

Steve Pratt - Vice President - National Association of District Directors

Due to changes FSA will be going through, NADD has stressed to National Office that SED's include input from employees, NACS, NASE and NASCOE.

It has been 10 years-we need to work together!

Kentucky will lose 51 employees - 46 county office & 5 federal

David Vidrine - President - National Association of County Office Employees

“Take change by the hand or it will surely grab you by the throat

He has three changes in his 25 years:

- 1) 1985 - automation moved into ASCS offices
- 2) 1995 - merger of AgCredit & ASCS
- 3) 2005 – e-gov

We must work together as a group to show we can do it cheaper and better than anybody else.

Jim Little - Administrator, FSA

NACS, NASCOE, NADD & NASE has made FSA a more customer friendly place.

FSA is a better organization today than 10 years ago.

Direct loan losses	9.3% (1995)	3.9% (2005)
Delinquency	24.1% (1995)	10.2% (2005)
Guaranteed loan losses	1.0% (1995)	.6% (2005)
Inventory Farms	2145 (1995)	171 (2005)

FSA working hard on e-gov process - not just that it was mandated by President, but because it makes good business sense. We have to keep expanding the programs online to better serve our customers.

Farm Business Plan - this year's processing time equaled last year's processing time.

Increased:

- 43% youth loans
- 22% SDA loans
- increased BF-DP by 17%

System 36/AS 400 - all programs off in next 12 months, all programs on computer within five years. We must all work together to adapt to these changes. Reduce visits

from producers. Services to customers has and will continue to be our highest priority. Fewer but better staffed county offices.

Bottom line-we must become more cost effective with our reduced budget.

Proposals - early outs/buyouts - not final

Q&A-what about rural areas with no computers or high speed internet? We will always have a dual system.

Doug Frago - Deputy Administration for Field Operations

Major challenges

Field '04 - 2% CO & GS decrease
Reduction of 2500 temps

Can you deliver the product and good customer service with one or two person offices???

Field '05 - 3% decrease - right size
Eight days ago - additional 16% of temp employees let go
Reduction in travel

Southeast - major loser states - employee reductions

If your state was a gainer state, you could maintain your employee numbers, not increase them.

SEDs were to send test cases of offices that make sense to close and get them closed

Buyouts - SEDs must submit plan by July 15th showing how they will target buyout. Need to reduce 612 GS & CO employees. If a state has a plan come in that greatly impacts the 1165 Plan, they will need to re-do the 1165 Plan.

STO rightsizing project is on hold right now.

5 Tiered Performance Plan will be effective FY 06

Carolyn Cooksie - Deputy Administrator, FLP

Portfolio best it has been in 32 years (records only go back that far)

As soon as the Secretary signs, they can announce the Assistant Deputy Administrator for FLP.

Funding

8% down in obligations - mostly in OL-D
take money out of OL-D & move to FO-D - 21 million - will clear out FO
backlog
EM - enough to spare
OL-IA - run out in last quarter

Guaranteed FO - 4% down from last year - very little or no backlog

Budget - '06 close to '05 with some reductions

FBP - Phase 2 (all other modules) - servicing times are good - infrastructure problems (server). Two day training session - will use Type 60 money to fund training on FBP & policy

Streamlining Regs - closer than ever been - in clearance process, then OMB - hopes to have final by end of calendar year. Will allow 60 day implementation time. Training - try on-line. "This will be second largest change in your life - behind FBP".

NIR thrown out - Risk Assessment - new review liked by NM & KS. With this program offices will be reviewed less if indicators look good. Problem - automation - contract ends 6/30

Regs in process

I.A. regs - 60 day comment period - out 6/22

No annual test
No monthly cashflow for I.A.
\$16,000 subsidy payment limit
5 year I.A. period
Guarantee fee will not be waived
Interest Assistance on first \$400,000.

Changes will take incentives away from lenders that abuse program

Debt For Nature Program

Updating FLOT program - doesn't feel that trainers want to be trainers

Concern - staffing - hoping very limited to FLP - can't fill positions that are bought out/early out - not in best interest for FLP

Appraisal positions - signed joint memo with Doug Frago - need at least one in-house

certified appraiser in a state (or share with another state)

There have been some county office break-ins - 540 report left out, which has social security numbers. They are looking at changing borrower's I.D. numbers from social security numbers - putting people in jeopardy for letting out social security numbers.

Carolyn said it was an honor to be affiliated with FLP. She values the job and employees

John Williams - Deputy Administrator for Management

Talking about the budget is almost like reading a will, but we ain't dead yet, maybe on life support, but not dead! The Administration is very supportive of us but congress isn't so generous.

IT portfolio has been put on hold - affects FP more than FLP

Robbed cash awards program - cut in half by January - at mid-year removed it. Will not have any resources by end of year so managers are to find other ways to recognize employees.

No furlough days if he has anything to say about it - he feels it is a bad management decision

Buyouts/Early Outs - request was submitted in May - not budget driven when submitted - right size as part of FSA Tomorrow. Needed employee friendly tool. OPM - 2-3 month approval as part of Phase I, then Phase II. Congress doesn't phase in reductions - effective 10/1. Move on with right-size then restructure. Wrap up plans by end of July that states submitted. Depends on needs of states - not one size fits all. Notice will go out 1st of August with caveat - need OMB approval. 1st of September notify people if apps accepted - 1st of November be ready to take people off roles. Normal attrition is too slow.

Buyout Rules will be as they are now, no new rules proposed.

Pay Reform - comprehensive reform to Civil Service System - long term effective 2010 - agencies would have until 2008 to get plans together. Get away from classification driven system - market driven. Occupation driven, pay banding, pay for performance - lot more flexibility.

5-Tier Performance - implementation phased in over several months. This will be a reinstatement of what many of us were used to 10 years ago. Must have multi-level system. Raters and reviewers will have more responsibility to make meaningful distinction of what fully successful means. Rating will drive COLA & QSI - longevity won't.

There won't be any automatic linkage from the outstanding rating to the award.

Revamp awards program - 70-75%, if any. Rating will affect award which he stated is good in theory but hard to implement. Smaller portion will be for ad hoc situations.

OPM survey from 2004 - 10,000 USDA employees were sent survey - 60% responded - 7 major areas

- How employees looked at personal work experience - 70% positive
- Job satisfaction - 52% positive
- Awards, recognition, senior management - pretty negative
- Government benefits - 56% positive -- concerns—long term health & flexible spending
- Talent - very positive
- Performance culture - significant decline - less than 50% - merit system does not work, no confidence to recognize outstanding performance.
- Senior Leadership - serious decline from '02 to '04 - low respect, no motivation
- Too much partisanship

This may be last time he addresses us at these convention - plans to retire January 1st

John Nassif - Chief, Farm Credit Applications

FLPIDS on hold - lack of funding - 14 day hold - 8 million spent so far

John wants to eliminate ADPS system

FBP won Administrator's Award

Had to partner with RD for e-loans – front end web page – ITS networking responsibility

Plan to re-engineer AGCREDIT database

PLAS – 60 day letter in production for installment due and final installment due

FBP – if plan not approved, don't be looking for obligation – tying FBP to PLAS – end of July—Delete old or unused records

Appraisers should not upgrade their software until they get the word from Johns' shop.

*Q&A-how sound is it to contract out business programs-especially with reduced funding-
We annually pay a license fee and a user fee which goes up as more records are stored
In the program—don't worry about the license fee-if we can't afford that the Agency
Will probably get shut down.*

Karen Campbell – Chief of Program Reporting Branch

Powerpoint presentation went through guaranteed loan servicing accomplishments, TOP, offset, DCIA initiatives

TOP & Cross-Servicing – need to complete 1956-22 to delete borrower
Individual “B” account information will be reported to COMMERCIAL credit bureaus.
Cannot change the TOP letters.

540 Report – changed cut-off date to end of month

Donald Sanders – Chief, HRD Employment Branch

Human Capital Management Initiative
Alignment of Human Resources
Workforce Planning
Talent Management
Knowledge Management
Performance Culture

Need strong mentor program – not just for FLOTs, but for FLMs & FLOs to move into FLP Chief.

Employees in the military serving overseas were given an additional 22 days of leave.

Employee Benefit System - make online TSP changes and soon be able to run retirement scenarios

No retirement training is proposed at this time.

They are developing a template for leadership management.

He can be reached at 816-926-2830 or donald.sanders@kcc.usda.gov

People want objective feedback on their performance – don’t need to wait until mid-year or end of year. Employees don’t need a cash award just a “you have made a contribution” or “you are doing a good job”. Set goals-weekly-monthly or longer, review the goals and accomplishments and let employees know when they’re doing a good job.

John Nassif met with NASE members to show us the Direct Loan Making package

Loan making process checklist will be uniform

Obligation form being revised that only approval official needs to sign

Consolidate MAC, ADPS, Workload Scheduling and Application process – tied to FBP

