



## FMA Conference Report

Russell Miller attended the Federal Managers Association National Convention held in Arlington, VA and the Washington DC Area on March 25 through 29, 2007.

The Management Training Seminar was titled "Cultivating Today's Talent, Building Tomorrow's Leaders". The Speakers at the training sessions covered topics on Mentoring, Hiring and Talent Optimization, Making the Most of Telework, and Multigenerational Talent Management. The training was excellent as the Speakers provided discussion opportunity as well as providing knowledge from experience. Speakers at the Seminar included Clay Johnson III, Deputy Director for Management at the Office of Management and Budget, Cameron Kennedy, U.S. Public Sector Practice Manager for McKinsey and Company, Max Stier, President and CEO of the Partnership for Public Service, Stephen W.T. O'Keefe, Founder and Director of Telework Exchange, Jack Penkoske, Director for Manpower, Personnel and Security for the Defense Information Systems Agency, Kathryn Kadilak, Retired Manager from the U.S.

Department of Justice Worklife Program, Jeffrey Vargas, Internal Change Agent and Diversity Manager at the U.S Department of Energy, Sean M. Clayton, Human Capital Specialist also at the DOE, and Linda M. Springer, the eighth Director of the US Office of Personnel Management.



Russell Miller with Congressman Colin Peterson

The highlight as always was the "Connecting With Government Day". Office visits were conducted with both House and Senate Ag committee staff, as well as discussion with Congressman Collin Peterson and his staff, Alan Elias of Senator Norm Coleman's staff, and Tom Sullivan of Senator Amy Klobuchar's Staff. Issue Briefs were provided outlining the issues supported by FMA. Highlighted Among these were several issues pertaining to USDA FSA program delivery. Issues discussed included:

- Work to prevent any future increase in Guaranteed Fees to External customers
- Abolishment of Term Limits
- Increase Loan Limits for DOL and DFO
- Support Beginning Farmer funding priorities which are effective
- Maintain or improve FSA Direct and Guaranteed funding
- Support, hire, train and retain adequate loan officials to deliver FLP
- Increase funding for Information Technology

### In this Issue.....

- 1-2 FMA Report
- 2 FMA Info
- 2 Upcoming Meetings
- 3 MACS Annual Meeting – July 20th
- 3 Credit Report
- 3 NACS Tickets
- 3 NACS/NASE Info
- ATTACHED – FMA Items
- ATTACHED – State Mtg Registration Mtrls

FMA Government Affairs Assistant, Justin Grabelle, NACS President Darren Metzger and I had the opportunity to meet with Congressman Collin Peterson and his staff persons. We were well received and good discussion was held concerning NACS issues and our emphasis on providing excellent service. An interesting point made by the Congressman during our meeting was his statement that restructuring USDA will be the number one priority after the farm bill is completed. He feels that USDA has too much "Hierarchy" in Washington, and that not enough of the dollars or personnel appropriated by Congress get out into the field where needed.

A copy of the FMA business resolutions acted upon and NACS issue briefs are included in this newsletter. The most noteworthy changes acted upon were the FMA dues increase which was passed in order to keep pace with inflation. Also passed was the resolution to increase the rebate given back to chapters attending the FMA Convention and Seminar. This change is expected to assist chapters with limited budgets, to continue sending members to participate in FMA, as cost continue to increase for travel. The enactment of this resolution credited about 250 additional dollars back to MACS in 2007. Please check the FMA website for additional information and the Issue Briefs presented on behalf of all Federal Managers.

MACS Members are encouraged to participate and

### 2006-07 MACS Board

**President – *Mark Drewitz***  
**Vice President – *Lee Crawford***  
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**NASE State Contact – *Jean Post***  
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**District 5 Representative – *Rick Ray***  
**District 6 Representative – *Scott Nordby***  
**District 7 Representative – *Cindy Vukasin***  
**District 8 & STO Representative – *Kevin Elton***

contribute to the FMA PAC. MACS has utilized PAC funds as one tool to help develop the relationships necessary to keep our voices heard. You are also encouraged to take advantage of the opportunity to participate in future National FMA Convention / Seminars and "Connecting With Government Day. Our biggest and most necessary resource continues to be participation by our MACS Membership.

Respectfully submitted, Russell Miller, Past President

## FMA Information

The FMA Washington Report newsletter is located at: <http://www.fedmanagers.org/public/washingtonreport.cfm>. Members are encouraged to monitor the FMA site to keep abreast of the latest events with FMA and legislative actions in Washington.

## Upcoming Meetings

**2007 National Conventions - June 24-27, 2007 Millennium Hotel Cincinnati, OH.** Registration must be sent in by **May 15<sup>th</sup>** to avoid a late penalty fee. Visit the NACS web site at [www.nacsfsa.org](http://www.nacsfsa.org) to obtain the registration form. Hotel registrations must also be made by May 15<sup>th</sup> for the reserved block of rooms at the hotel.

**MACS Annual Meeting** – July 19-20, 2007, Fergus Falls.

**Zone B Meeting** – Sioux Falls, South Dakota, February 2008.

## MACS/MNASCOE Annual Meeting – July 20th

**The registration form and hotel information are now available.** These forms are attached to this newsletter. Plan now to attend the annual meeting in Fergus Falls, on Friday, July 20, 2007. Activities will begin Thursday, July 19<sup>th</sup> in the afternoon and evening with the meeting to be held the next day.

Election of officers, action on submitted resolutions, discussion and action on bidding for the Zone B 2009 meeting in Minnesota, and other business will be conducted at the meeting. It is also an excellent time for you to get together with your fellow co-workers from all across the state.

## Credit Reports

Several discussions have been held with the Farm Loan section on the changes in credit reports. A draft message clarifying issues has also been reviewed and further discussed. This should be out shortly and should hopefully eliminate some of the confusion on the issue. The result may not be to everyone's agreement; however, consistency of understanding should be improved.

## NACS Raffle Tickets Are All Sold!

The NACS raffle tickets have now been all sold and the tickets and funds sent to NACS. Thank you to all the District Representatives for working on selling these. Kevin Lehman was the big seller selling all 20 of his allotted tickets. A big THANK YOU to all those who purchased tickets. Now, hopefully, MN can get a winner. Winners will be notified by the Pennsylvania Association no later than June 8, 2007.

## NACS/NASE Information

Newsletters are available at their respective web sites:

NACS – [www.nacsfsa.org](http://www.nacsfsa.org)

NASE – [www.nasefsa.org](http://www.nasefsa.org)

Links to these sites as well as FMA are maintained on the MACS web site under "Links".

RESOLUTION NO: BL-01-07

SUBMITTED BY: GEB

TITLE/SUBJECT: Elections of Interim National Officers

WHEREAS: The by-laws state that the GEB shall determine who will succeed to the office of Vice President, National Secretary and Treasurer in the event of a vacancy in that office until an election can be held at the next Mid-Year Conference or National Convention.

WHEREAS: The above section of the by-laws is not in sync with another section of the by-laws that calls for the President and Secretary to be elected in even numbered years and the Vice President and Treasurer to be elected in odd number years. These staggered elections were designed to ensure a continuity of leadership and corporate knowledge on the National Executive Board.

THEREFORE BE IT RESOLVED:

That Section 7 Duties of the General Executive Board (b) (c) and (d) be modified to reflect:

The General Executive Board shall determine who will succeed to the office of (b) Vice President, (c) National Secretary and (d) Treasurer in the event of a vacancy in that office until an election can be held at the next National Convention. The winner of the election will complete the remainder of the vacated two year term.

If the vacated two year term ends at the next National Convention, the normal election process will occur.

RE: RESOLUTION NO: BL-01-07

Committee Recommendations:

Adopt       Non-Adopt       Adopt As Amended       Withdrawn

Convention Action:

Adopt       Non-Adopt       Adopt As Amended       Withdrawn

Vote:

Voice       Roll Call       Unanimous

Majority:

For       Against

Resolution No: BL-01-07

RESOLUTION NO: BL-02-07

SUBMITTED BY: NEB

TITLE/SUBJECT: FMA Membership Dues Adjustment

WHEREAS: During the 66<sup>th</sup> National Convention, Resolution BL-10-04 was adopted and stated:  
*“Starting in December 2004, the Association will record the CPI each year. The Treasurer will calculate what the increase would be annually and advise the Chapters. However a dues increase will actually be proposed every third year. The increase will represent the combined three CPI increases. Thus the Chapters will have advance notice of the increase and will only have to deal with payroll deduction adjustments every third year.”*

WHEREAS: The National Treasurer has calculated the combined three year CPI increase to be 9.2%.

WHEREAS: Normal operating costs to operate the Association have increased.

THEREFORE BE IT RESOLVED:

That Article IX Section 1 is changed to read:  
...per capita dues of \$20.00 per regular member or associate member and ½ regular member dues for retired members...

That Article IX Section 2 is changed to read:  
Member-at-Large shall pay to the Federal Managers Association Incorporated annual per capita dues equal to regular member dues.

RE: RESOLUTION NO: BL-02-07

Committee Recommendations:

Adopt       Non-Adopt       Adopt As Amended       Withdrawn

Convention Action:

Adopt       Non-Adopt       Adopt As Amended       Withdrawn

Vote:

Voice       Roll Call       Unanimous

Majority:

For       Against

Resolution No: BL-02-07

RESOLUTION NO: BL-03-07

SUBMITTED BY: Chapter 187

TITLE/SUBJECT: Bylaws change to increase the expense rebate offered to chapters who attend the National Convention.

WHEREAS: The expense rebate exists in the bylaws to encourage attendance at the National Convention.

WHEREAS: Attendance at the national Convention is a major expense for most small and mid sized chapters.

WHEREAS: The expense rebate has remained unchanged for at least ten years while the purchasing power of the dollar has been diminished by 30% during that time period base on the Consumer Price Index (CPI).

WHEREAS: Most Federal agencies have adjusted their per mile cost rebates for travel and per diem allotments in recent years as not to increase the financial burden on their traveling employees.

WHEREAS: Without a correction to the expense rebate to adjust for increases to the CPI attendance to the National Convention by small & mid sized chapters will continue to fall.

THEREFORE BE IT RESOLVED:

That Article XV section 4 Chapter Expenses be changed to read the following:

Each Chapter in good standing of this Corporation shall be allowed to defray expenses of one National Convention delegate. The mileage rate for Chapters in Zones 1, 2, 3, and 4 within the continental United States will be 20 cents per mile based on two-way mileage for the shortest usually traveled route. For all other chapters, the mileage rate will be 20 cents per mile based on one-way travel for the shortest usually traveled route. All chapters shall be authorized a \$13.00 per day travel subsistence not to exceed four days. For ~~Zone-2~~ chapters having members who reside nationwide, the mileage rate shall be paid to the voting delegate of each chapter based on the Zone in which he or she resides. One delegate of each chapter, while in session, will be authorized \$57.00 per day hotel and subsistence combined. The total amount of all authorized expenses shall not exceed fifty (50) percent of the per capita dues paid by the chapter represented during the calendar year preceding the convention. The convention delegates must attend all sessions (unless excused by the President) to receive compensation. Itemized expense statements shall be submitted to the National Treasurer on a Convention Credit Memo.

add: effective ~~for~~ 2007 convention

✓ A Deptal

RESOLUTION NO: BL-04-07

SUBMITTED BY: Chapter 275

TITLE/SUBJECT: Permanently moving Chapter 275 to the zone where the SSA Conference Chair is located.

WHEREAS: Chapter 275, The ODAR Managers Association is currently aligned with Zone 2. The purpose of permanently aligning with Zone 2 was for stability. Since Chapter 275 is a National chapter, without such an alignment, it would be necessary to move from zone to zone as the Chapter President changed. The larger disadvantage of this move has been that all pertinent SSA related information comes from the SSA Conference Chair, currently the Zone 4 President. Additionally, more SSA specific topics are covered at zone meetings attended by the SSA Conference Chair.

WHEREAS: SSA's transition to an electronic environment make continuous cross agency component interaction vital.

WHEREAS: A National chapter has the flexibility to realign based on current needs.

THEREFORE BE IT RESOLVED:

That FMA Chapter 275, The ODAR Managers Association is now a member chapter in Zone 4 and will remain in Zone 4 until the SSA Conference Chair changes requiring a move to another zone.

RE: RESOLUTION NO: BL-04-07

Committee Recommendations:

Adopt       Non-Adopt       Adopt As Amended       Withdrawn

Convention Action:

Adopt       Non-Adopt       Adopt As Amended       Withdrawn

Vote:

Voice       Roll Call       Unanimous

Majority:

For       Against

Resolution No: BL-04-07



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## 2007 FARM BILL RECOMMENDATIONS

- *Prevent an increase of guaranteed loan fees.* At present, the fees for Farm Service Agency (FSA) guaranteed loans are modest and the guaranteed loan program is performing as intended. Program usage has been strong and loan default and loss rates have been low. Guaranteed loan customers generally fail to meet commercial lending standards due to a lack of repayment margin or a lack of owner equity; therefore, assessing larger guaranteed fees will add to the already sizeable financial burdens of the customers that we are attempting to serve.
- *End the term limits placed on direct and guaranteed loans.* A customer who is unable to obtain credit from commercial sources can only receive loans from the agency for 7- 10 years, at which point the farmer or rancher must either have built up a strong enough credit position to go to a private lender or face the alternative of being unable to sustain his/her operations. We are hindering the sustainable development of rural farmers and ranchers by forcing term limits instead of working with fluctuating markets and unique agricultural environments.
- *Increase the farm loan limit.* The limit represents the maximum amount of dollars that an applicant can borrow from the Farm Service Agency (FSA). FSA's direct operating loans (OL) and direct farm ownership (FO) loans have a \$200,000 loan limit. These loan limits were established more than 20 years ago and do not meet the needs of modern day operations. Direct OL and direct FO loan limits need to be adjusted to allow FSA to effectively serve family-size farmers and ranchers in all areas of this great nation.
- *Adequately address the human capital crisis.* The Farm Service Agency anticipates a "retirement tsunami" in the next few years similar to that of the entire federal government. We encourage additional funds be provided to begin training of new hires 18 to 24 months before the trainer walks out the door leaving in adequate staff available to train new employees, as well as efficiently and effectively carry out program objectives and provide good customer service.
- *Sufficiently fund information technology upgrades and other capital needs.* Reduced funding for IT has had, and will continue to have, a significant adverse impact on agency employees and on the quality of service provided. We ask that information technology funding levels be maintained, at minimum, or improved to allow the Agency to attain congressional objectives for providing efficient, effective, and quality services to rural Americans.
- *Change requirements to obtain professional liability insurance.* Congress mandates that agencies cover 50% of the professional liability insurance premiums for management officials in supervisory roles; however, a limitation in the law stipulates that the employee must be a supervisor in order to receive the government coverage. Many other management officials who are in decision-making positions may be subject to legal action even though they do not meet the definition of manager under the law, and thus they do not have the same support from the government that supervisors do in recognition of the hazards of the job.



*Building Rural America*  
National Association of Credit Specialists  
of the  
USDA – Farm Service Agency  
*A Federal Managers Association Conference*

**LEGISLATIVE ISSUES**  
**MARCH 2007**

The National Association of Credit Specialists of the Farm Service Agency (NACS-FSA) is a professional organization that strives to enhance FSA programs, services and efficiency. NACS-FSA's membership consists of loan officials and program managers who administer the FSA Title V Credit programs. NACS-FSA is affiliated with the Federal Managers Association (FMA), an organization that represents over 200,000 federal managers in advocating for excellence in public service through effective management and professionalism.

To maintain or improve FSA programs, services and efficiency NACS would like your support in affecting legislative actions to addressing the following:

1. **ABOLISH TERM LIMITS FOR BOTH GUARANTEED AND DIRECT LOANS** – Arbitrary term limits restrict FSA's capacity to provide a financial safety net for the Nation's farmers and ranchers. With small profit margins it often requires socially disadvantaged and beginning farmers more than 7 to 10 years to become financially able to secure credit from commercial lenders. Furthermore, farmers and ranchers who suffer financial setbacks due to natural disasters are often not able to recover from the setback within their remaining years of eligibility. As the Farm Bill is being formulated, we ask for your assistance in eliminating term limits for both direct and guaranteed loans to allow for economic factors, weather conditions and financial progress rather than a mandatory date to determine when a customer must "graduate" to commercial credit.
2. **INCREASE LOAN LIMITS FOR DIRECT FARM OWNERSHIP (FO) AND OPERATING (OL) LOANS** – A \$200,000.00 direct farm ownership and a \$200,000 direct operating loan limit was established over 20 years ago. Production and capital (machinery, livestock and real estate) costs increased substantially over the past 20 years, thereby limiting FSA's capacity to assist family size farm operations needing FSA loans to begin, rebuild, improve, maintain, or expand their farm or ranch. Loan Limits should be increased to \$300,000.00 for FO direct loans and \$300,000.00 for OL direct loans.
3. **SUPPORT BEGINNING FARMER FUNDING PRIORITIES WHICH ARE EFFECTIVE** – Present funding targets for beginning farmers and for socially disadvantaged applicants (SDA) are working and loans are funded timely. Therefore, we recommend no changes in the targeting formulas as proposed by the administration.

4. **TAKE ACTION TO PREVENT INCREASE IN GUARANTEED LOAN FEES** - In the FY 2007 Budget proposal, the administration proposed increasing guarantee fees to fund the program. These fee increases will serve as a “back-door” method to reduce Federal spending but in reality would have been the demise of these effective programs. According to commercial lenders and agency records, the FSA guaranteed loan programs have been a remarkable success story. Operating costs and loan loss rates have been extremely low. The American Bankers Association (ABA) published an article stating that the FSA guaranteed loan programs were “one of the best examples of a true public-private partnership”. Allowing the administration to increase guaranteed loan fees will result in:
  - Diminished credit available to farmers and ranchers.
  - Increased demand for FSA direct loan funds, which are in limited supply.
  - An accelerated decline in the number of family size farms and ranches in this country.
  
5. **PROVIDE INCENTIVES AND ALLOW FSA TO OFFER INNOVATIVE FINANCING SOLUTIONS FOR BEGINNING FARMERS** - Present regulations limit FSA’s Beginning Farmer options. We propose the following options to address the entry-level challenges of beginning farmers and ranchers:
  - Provide tax incentives or benefits to landowners that sell or rent property to beginning farmers.
  - Increase the maximum FSA loan term for Beginning Farmer Down Payment loans to 20 or 25 years, from the present 15.
  - Eliminate or modify capital gains taxes payable by sellers on land sales to beginning farmers.
  - Allow tax incentives for interest paid to sellers on land contracts to beginning farmers.
  - Allow tax incentives for interest income received by commercial lenders on guaranteed long term loans to beginning farmers for acquisition of capital assets.
  
6. **MAINTAIN OR IMPROVE FUNDING FOR FSA DIRECT AND GUARANTEED LOANS** – The Nation’s agricultural industry relies on the economic stability of farms and ranches. FSA direct and guaranteed loan programs, which received high scores on Office of Management and Budget’s Program Assessment Rating Tool (PART), help farmers and ranchers begin, maintain, or rebuild their farms and ranches. FSA loan programs are an essential part of the financial safety net afforded the farmers and ranchers who produce an abundant, safe and affordable supply of food and fiber for our citizens.
  
7. **SUPPORT FUNDING TO HIRE, TRAIN AND RETAIN ADEQUATE LOAN OFFICIALS TO DELIVER FARM LOAN PROGRAMS** – Loan officers are currently retiring within 3 months of eligibility according to FSA HRD officials. It is estimated that the timeframe to adequately train a loan officer is from 2 to 4 years. Congress has previously approved funding to hire and train loan officers, however these funds have not resulted in any new hires. Congress should also recognize the need for funding for the specialized training for loan officers.
  
8. **SUPPORT AN INCREASE IN FUNDING FOR USDA OCIO TO MAINTAIN AND ENHANCE HARDWARE AND SOFTWARE FOR ESSENTIAL SERVICE CENTER CUSTOMER SERVICE** – Budget cuts continue to center around IT funding. Congress should recognize that movement to eGOV is impossible without the adequate funding and support of new and improved technology and maintaining present systems.

# ***MNASCOE & MACS JOINT STATE CONVENTION*** **Fergus Falls, Minnesota**

## **JULY 19-20, 2007**

### **HOTEL INFORMATION**

Best Western the Falls Inn & Suites  
925 Western Avenue  
Fergus Falls, MN 56537  
Tel: 218-739-2211  
Tel: 800-293-2216  
Fax: 218-736-2533  
Web: [www.bestwestern.com](http://www.bestwestern.com)



Directions: The Best Western Falls Inn and Suites, is connected to the Bigwood Event Center and is located in west central Minnesota right on I-94. It is 2 1/2 hours NW of Minneapolis/St. Paul and 1 hour SE of Fargo. Take Exit 54 and turn east heading into town. Turn left onto Western Avenue. Follow signs to the Bigwood Event Center, approximately 1/2 mile on the left.

### **HOTEL AMENITIES**

- ◆ 96 Deluxe Guest Rooms and Suites
- ◆ Z103 Bar & Grill
- ◆ Complimentary Expanded Continental Breakfast
- ◆ Complimentary newspaper, USA Today, Mon-Fri
- ◆ 24 Hour Front Desk - Room Service
- ◆ Heated Indoor Swimming Pool - Whirlpool
- ◆ Fitness Center
- ◆ Meeting/Banquet Facilities
- ◆ 24 Hour Copier & Fax Service
- ◆ High Speed Internet service
- ◆ Same day dry cleaning, Mon-Fri
- ◆ Guest Laundry facilities
- ◆ Children under 18 stay free with an adult

### **FERGUS FALLS ATTRACTIONS**

- ◆ Red Horse Ranch Arena
- ◆ A Center for the Arts
- ◆ Prairie Wetlands Learning Center
- ◆ Historical Museum
- ◆ Historic Downtown and Riverwalk
- ◆ Antique & Quilt Shops
- ◆ Art Galleries
- ◆ Regional Treatment Center/Kirkbride Tower
- ◆ Pebble Lake Golf Course
- ◆ Pine to Prairie Birding Trail
- ◆ Otter Trail Scenic Byway
- ◆ Sundberg Bee Farm
- ◆ Veteran's Walk of Flags
- ◆ Lindig's Farm

# MNASCOE & MACS



## JOINT STATE CONVENTION

JULY 19 & 20, 2007 - Fergus F

at the

Bigwood Event Center



**Registration Form: Registration is due by July 9, 2007 to avoid a late fee.**

Please mark the appropriate association: MACS \_\_\_\_\_ MNASCOE \_\_\_\_\_

Name(s): \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ E-mail: \_\_\_\_\_

Guest(s) Attending: \_\_\_\_\_

No. Attending Thursday, July 19 (Evening picnic) \_\_\_\_\_ No. Attending Friday, July 20 \_\_\_\_\_

Registration Fee through July 9, 2007

\$25.00 X \_\_\_\_\_ = \$ \_\_\_\_\_

Registration Fee after July 9, 2007

\$35.00 X \_\_\_\_\_ = \$ \_\_\_\_\_

### MACS MEMBERS

*Make checks payable to:*

MACS

*Mail registration & checks to:*

Wendy Erickson  
506 Western Avenue N.  
Fergus Falls, MN 56537

### MNASCOE MEMBERS

*Make Checks payable to:*

MNASCOE

*Mail registration & checks to:*

Carol Poppel  
506 Western Avenue N.  
Fergus Falls, MN 56537

### Best Western Falls Inn & Suites (Bigwood Event Center) Hotel Information:

- ◆ July 19, 2006 Room Rate \$60.00 + tax (Doubles - \$85.00 + tax)
- ◆ No parking fees.
- ◆ Rooms blocked out with the discounted rate will be released after June 19, 2007
- ◆ Make reservations by calling: (800) 293-2216 or (218) 739-2211
- ◆◆ To get the discounted room rate you must ask for the **Farm Service Agency block**. (Government ID will be required at check in)
- ◆◆ Hotel offers complimentary Continental Breakfast and a Bar & Grill on site.