County Office GS-1165 Employees

The following table provides the number of County Office GS-1165 employees, by State.

State	County Office GS-1165 Employees	State	County Office GS-1165 Employees
Alabama	18	Nebraska	51
Alaska <u>1/</u>	2	Nevada	3
Arizona	7	New Hampshire	3
Arkansas	41	New Jersey	5
California	27	New Mexico	11
Colorado	10	New York	32
Connecticut	4	North Carolina	29
Delaware	1	North Dakota	40
Florida	14	Ohio	26
Georgia	27	Oklahoma	45
Guam	1	Oregon	17
Hawaii	6	Pennsylvania	33
Idaho	23	Puerto Rico	23
Illinois	35	Rhode Island	1
Indiana	22	South Carolina	18
Iowa	58	South Dakota	51
Kansas	41	Tennessee	32
Kentucky	47	Texas	67
Louisiana	34	Utah	18
Maine	11	Vermont	14
Maryland	5	Virgin Islands <u>2/</u>	1
Massachusetts	8	Virginia	22
Michigan	25	Washington	15
Minnesota	57	West Virginia	14
Mississippi	39	Wisconsin	41
Missouri	43	Wyoming	8
Montana	21	Total	1,247

1/ Two CED's are responsible for FLP in Alaska.

2/ One FLM in Florida is responsible for FLP in the Virgin Islands.