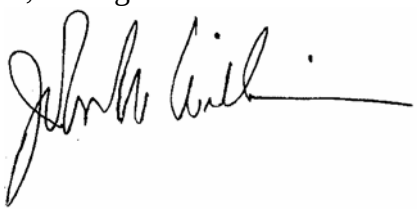
UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice PM-2538

For: FSA State and County Offices

Performance Management Issues for State and County Offices

Approved by: Deputy Administrator, Management



1 Overview

A Background

Because of various issues and concerns, Notice PM-2535 is being revised and re-issued.

B Purpose

This notice:

- **obsoletes Notice PM-2535**
- provides a new deadline for field offices to establish new performance plans
- terminates the requirement for a separate EEO/CR element for non supervisors
- establishes additional language for the "Supervision" element
- establishes new health and safety language
- clarifies the rater and reviewer for CED, non-Federal program technicians (CO-PT), and employees rated by SED
- adds measures for DD's, Farm Loan Officers (FLO's), and Farm Loan Officer Trainees (FLOT's)
- provides Consent Decree Action Team (CDAT) element and standard
- provides performance management priorities for FY 2006 (Exhibit 3).

Disposal Date	Distribution
October 1, 2006	State Offices; State Offices relay to County Offices

1 Overview (Continued)

C Contacts

If there are questions about this notice, contact the appropriate Servicing Personnel Office according to this table.

IF the manager/supervisor is located in…	THEN contact…
County Office	State Office, Administrative Section.
State Office	KC Human Resource Office, Employee and Labor Relations Section, at 816-823-4669 or TTY 800-735-2966.

2 Establishing Performance Plans

A Deadline for Establishing

Performance plans under the new, 5-tiered performance management system must be established for all employees by **June 30, 2006**.

B Performance Alignment (Linkage)

In preparing for the new FY 2006 performance plans, supervisor should:

- communicate how organizational goals are linked and cascaded to individual and work group performance, and how the accomplishments support employees' organizational goals within their organizations, through:

  - staff meetings
  - individual or team meetings
  - electronic and internal correspondence

- ensure that all employees review the Agency's current Strategic Plan Framework or organizational goals at **http://www.fsa.usda.gov/bpms/**

- develop performance plans that include a critical element with standards that identify clear and measurable (quality, quantity, cost, and/or timely) tasks and results that are aligned to organizational goals for each individual.

  Note: When cascading goals, be sure to consider the level of responsibility of the position. For example, do **not** use the same language for a program technician (PT) that would be used for DD. Standards must be realistic and attainable.

  See Exhibit 1 for alignment to specific SED goals. Alignment should be made to the appropriate bullet in the SED's plan. For example, for Farm Loan Programs, alignment could be made to "Reduce direct loan processing time to an average of 15 days nationally with no State's average over 20 days" bullet; or, for administrative employees, alignment should be made to "Manage State administrative budget and staffing allotments within fiscal year levels authorized by headquarters. Notifies DAFO of anticipated resource shortfalls within 15 days of the State administrative staff identifying potential resource shortfalls" bullet. If alignment to the SED's plan is not possible, then alignment should be made directly to the agency's Strategic Plan.

  See Exhibit 2 for a sample performance plan.

2 Establishing Performance Plans (Continued)

C EEO/CR Element

A separate EEO/CR element is no longer required for non supervisors. However, the following EEO/CR language must be built into another critical element.

> "Performs all duties in a manner which consistently demonstrates fairness, cooperation, and respect toward coworkers, office visitors, and all others in the performance of official business. Demonstrates an awareness of EEO/CR policies and responsibilities of Agency and Departmental goals of valuing a diverse, yet unified workforce."

Supervisors will chose the appropriate element and develop measures to address the EEO/CR component.

D Additional Language for Supervision Element

All employees with the "Supervision" element shall have the following language inserted into that element.

> "Employee performance plans focus on results achieved, contain at least one element that is aligned with organizational goals, and are in place within 30 calendar days of the beginning of the appraisal period. Mid year reviews are conducted timely and according to Agency guidelines. Ratings are accurate and issued within 30 calendar days of the end of the appraisal period."

E Health and Safety Language

All performance plans shall contain health and safety language.

If a **supervisor**, then the following measure is required under the "Supervision" element.

> "Adheres to Safety and Occupational Health practices and procedures in order to promote and maintain a safe and healthful work environment for all employees. Upon report of unsafe/unhealthful condition, notifies appropriate office within 48 hours, and follows up and/or takes appropriate action until condition is resolved."

If a **non supervisor**, then the following measure is required under any appropriate element. The supervisor will chose the appropriate element.

> "Demonstrates a basic understanding of the Agency's Safety and Health Program. Complies with safety and health rules and regulations that apply to all employees. Ensures all reports of unsafe and unhealthful conditions are reported to supervisor or designated official within 48 hours."

3 Rating and Reviewing Officials

A General Rule

Unless otherwise specified, the rating official is the employee's first-line supervisor and the reviewing official is the employee's second-line supervisor.

B CED's

The rating official for CED is COC. The reviewing official for CED is DD. Because of problems with I*CAMS, the CED's performance plan shall be handled in hard copy until further notice, using AD-435A and AD-435B. DD shall:

- **work** with COC to prepare a draft plan for each CED to be rated and reviewed
- present plan to CED for review and comment
- **work** with COC to finalize the plan
- give finalized plan to COC chairperson to sign off as rating official
- sign finalized plan themselves as reviewing official
- present to CED for their signature
- give a copy of the finalized plan to CED
- keep the original plan in a secure file for later review/rating
- submit plan to State Office for review, if required by State Office.

Note: AD-435A and AD-435B are available in fillable form on the HR Web site at **http://hr.ffas.usda.gov/policies/perf_mgt_services.htm**.

C CO-PT's

CED is the rating official for non-Federal PT's. The review is a collaborative process between COC and DD, with DD as reviewer.

D Documenting CED and CO-PT Performance Plans

All discussions on CED and CO-PT performance plans shall be documented in the COC Executive Minutes.

3 Rating and Reviewing Officials (Continued)

E Employees Rated by SED

If SED is the rating official for an employee, then DAFO is the reviewing official for that employee.

F Grievances

All final ratings for CO employees may be grieved to the State Grievance Board. See 22-PM. GS employees may grieve a final rating. See 15-PM.

4 Measures for DD's, FLM's, FLO's, and FLOT's

A Previous Measures

The following measures for DD's, FLM's, FLO's and FLOT's replace a 1999 memorandum issued by the former Executive Director for State Operations.

B DD's and FLO's

The following measure shall be added to the "Program Management" or "Execution of Duties" element of DD's and FLO's performance plans.

> "Successfully completes assigned Farm Loan Program training and training activities within established timeframes. Acquires and meets the Agency's standards necessary for maintaining loan approval authority and loan servicing authority".

C FLOT's

The following measure shall be added to the "Execution of Duties" element of FLOT's performance plans.

> "Successfully completes assigned Farm Loan Program training and training activities within established timeframes. Acquires and meets the Agency's standards necessary for obtaining loan approval authority and loan servicing authority".

5 Consent Decree Action Team (CDAT) Element and Standard

A Required Usage

All employees assigned to work on CDAT shall have performance plans that contain the following element and standard.

Element

Special projects: Detailed to Washington, DC, with the *Pigford v. Johanns* class action lawsuit project, commonly known as Consent Decree and/or Consent Decree Action Team (CDAT).

Standard

Completes assignments in a competent, accurate, and thorough manner. Assignments completed to comply with regulations and procedures; completed assignments reflect research and collaboration with others, as required. Works closely with contractors, DOJ, OIG, OGC, Monitor of Consent Decree, Finance Office personnel, DAFO, LMD, LSPMD, Farm Loan Chiefs, State Office personnel, County Office personnel, and peers to ensure that all aspects of the Consent Decree are met. Complete claim and petition reviews, processes implementations of debt relief, and provides research in priority cases. Ensures that all requirements of the Consent Decree are completed within the timeframes established by the court order. Works closely with and reports to DAFLP and CDAT Project Manager. Performs CDAT functions a minimum of ____% of the time.

CDAT supervisors will develop measures to address this part of the employee's responsibilities.

SED Performance Plan

Element 5 of SED Performance Plan: Program Management (links to agency Strategic Plan):

Farm Loan Program

Demonstrate progress towards 80 percent of the goals established for Farm Loan Programs *(Supports FSA Goal #1)*

- Reduce first-year delinquency rates on new loans by 10 percent over 5 years.
- Increase or maintain the number of loans made to socially disadvantaged applicants (SDA) to increase SDA's percentage of all loans made.
- Reduce direct loan processing time to an average of 15 days nationally with no State's average over 20 days.
- Reduce guaranteed loan processing times for all lenders.
- Increase the number of loans made to beginning farmers to achieve 30 percent of all loans made.

Farm Programs

Demonstrate progress towards 80 percent of the following established goals for Farm Program *(Supports FSA Goal #1)*

- Software deployed to field will be loaded within 3 days of receipt.
- Meet reporting deadlines, with accurate information, for reports established Deputy Administrator for Farm Programs (DAFP)
- Submit complete case files when making requests to DAFP.
- Reduce prompt payment and interest as a percent of total farm program payments by 5 percent.

Administration

Manage State administrative budget and staffing allotments within fiscal year levels authorized by headquarters. Notifies the Deputy Administrator for Field Operations of anticipated resource shortfalls within 15 days of the State administrative staff identifying potential resource shortfalls.

Sample Performance Plan

Following is a sample performance plan.

AD-435A
(12-86)

UNITED STATES DEPARTMENT OF AGRICULTURE

Page of

PERFORMANCE PLAN, PROGRESS REVIEW AND APPRAISAL WORKSHEET

1. NAME (Last, First, M.I.) Smith, John	2. POSITION TITLE CED		
3. AGENCY/DIVISION FSA/(state)/(county)	4. PAY PLAN, SERIES, GRADE	APPRAISAL PERIOD 5. START DATE 4/1/06	6. END DATE 9/30/06

7. PERFORMANCE ELEMENT No. 1 — X CRITICAL — NONCRITICAL

Program Management

Manages program(s), resolving issues and problems within the employee's control. Monitors all aspects of program(s) for quality, effectiveness, and consistency. Program plans and guidance are responsive to objectives and requirements of the Agency. Policy instructions are appropriately issued and are accurate. Evaluates effectiveness of work and adjusts plans accordingly.

8. STANDARD (Describe the level expected for "Fully Successful" performance. Include appropriate indicators of quality, quantity, cost efficiency, or timeliness, where applicable.)

(insert appropriate measure from Matrix of Aligned Performance Objectives (Exhibit 1 of Notice PM-2458)

This aligns with Element 5 of SED Performance Plan: Program Management (links to agency Strategic Plan): "Manage State administrative budget and staffing allotments within fiscal year levels authorized by headquarters. Notifies the Deputy Administrator for Field Operations of anticipated resource shortfalls within 15 days of the State administrative staff identifying potential resource shortfalls".

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(2-4 measures from Exhibit 2 of Notice PM-2519)

9. ELEMENT RATING (At the end of the rating period, compare the employee's performance with standard and assign an element rating. Refer to documentation, as necessary.)	Exceeds	Fully Successful	Does Not Meet

10. ACCOMPLISHMENTS (Must be completed if employee receives a summary rating of Outstanding. Attach additional sheets if more space is required.)

11. CERTIFICATION OF DEVELOPMENT AND RECEIPT OF PLAN (Signatures certify discussion with the employee and receipt of plan which reflects current position description.)

Employee's Signature		Date
Supervisor's Name *(Print)*	Supervisor's Signature	Date
Reviewer's Name *(Print)*	Reviewer's Signature	Date

12. PROGRESS REVIEWS (at least one must be completed)

Employee's Initials and Date				Supervisor's Initials and Date			

Check appropriate copy designation below.

( ) ORIGINAL-OFFICIAL PERSONNEL FOLDER/EMPLOYEE PERFORMANCE FILE COPY ( ) EMPLOYEE COPY ( ) SUPERVISOR'S COPY ( ) AGENCY USE

Sample Performance Plan (Continued)

AD-435B (Continuation Sheet) UNITED STATES DEPARTMENT OF AGRICULTURE Page of
(12-86)

PERFORMANCE PLAN, PROGRESS REVIEW AND APPRAISAL WORKSHEET

1. NAME (Last, First, M.I.)	2. POSITION TITLE		
3. AGENCY/DIVISION	4. PAY PLAN, SERIES, GRADE	APPRAISAL PERIOD	
		5. START DATE	6. END DATE

7. PERFORMANCE ELEMENT

No. 2 **(Describe below the duty or responsibility for which the employee is accountable and responsible. Indicate if the element is critical or noncritical.)** X **CRITICAL** ☐ **NONCRITICAL**

Customer Service
Routinely displays courteous and tactful behavior. Projects a positive and professional image of USDA. Provides advice that is timely, responsive and accurate. Maintains appropriate rapport with internal and external customer. Develops and establishes working relationships with external organizations as required. Keeps supervisor and/or team leader informed of difficult and/or controversial issues and unique problems. Takes action to effectively solve problems before they have an adverse impact on the organization or other employees.

8. STANDARD (Describe the level expected for "Fully Successful" performance. Include appropriate indicators of quality, quantity, cost efficiency, or timeliness, where applicable.)

(3-5 measures from Exhibit 2 of Notice PM-2519)

9. ELEMENT RATING (At the end of the rating period, compare the employee's performance with standard and assign an element rating. Refer to documentation, as necessary.)	Exceeds ☐	Fully Successful ☐	Does Not Meet ☐

10. ACCOMPLISHMENTS (Must be completed if employee receives a summary rating of Outstanding. Attach additional sheets if more space is required.)

Sample Performance Plan (Continued)

AD-435B (Continuation Sheet) UNITED STATES DEPARTMENT OF AGRICULTURE Page of
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PERFORMANCE PLAN, PROGRESS REVIEW AND APPRAISAL WORKSHEET

1. NAME (Last, First, M.I.)	2. POSITION TITLE		
3. AGENCY/DIVISION	4. PAY PLAN, SERIES, GRADE	APPRAISAL PERIOD	
		5. START DATE	6. END DATE

7. PERFORMANCE ELEMENT
No. 3 (Describe below the duty or responsibility for which the employee is accountable and responsible. Indicate if the element is critical or noncritical.) X CRITICAL ☐ NONCRITICAL

Civil Rights

Performs all duties in a manner which consistently demonstrates fairness, cooperation, and respect toward coworkers, office visitors, and all others in the performance of official business. Demonstrates an awareness of EO/CR policies and responsibilities of Agency and Departmental goals of working to employ and develop a diverse, yet unified workforce.

8. STANDARD (Describe the level expected for "Fully Successful" performance. Include appropriate indicators of quality, quantity, cost efficiency, or timeliness, where applicable.)

(3-5 measures from Exhibit 2 of Notice PM-2519)

9. ELEMENT RATING (At the end of the rating period, compare the employee's performance with standard and assign an element rating. Refer to documentation, as necessary.)	Exceeds ☐	Fully Successful ☐	Does Not Meet ☐

10. ACCOMPLISHMENTS (Must be completed if employee receives a summary rating of Outstanding. Attach additional sheets if more space is required.)

Sample Performance Plan (Continued)

AD-435B (Continuation Sheet) UNITED STATES DEPARTMENT OF AGRICULTURE Page of
(12-86) **PERFORMANCE PLAN, PROGRESS REVIEW AND APPRAISAL WORKSHEET**

1. NAME (Last, First, M.I.)	2. POSITION TITLE		
3. AGENCY/DIVISION	4. PAY PLAN, SERIES, GRADE	APPRAISAL PERIOD	
		5. START DATE	6. END DATE

7. PERFORMANCE ELEMENT No. 4 (Describe below the duty or responsibility for which the employee is accountable and responsible. Indicate if the element is critical or noncritical.) [X] CRITICAL [ ] NONCRITICAL

Supervision

Work is assigned in a fair and effective manner. Technical guidance to subordinate staff is given in a timely manner. Performance management is implemented in accordance with procedure. Issues, concerns, or problems are handled promptly and fairly. To the extent possible, staff is properly trained and complies with occupational health and safety programs. Management decisions are supported and implemented within appropriate time-frames.

8. STANDARD (Describe the level expected for "Fully Successful" performance. Include appropriate indicators of quality, quantity, cost efficiency, or timeliness, where applicable.)

Employee performance plans focus on results achieved, contain at least one element that is aligned with organizational goals, and are in place within 30 days of the beginning of the appraisal period. Mid year reviews are conducted timely and according to Agency guidelines. Ratings are accurate and issued within 30 days of the end of the appraisal period.

Adheres to Safety and Occupational Health practices and procedures in order to promote and maintain a safe and healthful work environment for all employees. Upon report of unsafe/unhealthful condition, notifies appropriate office within 48 hours, and follows up and/or takes appropriate action until condition is resolved.

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(1-3 other measures form Exhibit 2 of Notice PM-2519)

9. ELEMENT RATING (At the end of the rating period, compare the employee's performance with standard and assign an element rating. Refer to documentation, as necessary.)	Exceeds [ ]	Fully Successful [ ]	Does Not Meet [ ]

10. ACCOMPLISHMENTS (Must be completed if employee receives a summary rating of Outstanding. Attach additional sheets if more space is required.)

Sample Performance Plan (Continued)

AD-435B (Continuation Sheet) UNITED STATES DEPARTMENT OF AGRICULTURE Page of
(12-86)

PERFORMANCE PLAN, PROGRESS REVIEW AND APPRAISAL WORKSHEET

1. NAME (Last, First, M.I.)	2. POSITION TITLE		
3. AGENCY/DIVISION	4. PAY PLAN, SERIES, GRADE	APPRAISAL PERIOD	
		5. START DATE	6. END DATE

7. PERFORMANCE ELEMENT

No. 5 **(Describe below the duty or responsibility for which the employee is accountable and responsible. Indicate if the element is critical or noncritical.)** [ ] CRITICAL [X] NONCRITICAL

Resource Management

Monitors allocated funds and maintains complete and accurate records of expenditures. Routinely utilizes resources in an efficient and effective manner. Ensures that funds, property and other resources are guarded against waste, loss, unauthorized use, and misappropriation.

8. STANDARD (Describe the level expected for "Fully Successful" performance. Include appropriate indicators of quality, quantity, cost efficiency, or timeliness, where applicable.)

(3-5 measures from Exhibit 2 of Notice PM-2519)

9. ELEMENT RATING (At the end of the rating period, compare the employee's performance with standard and assign an element rating. Refer to documentation, as necessary.) [ ] Exceeds [ ] Fully Successful [ ] Does Not Meet

10. ACCOMPLISHMENTS (Must be completed if employee receives a summary rating of Outstanding. Attach additional sheets if more space is required.)

Performance Management Priorities in FY 2006

1. Alignment

Ensure that 100 percent of employees have at least 1 aligned element, and more elements need to be aligned.

Ensure that employee's understand their agency's vision and goals, how their work fits in to the organization, and how they contribute to mission accomplishment.

Establish a mechanism to verify that the organization's goals and objectives have correctly cascaded from the top down in performance plans.

2. Results-Focused

Ensure that 100 percent of employee performance plans hold employee's accountable for achieving results appropriate to their level of responsibility.

3. Balanced, Credible Measures

Ensure that 100 percent of employee performance plans provide for balanced, credible measures. Balance, so that in addition to measuring expected results, the performance plans include appropriate measures, such as quality, quantity, timeliness, and/or cost-effectiveness, indicators of competencies, and customer perspective. Performance expectations are based on job analysis; clear, specific, and understandable; reasonable and attainable; measurable, observable or verifiable, and results oriented; communicated in a timely fashion; and foster continual improvement in productivity.

Also, ensure that 100 percent of supervisors have customer/employee perspectives in their plans.

4. Distinctions in Levels of Performance

Ensure that rating officials use the appraisal system's multiple levels to clearly describe distinctive levels of performance and appropriately rate employee performance.

Performance Management Priorities in FY 2006 (Continued)

5. **Consequences**

Ensure that the result of appraisal is used for:

- recognizing top performers
- addressing developmental needs
- addressing poor/unacceptable performance.

Supervisors and managers must analyze performance results to surface individual and organizational areas that require attention and development. Learning and knowledge management needs are part of performance management discussions. Agency leaders must support and encourage managers and supervisors giving frank and constructive feedback on their performance and taking performance actions where appropriate. The agency must have procedures and clear lines of accountability for addressing poor performance.

6. **Employee Involvement**

Ensure that employees are involved in the design of the appraisal program. In 2004, a task force, consisting of representatives of all parts of the agency, from SED to PT, was put together and played a major role in establishing the original program - and further employee input will be needed for any future modifications to the program.

Ensure that employees are involved in the development of their performance plans.

7. **Feedback and Dialogue** (including Progress Reviews)

Ensure that the appraisal program establishes a performance feedback process that ensures a dialogue between supervisors, managers, and employees throughout the year.

8. **Training**

Ensure that the appraisal program requires that all supervisors receive adequate training and retraining on the performance appraisal program.

Ensure that the appraisal program requires that all employees receive adequate training and retraining on the performance appraisal program.

Ensure that poor supervisory performance is addressed.

Ensure that supervisory competencies are developed in performance management. Supervisors must know how the appraisal program operates. They must be strong in competencies such as interpersonal communication, leading people, setting goals, performance measurement, appraising performance, and recognition.

Performance Management Priorities in FY 2006 (Continued)

9. Organizational Assessment and Guidance

Ensure that the appraisal program requires that appropriate organizational unit performance assessments are made. These assessments would tell us how the agency as a whole, and its various component parts (such as individual States), are doing overall.

Ensure that assessment results are communicated throughout the Agency.

Ensure that guidance is provided by the head of the agency, or designee, on how to incorporate organizational unit performance into the assessment process, especially regarding the appraisal of managerial and supervisory employees.

10. Oversight

Ensure that the head of the agency or designee:

- has oversight of the results of appraisals and awards (not on an individual basis, but looking at overall trends)
- ensures that the appraisal program operates effectively and efficiently
- ensures that appraisals and awards are based on performance (again, not on an individual basis).

11. Accountability

Ensure managers and supervisors are held accountable for the performance management of their subordinates.

They must communicate with their employees continuously from the beginning to the end of the rating cycle, not just at certain times within it.

At the end of the rating cycle, they must **accurately** rate their employee's performance.

12. Program Assessment

Ensure that:

- the appraisal program is assessed and improvement strategies developed
- rating distribution reflects organizational performance
- verification processes are in place to ensure all the above items actually take place.