Date: February 13, 2008

To: Perry Aasness, SED

From: Lee Crawford, MACS President and Andrea Peck, MNASCOE President

Subject: Consultative Meeting with State Office February 20, 2008

MNASCOE, MACS and the Minnesota State Office have a history of supporting and working for the employees of Minnesota. The past year has brought a great deal of change and opportunities for the employees of this state. In order to meet some of the growing needs and dwindling resources, many local solutions and state driven solutions have been implemented.

The employee associations of MNASCOE and MACS are taking this opportunity to jointly ask several questions of FSA Management in an effort to communicate a common understanding to all members of certain issues within Minnesota FSA. The responses to these questions will enable members of each association to have a better understanding of theses issues.

On behalf of both employee associations, we appreciate your willingness to meet with our respective representatives on February 20th and to have an open dialogue on the issues at hand facing MN FSA employees.

1. Incentive bonuses

Position advertisement included an incentive bonus for relocation this past year. This has rarely occurred in the past, so most employees are not familiar with the process. It would be beneficial for everyone to have a clearer understanding of what this opportunity provides.

a. What type of bonuses are available for FSA Management to offer field office employees?
b. What Handbook or procedure governs this process?
c. Is this an option only available to GS positions?
d. What criteria are used in MN to determine if a bonus should be offered?
e. Who decides to offer the bonus and include this as part of the vacancy announcement in MN?
f. Can a DD, FLM or CED request this to be included in an advertisement?
g. Is this a lump sum payment or dispersed in increments?
h. Are restrictions or a minimum tour of duty required to receive the bonus?
i. If you fail to meet the restrictions, what are the repercussions? (I.E. refund of part or total bonus, penalty fee, personnel action, etc.)

STO response:

Recruitment, relocation bonuses and retention allowances are available subject to DAM/DAFO approval per Handbook 32-PM for GS employees and 27-PM for CO employees.

Handbook 27-PM, Para. 460 states that if it is anticipated that any of these incentives might be used, State Offices shall prepare written justification specifying why, in the absence of the incentive, the office would encounter difficulty in filling the position with a highly qualified candidate.

32-PM, Para. 169A states that each bonus paid shall be based on a written justification by the recommending official that, in the absence of a bonus, FFAS would encounter difficulty in filling*--the position with a high-quality candidate. The justification to pay a bonus shall include a rational for the requested percentage.

The DD and/or manager may request an incentive offer through written justification. These recommendations shall be forwarded to HR in the State Office following Handbook 32 PM, Para. 169C for GS employees: in determining which GS employees may receive a recruitment or relocation bonus, offices are encouraged to work with the STO to target a group of positions that have been difficult to fill in the past or that may be difficult to fill in the future. However, any determination to pay a bonus must be made on *--a case-by-case basis for each employee and reviewed by the STO before submitting for approval.--*

For CO employees, DD/CED request initiates process.

Typically employees request their relocation incentive in a lump sum payment up front as soon as they establish a residence at the new duty station. Relocation Incentive - covered in 5 CFR 575.209 - also at the following OPM Link:
> **http://opm.gov/oca/pay/html/relbonfs.asp The excerpt:**
>
> **The incentive may be paid as an initial lump-sum payment at the beginning of the service period, in installments throughout the service period, as a final lump-sum payment upon completion of the service period, or in a combination of these methods. The agency may not pay a relocation incentive until the employee establishes a residence in the new geographic area.**
>
> **Retention bonus - most employees like to receive their incentive as soon as they earn it, so it is usually paid bi-weekly (included in their bi-weekly pay and recorded in block 20D of their SF50). The payment starts one pay period after the effective date (remember they have satisfied the service agreement before they get paid).**
>
> **Retention Incentive - covered in 5 CFR 575.309 - also at the following OPM Link: http://opm.gov/oca/pay/html/retallfs.asp The excerpt:**
>
> **The incentive may be paid in installments after the completion of specified periods of service within the full period of service required by the service agreement or in a single lump sum after completion of the full period of service**

required by the service agreement. An agency may not pay a retention incentive as an initial lump-sum payment at the start of a service period or in advance of fulfilling the service period for which the retention incentive is received. A retention incentive installment payment may be computed at the full retention incentive percentage rate or at a reduced rate with the excess deferred for payment at the end of the full service period. Explanations of how to compute retention incentive installment payments may be found at 5 CFR 575.309(c) and in the guidance on Retention Incentive Payment and Termination Calculations.

Per Handbook 32-PM, Para. 170A, the GS employee must sign AD-1074 agreeing to complete 12 months of employment with FSA. If a bonus is offered to a CO employee, it would be anticipated that they would also sign an agreement.

Handbook 32-PM, Para. 171 reviews the repayment requirements for bonuses in which an employee who fails to complete the period of employment established under AD-1074 will be:

-indebted to the Federal Government

- required to repay the recruitment or relocation bonus on a pro rata basis

The repercussions of failing to complete a period of employment would be dealt with on a case by case basis as these issues are managed by HR in WDC or KC.

2. <u>Voluntary Re-assignment</u>

a. What threshold (staffing %) is used to determine the need to solicit for volunteers from specific counties?
b. Without the workload process in place at this time, what other tools are used to make these decisions?
c. To what extent do county office profiles generated by the DD have an impact on STO decisions?
d. Regarding timeframes: What timeframes are involved with this process? How many days from notification does a county office have to respond to these requests? How long does the volunteer employee have to relocate? What period of time passes before the STO takes the next step of directed re-assignment if a county does not have a willing volunteer?
e. What benefits exist for FSA Management to use this tool to manage staffing versus using a Directed Re-Assignment? We recognize that employees are a part of the decision in this case (voluntary), but are there administrative incentives or a money savings that accompany this process?
f. If two or more employees wish to transfer to the same office, how and who makes the decision as to which employee receives the appointment?
g. Are relocation benefits or bonuses available for this process?

STO Response:

When input from the DD's and the Farm Loan Chief indicate a need for a loan officer at a location, the general rule is that we request volunteers to provide opportunities for employees to locate and work where they would like. This is an attempt to meet the business need and provide opportunities for our employees. No voluntary re-assignments are approved unless it meets a specific need of the agency. We have tried to be flexible to allow the FLM at the site where the employee is going and the FLM at the site the employee is leaving to determine the most advantageous date for the volunteer to report to the new location If the DD's report that there is no agreement between the FLM's the SED will set a date somewhere between 30 and 60 days based on how critical the need is. This determination is based on input from the DD's and the Farm Loan Chief.

From a budget stand point we believe voluntary or directed re-assignments are equal in there impact. Both qualify for relocation benefits. If two or more employees express interest in the same job, we stop the process and proceed with an announcement so the vacancy will be filled competitively.

3. Directed Re-assignment

a. How does FSA Management decide which is the gaining office and which is the losing office?
b. How are the losing and potentially gaining offices notified of the request for directed re-assignment?
c. Does the receiving office have any rights in the process?
d. What timeframe is given for the managers to notify employees?
e. What timeframe is allowed for the employee to relocate?
f. Are any relocation benefits available during this process?

STO Response:

Directed re-assignments are triggered by the same process. When a need to locate a loan officer at some location is determined by input from the DD's and the Farm Loan Chief, we look at several options. They include FSA wide announcements, FLOT's, voluntary re-assignments or directed reassignments. Input from the FLM, DD, and FLP Chief are used to consider the most appropriate option. A call for volunteers is usually the first step but in a situation where that does not meet the needs, directed reassignments may be used. Timelines and relocation benefits are the same as voluntary re-assignments.

4. Staffing (Workload) Reports

a. Are these reports still used to manage employee ceilings in MN?
b. What criteria is used to score office or teams in the ranking?
c. Who verifies the accuracy of these reports prior to vacancy announcements being released?
d. Do managers of the involved offices have the opportunity to discuss filling a position or losing a position (via reassignment) with the STO Admin Section prior to the vacancy announcement being issued?
e. Will there be a time when these reports are made available to view by all employees, as in past years by intranet or STO server?

STO Response:

Workload reports and input from the DD's are the primary tools used for determining the best distribution of resources. (In this case staff). Mn staffing ceiling is set by the national office and to the best of our knowledge, all states ceilings were not adjusted for FY2008.

Workload reports are used to create the staffing charts. Anna has completed this function and has double checked each one. In most cases the needs determined by the DD's are corroborated by the staffing or workload data. If there appears to be a conflict between the DD's information and the workload data Mary or Dan double check the workload data. In the past when we were short of DD's, the admin section frequently contacted managers directly for input. However now that we have a full complement of DD's we rely on them to make sure each managers input is considered.

We are very close to posting the needs maps on the website. We are working on a process to incorporate workload and budget data on a map that will be posted to the website as soon as we can work out the bugs.

5. County Profile Reports Prepared By DDs

a. What is to be included in these reports and who has access to these reports?
b. Should FLMs and CEDs be allowed to comment or request changes to their county profile?
c. Does this process determine the number of additional employees the State Office requests from the National Office?
d. Does this process determine any lowering of the state employee ceiling numbers?

STO Response:

One of the purposes of these reports is to serve as a means of documenting the DD's determination of needs in their district and document actions taken by each DD to solve staffing problems with resources within their district related to those needs. The reports when compiled provide the SED with very helpful data to make decisions related to the prioritization of resources. These reports do not take into account the needs of the state office and therefore do not reflect overall state staffing needs. We cannot envision a scenario where they would be used to lower any of the states ceiling numbers. We would use them when we can to support requests for more FTE's. However they would only be part of the justification.

The expectation of the SED is that the profiles will enhance communication. Although, the profiles were not intended to be confidential there have been several instances where DD's have had to make a reference to a potentially sensitive issue. Therefore, verbatim copies of these profiles will not be shared at this time.

6. Performance and Awards

a. What safety net is in place to assure that employees are treated fairly during the employee rating process?
b. If a manager does a poor job of documenting as well as writing up the case strongly for an award, could we see excellent employees be under rated and average employees be rewarded?
c. If a DD does not agree with a COCs appraisal of a CED, what is the process to resolve this issue?
d. Employees are reporting that there are differences in interpretation of the process from district to district. How do MN FSA ratings compare within MN's 8 districts or even other states?
e. Since 75% of awards money is tied to performance, should we expect fewer awards?

STO Response:

Awards have always been difficult to manage. The national office has developed an awards process that may solve some problems and create others. Initially we were told the largest portion of the awards monies would be distributed only to those with superior or outstanding ratings but that not all of those folks would be guaranteed an award. Notice PM-2631 indicates that everyone with one of those ratings is eligible and will get a share of the monies set aside for that group. The 2008 Awards Forum is available on the Intranet and will be utilized to post frequent updates, questions and STO responses.

7. Payroll Problems

During this past year and even during February 2008, there have been many reported cases of employees not getting paid what is due them. It has also happened that an employee received $0 for a normal two week pay period. These problems have occurred for basic salary pay as well as for moving expenses. In addition, employees transferring from GS to CO in the same office are missing at least one pay period during the transfer process. SF-52 changes have not been recorded to update employee status or locality pay changes. Relocation expenses and approvals have been delayed. The employee associations are not sure what level of the agency is responsible for the problems and are therefore unable to provide good guidance to our members.

a. What process is acceptable to report problems?
b. Should issues be reported through our DD?
c. What support is available to the employees that are suffering through these issues?
d. At what level of FSA are these problems occurring?
e. At what level of FSA is responsible for fixing these problems and ensuring they are not recurring?

STO Response

We are dealing with many payroll/personnel and travel related issues which interact with many different USDA systems and frequently different servicing offices within FSA. We have identified many weaknesses within our processes that are being addressed while recognizing that many of failures you report are occurring due to complex systems and ever changing processing.

In the past 12 months we are aware of 7 employee's payroll that has been delayed due to STO processing errors. In addition, there are 13 employee's payroll that has been delayed by NFC/COC processing errors. In each situation, all STO and COF deficiencies have been identified and corrected through training.

In an effort to strengthen our communication and assist COF's with their role, you will note that we are currently updating our new hiring checklist on the Intranet making it easier to use. We will be asking for Administrative PT's input throughout this process to identify key items and expectations on other checklists that must be clear to all of us who work with employee pay and benefits. This spring at training we will discuss how we can assist each other to ensure problems do not occur.

We ask that you immediately report any personnel/payroll/travel problems to the State Office. While it is always good to cc your District Director to keep them advised, please report all issues of this nature directly to Mary for payroll/personnel and Deb for travel/relocation.

Currently, problems are occurring at all levels of FSA. NFC systems have failed, STO errors have been made and COF paperwork is not always received timely.

In Minnesota we currently oversee processing for over 1000 CO & GS employees. All levels are responsible for fixing problems as they occur. We will be providing training this spring to PT's and reviewing timely evaluations of payroll processing to ensure that the STO is notified immediately when an employees pay has been affected. Timely review of PINQ 32 for CO employees on payroll Friday would ensure we were aware of a problem as quickly as possible. When the STO is notified on payroll Friday of a problem, we can perform a special payment process (SPPS) through NFC to ensure that the affected employee is paid on Monday. This SPPS is a one-day processing which puts at least 70% of the employees pay in their account and is put in place for these types of system and processing failures. We have also identified assistance and training for our STO personnel when complex errors occur.

8. FLOT Positions

In August of 2007, the MN STO indicated that the FLP staff was at adequate levels of staffing in the field offices. It is our understanding that MN recently decided to hire 15 or 16 FLOTs and have them all hired in FY 2008. This decision may negatively impact the ability for FSA Management to hire new COTs in MN.

a. What was FSA Management's reasoning for this significant change to hire this number of FLOTs?
b. Where did all these GS positions come from? (I.E. National Office FLOT pool? SED full 5% discretionary flex authority from CO to GS employees? National Office increased MN GS ceiling?)
c. Will this create a future staffing problem for filling CO positions, such as COTs?

STO Response:

In August of 2007 the STO indicated that CO and GS needs would be filled as soon as the DD's identified needs and if current resources existed. At that time all needs identified by DD's for GS were being hired for. Since that time DD's have identified several additional needs and we have hired or are actively recruiting for all but 1. At the same time, on the CO side DD's had identified 6 needs that could not be met because we did not have the resources.

At the present time we have 1 GS and 1 CO need that cannot be met due to a lack of available resources.

Currently, we have moved forward with hiring decisions for all but 1 identified need for GS and 1 identified need for CO. As for future staffing requests, we do not believe we can sit on FTE's and not use them because there might be a need in the future. When have the knowledge that there is an existing need at the present time we must move forward to fill the most critical needs as they arise. These needs change daily.

MACS Topics – Annual Consultative Meeting
February 20, 2008

Administrative

<u>Performance Management System</u>

Members are concerned about final performance ratings; in particular, if there is consistency state wide in MN as well as nationally. At the February 2008, NACS Zone Meeting, it was mentioned that only a final rating of "Fully Successful" would be allowed in a particular state. The fact that awards are now tied directly to final performance ratings is another big concern. Because of these issues, the following questions are being asked:

1. What is the statistical summary of ratings in each category for Minnesota in FY 07?

	STO Response:
Unacceptable	**1%**
Marginal	**0%**
Fully Successful	**34%**
Superior	**33%**
Outstanding	**32%**

2. What is the statistical summary of ratings in each category for Minnesota in FY 07 broken down by District, by a grouping of GS 12 State Office employees and by a grouping of GS 13 State Office employees?

STO Response: This information is not readily available in an existing format. When additional resources are available in the STO, this report may be compiled.

3. MACS requests the State Office to ask the National Office for a statistical summary of ratings in each category for the entire nation and, once received, for the STO to provide this information to MACS. MACS will use this data for members to determine how ratings in MN compare to the rest of the country.

STO Response:
977 Outstanding
3,111 Superior
6,840 Fully Successful
29 Marginal
31 Unacceptable

4. Is the SED or a designated employee monitoring the consistency of ratings within individual Districts and state wide? If yes, how? If no, why not?

STO Response: Nationally, FSA's current policy is to maintain this performance management program for improving individual and organizational effectiveness in accomplishing the agencies mission and goals. Statewide training has been provided to

Managers through STO training and AgLearn. See National Notice PM-2606, Para. 2 for employee's responsibilities relating to performance management and consistency of plans and ratings.

5. What is the awards situation for FY08? Will the awards be publicized by the STO?

STO Response: Awards policy for FY 08 has been announced in PM-2631, Para. 10B with budget just being released in BU-707.

<u>Retention Incentives</u>

Will FSA participate in the Student Loan Repayment Program in 2008? If so, does MN FSA plan to make this available to any employees this year? Please elaborate.

**STO Response:	All decisions to participate or not participate in the Student Loan Repayment Program are made at the National level.**

Relocation and Retention Bonuses are tools available to FSA Management.   Will MN FSA consider utilizing these tools on a case by case basis? If yes, what are some of the basic parameters that the STO will take into consideration when making this decision?

**STO Response:	See STO response to Item 1 of Joint MACS/MNASCOE letter.**

<u>Payroll</u>

1. It was reported to MACS that an employee has had an issue with Annual Leave and Credit Hours for nearly 3 years and the employee has not received any support from the STO admin section. What advice do you have for this employee to remedy the situation?

**STO Response:	This employee has been identified and HR will address the concern.**

<u>Staffing/Office Structure</u>

1. Could the STO provide an update as to where MN is at with the MN FSA reorganization plan that was submitted to WDC last year? Please elaborate.

**STO Response:	The reorganization plan did not affect credit team boundaries. There is only one county office (Scott) who will be affected by this plan. No other credit team or field offices are impacted by this plan.**

2. A major recurring issue from members is a shortage of trained FLP field office personnel. With the recent vacancy announcements for hiring new FLOTs, members are requesting the STO to communicate with MACS the STO's FLP staffing plans, District by District, as to where the new FLOTs are expected end up. (Locations, not employee names).

STO Response: This was addressed and documented on the maps provided to both associations.

3. Which credit teams now make up the FLP Training Offices?

STO Response: We currently show Kittson, Roseau, Marshall, E.Polk, W. Polk, W. Ottertail, Stearns, Swift, Douglas, Mcleod, Lyon, Blue Earth, Olmstead and Fillmore. We are in the process of working with the Farm Loan Chief to identify additional sites. We are very grateful for the fact that the we have so many FLM's that are able and willing to serve as trainers.

4. To what extent does the FLP Chief provide input to the SED when decisions are made to locate and/or relocate FLP personnel?

STO Response: As a matter of standard operating procedure the Farm Loan Chief is asked to provide analysis of all FLP needs and solutions including the location of staff.

5. The decision was made last year go with a regional hiring and employment of FLOTs. Has the STO determined this to be a success? Will this regional concept continue in 2008 and beyond or will MN FLP go back to the state wide basis for hiring FLOTs?

STO Response: It is too early to tell but appears to have been positive.

6. It has been reported to MACS that the STO is telling newly hired FLOTs where they will be moved after their training period is completed; which basically maps out their first two moves. At what point would the FLOT leave the training office; after the tests are completed, when they receive loan approval authority or at a set 1 or 2 year time frame?

STO Response: This issue has been discussed with the Farm Loan Chief and is on the agenda for the leadership meeting in March. Handbook 6-PM addresses this issue and provides general guidance consistent with a plan to assign FLOT's upon completion of phase 1 training. This is one of the issues we are working on with the Leadership team that should result in a draft policy in March. Once input has been received from MACS and the Leadership Team has reviewed this policy the SED will issue his final FLOT training policy.

7. When backfilling FLP PT positions, does the State Office have a preference for backfilling these positions as GS or CO employees? Please elaborate.

STO Response: No, the STO fills needs as defined by the DD's.

8. What are the individual staffing ceilings for GS and CO employees?

    a. What is the number of FTE's in the County Offices (both GS and CO) today?

    b. What are the number of FTE's in the State Office today?

    c. How many FTE's are currently dedicated to FLP today (excluding admin work, GIS work and DDs)?

STO Response: 387-CO, 133-GS. The maps are the best data we have to show field positions that have been committed to as of today. Currently in the STO which includes COR, DD's, Appraisers, Out-State Specialists, etc. is 53

9. Concerns have been brought forward regarding FLP PTs being asked to take on increasing FP work duties which is having somewhat of a negative impact on FLP program delivery and increasing stress levels for certain entire credit teams. Could the STO share any suggestions with MACS on advice for DDs to help resolve this?

STO Response: If PT's or any employee is being asked to do something that may adversely impact there responsibilities, they should notify their immediate supervisor. The person should visit with the DD and provide the DD with an opportunity to consider other options.

10. A vacancy announcement for a GS 12 Supervisory FLM recently came out for the Roseau Credit Team. Will the new Roseau FLM supervise the FLP employees in Hallock? If not, how was Roseau able to justify the three subordinate employees to meet the 1165 classification requirement; all GS employees or a combination of GS and CO employees?

STO Response: Coming up with numbers that we can use to define basic credit team structure has been a slow and difficult process. One of the big advantages of the current approach will allow us to back fill FLM positions. The fact that we will have a large number of FLOT's actually in place qualifies many credit teams for an FLM without having to deal with the "what if's" when we request approval from HR in KC. Hiring decisions have been made to place two loan officers and one PT in Roseau's credit team. Once the decision was made to place a FLOT there as well, there would be four credit staff at that location.

11. What is the STO's position on field offices having either an answering machine or voicemail?

STO Response: There is no administrative policy prohibiting the use of answering machines or voicemail at this time. If you have budget dollars, IT approval and clearance on this equipment, you may choose to use either or both of these options.

Review MACS Resolutions previously submitted that pertain to Administrative type issues for further discussion.

Farm Loan Program

1. Farm Business Plan has many weaknesses but the biggest lately is the slowness. Classification of borrowers also has much room for improvement. Is this slowness issue FSA network wide or is it the dedicated servers for FBP/FLP that is causing the delays? Any information you could provide would be appreciated.

STO FLP Response:

This is a nation-wide problem. The SED has been in contact with Carolyn Cooksie as to make sure that the National Office is fully aware of the problems and frustration staff are facing. Mike Walzak continuously lets the appropriate people know when there are problems with the system. Everyone is encouraged to continue to let Mike know when there are problems.

2. In the past, districts were able to set their own planning prices locally. No one knows the local markets and local marketing conditions better than the people in the county offices. In addition, there is significant price diversity across the state with ethanol plants, feed usage from livestock operations and the large grain terminals. This year the STO mandated typical year prices be used statewide. The typical year prices were recently increased by the STO and these new prices surpassed the first year (2008) prices that Credit Teams has previously established locally. What was the rationale behind the

STO's decision to remove the credit teams from locally establishing typical year planning prices? What did the STO use as justification for such high typical year prices?

STO FLP Response:

Old Instructions and Paragraph 241 B of1-FLP requires that States will issue a supplement listing the unit prices for commodities. The instruction further states that these prices will be used in all farm operating plans developed, unless the applicant or borrower provides evidence that they will receive a premium price or a price other than that established by the State.

Guaranteed lenders can use FSA prices or those developed and adequately documented by the lender.

In recent years, the typical planning prices were not that significant due to low commodity prices and the use of farm programs. Due to strong commodity prices it has now become an important issue. We consulted with our neighboring states, University and Extension staff, and other lenders. The general consensus is that commodity prices may have shifted higher for the long term. The futures markets were also taken into consideration.

An important consideration in long range planning is consistency across the State. We do not want to create situations where an individual would qualify for credit in one county, but not the county next door. In some cases, there was a great variance between neighboring counties in planning prices. While no one knows what the future holds in terms of commodity prices, we took all the information we could obtain and came up with what we believe to be the most justifiable prices for long range planning.

A suggestion was made that we issue two prices for hay, one for the Northern part of the State and one for the Southern part of the State, due to a significant regional market. differential. We are open to doing that and will likely need input from some offices to justify prices that are established.

USDA has recently issued a document called USDA Agricultural Projections to 2017. This contains a lot of information on many commodities including long-term projections for commodity prices. Minnesota issued prices for wheat, corn, and soybeans are close to long-term USDA projections, even perhaps a little lower. All employees are encouraged to review this document at http://www.ers.usda.gov/publications/oce081/.

Another good source for information on long-term planning prices is information published by the Food and Agricultural Policy Research Institute. They recently issued a document titled US Baseline Briefing Book which contains projections for a 10 year baseline. This document can be found at http://www.fapri.missouri.edu/. All employees are encouraged to review this document.

Both of these documents point to higher long-range commodity prices. The good news is that agricultural enterprises show good profitability in the long term.

The SED has been heavily involved in establishing planning prices. The FLP Section and the SED will periodically revisit planning prices as market conditions change.

3. Some offices are reporting undue DD pressure to make weekly visits to each and every satellite office; which causes inefficiencies in office management, etc. These offices had already been making periodic visits to the satellite offices and more frequently if the demand warranted it. Members are concerned about FLMs being allowed to manage their credit team area as the FLMs see fit when it comes to satellite office visits and DD micromanagement is unnecessary in these instances. What are the positions of both the SED and of the Farm Loan Chief on this matter?

STO FLP Response

The SED and Farm Loan Chief's position on this issue is that there is the expectation to have office days in satellite offices to the extent possible when considering staffing, number of satellite offices the FLM works with, etc. It is realized that in some cases visits may be limited due to staffing constraints. This is an issue that District Directors and Farm Loan Managers need to resolve on a case by case basis.

Review MACS Resolutions previously submitted that pertain to FLP issues.

CONSULTATIVE MEETING – STATE OFFICE
FEBRUARY 20, 2008

MACS and MNASCOE met with Dan Hockert, Mary Aukes, Stuart Shelstad and Brian Hartman in the absence of Perry Aasness, who was ill. MACS members present were Lee Crawford, Randy Dufner, Becky Martinson, Sue Westrom, Mark Drewitz and Lorraine Edwards.

Dan provided maps that showed where County and GS employees were needed. He said the hardest job is to meet all the needs all the time. A system was needed that would take information from the DD profile, feedback on what is needed, and workload data. The map needed to give a statewide picture of the state's needs. Needs shown on the map are strictly from DD input. The color green is changed to red when there is a need to hire for a position. There are several offices where the CEDs say they don't need a FTE at the moment. They are also trying to look at the entire state. A SKEP employee will fill Sharon McPherson's position for 1 year. No FTE is used so that FTE can be freed up for a FLOT. A need for 10 FLOTs has been identified.

Lee's question on payroll:
Mary said this affecting the whole nation. The State Office was responsible for seven errors (LWOP or no pay) and were mainly GS to County switches. Mark Drewitz stated that no pay problems were reported at the MACS zone meeting. The State Office agrees completely with us. They have identified the problem. Dan Hockert said that he can live with human error but not with no response.

Lee's question on relocation:
Bill Walker was the contact but Deb Cruscoe is now. The State Office has lost their leasing authority and with these changes the Admin section should be more freed up. The T & A problems are not a personnel shortage issue but a training issue. The problem is being addressed through performance, etc. Dan is giving us three months to see that it's better. Mary said that it is the first and last priority of her day that people get paid. Randy Duffner asked about bringing the payroll job out to a County person. Dan replied that they bring PTs in all the time. A follow-up date of 5-20-08 was set to check for results on this problem.

Andrea's question on voluntary reassignment:
This is a County Office. We were overstaffed one or more. 22-PM governs this – we have to identify where they can go and have to make offer of where they can go. Now we are waiting for workload data and a new Farm Bill. Activity is down in the County Office (Price Support) so workload will be a factor. Ben Fast produced a direct reassignment letter in which the County PT had 10 days to accept or not accept. Dan stated that the CED knew the letter was coming and that the employee had 60 days and could change their mind. Anne Ulwelling replied that the CED was not notified. Lee Crawford asked that if the DD was aware, shouldn't they be involved with the employee? Mark Drewitz mentioned that there is some question as to what DDs can give out – maps, etc.

Lee's question on staffing/workload reports:
Andrea Peck asked if the DDs are supposed to be counseling offices that are overstaffed. Kevin Bergquist said that it's not possible to share TOO much information. If we aren't told we make it up and it's really bad. Mary Aukes said that we all need to communicate better. Lee Crawford stated that communication has gotten worse in the last couple years. Mary replied that the processes have, too. They can try to work within the system with the supervisors. If that doesn't work they will go further. Dan said that they will do whatever they can to communicate but they need comments. Every payroll problem is tracked now.

Andrea's question on county profiles:
What is supposed to be in the county profiles and what can be shared. The reply was that Perry delegated that they determine needs and document them. This information will be put on the web (such as what they have done to take care of it in their district.) If the DD profiles that they need State Office help (FTE), it should be in the profile. Andrea asked if anything like personnel issues are in there. Dan replied that confidential issues should not be put in there. Perry wants to glean what is important to everyone and wants to take it out of the profile and put it out to the state. Then we will know right away if the information is correct. Kevin Bergquist asked if there is any standardization. Sue Westrom replied that Alex has a form on the web and it depends upon the nature of the issue and what can be done. Dan said it is a work in progress. Lee questioned the validity of the profiles. The State Office requested 6 FTEs & 3 FTEs from the National Office when more than 9 were needed. If the DD profile says they are OK and Stuart Shelstad is saying that they are not OK – what is the solution? Dan replied that the DD needs are being met. The DDs were told to look forward and project needs. Lee commented that it is a validity issue. Mark Drewitz said that some are afraid to ask for help because it makes them look inadequate. The State Office and DDs need to address the issue in that – yes – you do need help. Stuart Shelstad said the DDs were told to put down what they need, not what they might expect to get. Dan asked if we need it documented what Stuart thinks we need? Dan can produce a record that shows needs but do we need a record from Stuart also? The less documentation, the less validity. Stuart – historically they've had that reporting and we know some problems will be showing up. KSAs can become an element. They have done some verbal reporting but would be agreeable to giving a record of need. Dan – Stuart's input will be critical in filling from unassigned people. Stuart – let's not do a knee-jerk reaction. It needs a carefully thought out process.

Lee's question on incentive bonuses:
Dan – no problem other than might have to repay relocation bonus or it's in the agency's best interest to take the job. The SED can waive the repayment. There is no interest and penalty. That doesn't come into play until a job is offered. There is nothing to stop someone from interviewing. Sue Westrom – do we need relocation to go to Hallock every time? A person was backed against a wall – told to withdraw or pay back relocation. Dan – bonus has not been given without a reason (25% of base pay and have to stay for one year). You have to advertise one time and no one applies. Washington

has to approve a bonus, not the State Office. Lee – an incentive should be used every time if that's what it takes to fill the need. Dan was asked if direct reassignment was used more than voluntary. Which is quicker? Reply was that DAFO approval is needed for GS and the State Office has authority for County. Relocation has to be approved by Budget and DAFO each time (C.O. and GS)

Andrea's question on performance & awards:
Patsy will work with Perry on awards. There is no awards budget yet since there is no regular budget at all yet. Andrea – one concern is becoming eligible such if DD decides that there can be no more than 2 outstanding in a 5 person office. Mary – need to have training, that rating has to be procedurely correct. Dan – Washington has changed the DD's role. It's purely a Washington issue; they decided that DDs will concur. Kevin Bergquist – most are concerned with the lowest part – the PTs. Mark Drewitz – if District A is rated way high and District B is rated way low, it needs to be reviewed. Dan – Perry reviewed each one of the manager's reviews. Kevin Bergquist - what about if no one shows up outstanding and the next district has everyone outstanding. WDC first said that no more than 25% should be outstanding but that was immediately taken back. The effect is still out there, however. Ann Ulwelling – we are putting a lot of faith in the CED to rate us fairly. The DD isn't going to understand the PTs like the CED would.

Lee's question of FLOT positions: performance management
Mark Drewitz – the downside is he wouldn't have a FLOT now as the FLOT is not done with training. Dan – we have to look at "one FSA's needs". We can flex 1 C.O. position to GS and are considering doing 2.

After reconvening with Admin & FLP after MNASCOE left:
MACS topics
Mary – comfortable that we're operating by procedure. She can sort by grade – would show where DDs, CEDs, and FLMs need more training.

Awards – awards notice is out there and the results will be publicized.

Retention incentives – No. This needs to be taken to our association. This needs to be taken out of brochures and handbooks if this isn't going to be funded.
Relocation/Retention tools are always used if available.

Payroll problems – always call Mary ASAP and don't let the problem die. Responsiveness is her biggest concern. They don't have too much pride in the State Office. Kirk Phelps called Dan. Dan went to Tom and found that his paperwork had become buried. The problem was then dealt with right away. Call or email Dan – if there's no response, contact Perry. Dan is challenging us to contact Perry. Dan needs to know if we have an issue. Deb Cruscoe is the travel relocation person and Patsy is the backup. Admin will give us a matrix once again so that we know who the backups are.

State Office structure - Perry & Stuart have not had time to evaluate the conferees.
See Dan's written responses to MACS.

#3 Add – very good news for credit teams and 1165. Kansas City is challenging us to count every office as a training office even if a trainee is not hired yet – can count as supervised. Minnesota is in a good position. Fillmore will be filled. Do we have to train FLMs so they can be training offices? Have been turned down for more training but maybe Minnesota could bring the trainer here and neighboring states could come here, also. Need this ASAP. Is anyone tracking how many trainees are left? – 1 of 6 are left now from the July, 2006, group.

#7 – add – if you advertise you risk what you're comfortable with. It's a local management decision. Perry supports that philosophy.

#8 – add – 52 State Office employees.   Perry is Jim Meisenheimer's supervisor. Are we going to hire FLOTS anticipating some we already have?

#9 – add – Dan doesn't know of any case where immediate supervisor hasn't supported this.

Minnesota has 5 FLP recruiters – Sue Westrom, Randy Duffner, Mark Baumann, Doug Kunde, and Kevin Bergquist. Stuart is the only State Office person involved with the recruiting process. Recruits are scored – see Career Intern Recruitment sheet. They are greatly improving the process. Was the last group hired based on the recruiter or the rating sheet - it's a mix. All but 1 declined – Mark Baumann – under the direction of a regional FLOT. The person was upset. Mary – process was changing at the same time. Perry made an executive decision that the site of training could be changed. Every one is on the same page now as to hiring. Lee Crawford – bottom line is that if we're going to hire non-mobile people, then that's the kind of workforce we will have. Sue Westrum – it's possible to have people get together and have a question and answer session. Dan will address this concept to develop the process further. Drewitz – are we tracking why we're losing people? Why are we culling our herd?

#11 – Dan will formalize an answer. Stuart – some states have caller ID.

Breakout with Stuart Shelstad, Brian Hartman, Tom Decock, and Anna Parker

SIP – if GS 9 or above – career intern program. Lee said that we need to be public recognition of Anna for all the help she gives to us.

FLP/FBP – (last page of MACS topics)
Stuart – bring the slowness issue to Perry's attention. Tom – the new FBP coordinator is a woman from Hawaii. Drewitz – Frontline software for PCs would be good because you can pull FBP info to your computer to work on it and then send it back. Comment was made that we couldn't find a way to encrypt the info. Not OK'd by Homeland Security.

Planning Prices – we look at historical data – spent hours talking with market experts. Questions from field – was one reason why they re-looked at it. A letter was received from Bremer Bank – huge in surge in input costs. Consistency – past year's markets have such volatility, especially for banks that deal with more than 1 credit team. Whatever you're going to use – be consistent. Iowa has gone to weekly adjustment of long range planning prices. Have to take into consideration the ability of borrower to cope with volatility in the markets**.** Drewitz – OK to have a local adjusted price for hay but use same typical year price. Crawford – used different prices for selling vs. buying. If prices valid for 1st year but not 2nd year, that can make a difference in a decision. Stuart – may need to revisit some prices. Duffer – or leave it up to loan office. Stuart – consistency issues – will revisit.

Satellite Office visits:
It's a local decision between the FLM & DD to make weekly visits to each and every office. It's good business sense. Duffer – if we're bulking up with FLOTS again then we need more outreach again. Westrum – don't feel we are bulking up with FLOTS but just hiring because they are needed. If we can maintain 50% of hires, that's good. Drewitz – there's a trade off – train FLOT or do outreach. Dufner – put another "red" LO on the map and then we can do both.