



Zone B Meeting Report

The NACS and NASE Zone B meeting was held Feb. 10th and 11th in Lincoln, Nebraska. 10 MACS members attended the meeting. Following is the report as compiled from notes by Jerry Hurre, Mike Norberg, Mark Drewitz, Sheree Krogstad and Lynn Meyer.

Mike Yost – Associate Administrator

- FLP staff has a very positive attitude, is accepting of change and has a good image with Washington
- There should be minimum change to FLP with new restructuring plan. FLP is in only 1/3 of offices now.
- They are budgeting for more FLOT's
- New Farm Bill "listening sessions yielded 3800 comments
 - Issues
 1. Budget
 2. World Trade
 3. Conservation
 4. Renewable Energy
 5. More regional politics



Back -r Mark Drewitz, Steve Hinton, Kevin Kvistero, Kirk Phelps, Jeffrey Hurre,
Front – Jeff Johnson, Bob Vaughn, Melissa Cummins-NACS President, Mike Norberg. Not pictured – Lynn Meyer, Sheree Krogstad.

- FLP issues to review:
 1. \$200,000 direct loan limit
 2. Term limits
 3. Beginning Farmers and Viability

Steve Connelly – Deputy Administrator Field Operations

- Continue to have limited resources and budget issues.
- Congratulated NACS and NASE for being realistic about future restructuring.
- Explained the new FSA Tomorrow plan process and bottom – up process. SED/STC to use Review Team to make suggestions. Will be developing a new business plan that also must fit political reality.
- They will also be looking to restructure State Offices as well as the National and Finance Offices.

Carolyn Cooksie, Deputy Administrator for Farm Loan Programs

- Announced a new assistant to her position. Person was formerly the Iowa Farm Loan Chief.
- 2006 funding:
 1. D-OL usage is up 24% compared to this time last year. Funds will be short
 2. D-FO usage is also up and funds will be short.
 3. I.A. will continue to be short.

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- Beg farmer loans are up 18%
- SDA loan up 5%
- 2007
 1. Funding should be similar to this year. We are lucky to maintain the same funds with the decreasing budgets
 2. FSA will need to cover I.A. and other subsidies from within. Guar fees will increase ½ to 1% to cover costs
 3. New guar fees will be charged for subsequent years of lines-of-credit. ¾% annually.
 4. These changes will be effective with the regulation changes to be out 10/1/06.
- Lawsuits
 1. Pigford – continues to be alive and was extended for two more years.
 2. Garcia was denied and in appeal.
 3. Love was denied and in appeal.
 4. Keepseagle – still ongoing. She said FSA must win this case or there will be big trouble for the Agency. She will have 4 – 7 hour depositions on the case.
- Streamlining regulations are a huge change with expectation these will be out within a year. N.O. will train the states, regs won't be effective until 60 days after they are released to allow employees to learn the changes.
- All handbooks and forms to be online with a search engine to find items. Search will also be possible to put in old form number and new form number will then be shown.
- 1-800 for farm loan borrowers to access their accounts was held up because the Secretary of Agriculture wanted to announce it himself.
- FLPR – replaced the NIR and is going well. It looks more at credit quality. Questions are weighted with more emphasis on repayment ability and adequate security. 1/3 of offices reviewed each year.
- FLOT Training program
 1. Problems with trainees in offices without a good trainer resulting in inadequate training and experience.
 2. We need to make the training experience positive for long term success of the trainee.
 3. Changes will be made to the training

program

4. States will be required to designate specific training offices and trainers.

- FLPIDS – single data entry system with one user ID and will be out within a year. Should combine most direct loan processing.

Q&A with Carolyn

1. They will look at the restriction on FLO's not being able to apply directly for a CED job.
2. Will be providing Supervisory Mgmt training for FLOT's after they obtain loan approval authority.
3. Term Limits for loans. Issue is included in the farm bill comments.
4. They are working on ideas for the maximum amount for direct loans. \$200,000 is not high enough. Possibly looking at a combined OL & FO limit like the guar. They need ideas or suggestions to establish the new limits.
5. 1165 issue continues to be ongoing. OPM has not looked at reclassification yet, but is considering re-opening.
6. There is a new 800 Number for farmers to call to obtain their loan info.
7. NACS resolution about GIS training. They will be receiving some training about GIS and potential uses at the National Policy training. She needs to be shown the positive uses of GIS. She hopes to learn from the States about it before she will support it.
8. FLO supervisory training for existing FLOs. She agreed the FLOs are lost in the shuffle and money for training is an issue. She will work on it.
9. What is future of FLP teams and office restructuring? This will depend on each state and the business plan.
 - She does not want a new FLO in an office without a FLM
 - We have a crisis with experienced FLP PT's and limited training
 - Do not put FLP files in an office without a trained FLP PT

Lolla Smith – Performance Mgmt, HR

- New performance plans is a new system, expect constant changes.
- The new standards and elements are very specific to allow people to exceed the requirement.

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Example 90% will be used instead of 100% because you can't exceed 100%

- All supervisors must have a customer service element in their plan.
- We will be getting information about what to do with the results especially the "does not achieve" issues.
- Employees must be involved in their plans.
- New policy not finalized yet on awards, but will be moving to performance based or rating awards.
- 2007 funds may be primarily given to those with superior or outstanding ratings.
- Pay for Performance must be in place by 2010. There are no WGI's in pay banding, raises are based on the rating.

Kathy Williams Operations Section, HR

- She works on classifications, merit promotions and staffing
- New automated staffing system. Web-based USA staffing replaced Quick Hire
- The first two questions plus resume on the online application are important. They are used to determine if applicant is eligible for the position. The

2005-06 MACS Board

President – Mark Drewitz

Vice President – Lee Crawford

Secretary – James Kruize

Treasurer – Sheree Krogstad

NASE State Contact – Becky Martinson

Past President – Russell Miller

District 1 Representative - Kirk Phelps

District 2 Representative – Wendy Erickson

District 3 Representative – Michael Smith

District 4 Representative – Kevin Lehman

District 5 Representative – Rick Ray

District 6 Representative – Scott Nordby

District 7 Representative – Cindy Vukasin

District 8 & STO Representative – Tom DeCock

remaining questions determine the applicants score.

- New system defines the applicants level of experience.
- If applicant has any question about application, call them 1-816-926-1392.

Karen Campbell – Program Reporting Branch - FO

- 60 day payment reminder letter will be changed to remind borrowers to send payment to the County Office.
- They are working on the 540 report problems.
- TOP offset fee - \$15/ea
- Salary Offset fee - \$25/ea
- Cross-Servicing – They keep 28% of whatever they collect.

John Nassif – IT

FLPIDS

- GLS is controlled by RD, so they can not control it.
- Loan Making function – testing in 6/06, 2 pilot states in 7/06, and everyone by 8/06.
- **Important** – Mac info will be downloaded into FLPIDS so make sure MAC is current, complete and correct. We will only have one chance to have it right prior to conversion.
- Loan servicing function available by 6/07.
- DALR\$ by 6/07.
- AS400 and System 36 will be history for FLP by 6/07.
- New customer information page replaces the AI screen. This is available now, but most people did not know about it.
- ECI contract for FBP expires in Sept. They need to work on a contract renewal.
- Loan making system will have an automated checklist.
- Office Mgmt (OM) will be the loan servicing system.
- FLP manuals (i.e. FBP manual, DALR\$ manual) will be available in FLPIDS.

Q&A

1. Elements and measurements are not written for STO employees or appraisers? OK to modify the measurements from the notice, but must have DAFO approval.
2. How can a CED position be advertised as CO only? It may be because the FTE ceiling for the state otherwise they need to contact the CO classification dept.
3. Is a letter sent to all job applicants including those that are unsuccessful? Under the Federal system, a letter is suppose to be sent to everyone.
4. Why are all elements the same for the FLO and FLP PT? All non-supervisory employees use the same list. Must not use the same measurements for everyone. It must be specific to the employee and position.
5. The new guaranteed loan closing system will not allow the lender to complete the loan closing info. FSA will continue to complete the loan closing info.
6. The FBP info and financial data will be locked down for employees with FLP loans.
7. Will the checklist in the loan making system be tied to the FLP handbooks for reference? The system will have a detailed help system.
8. How soon will the old computers that appraisers have be updated? ITS now has control of computers. A magic ticket needs to be submitted to ITS and this is a budget issue.
9. Are enhancements to the FBP planned? In late March, some enhancements will be provided. Also have problem with a record limit of 100,000 and now at 95,000 so they need to get the number of records down. Any junk, practice records, etc., should be gotten rid of.
10. What is the priority for IT with the budget cuts?
 - Production systems
 - FLPIDS
 - New development
11. How are employee records locked? By limiting access through security.
12. Employees have difficulty completing the job applications through USAJOBS and no notification is sent if the info. was completed correctly or if anything was missed. They recommend that you print out the vacancy announcement and go through it step by step. It is the employee's responsibility. If you have any questions, you should call the contact person listed on the announcement.
13. If I do not agree with the supervisor's new performance plan, do I need to agree to it? The plan needs to be completed jointly with the employee and the supervisor but the supervisor has the final authority.
14. The performance elements for the FLP-PT will be difficult to measure. How will supervisors be able to track it? Measures must be picked from the list. Pick the measures that best fit the job description.
15. What should be in MAC by June for the conversion? All loan making info.
16. Will AgLearn training count for the 80 hours of supervisory training the FLOs need? Maybe.
17. What timeframe will the pay banding be implemented and tied to the ratings? By 2010. They want to do the GS and CO at the same time.
18. Will the customer statement be updated to reflect the current unpaid interest? Don't know, but will check on this.
19. How will workload be measured in FLPIDS? It will be counted from the online loan making checklist, loan servicing selections, etc.
20. What will FSA do to make sure employees have input into the performance plans? National office will review the plans.
21. Why were the field employees not notified about the new customer statements? John N. was not aware that we were not notified, but will do so ASAP.
22. Can we archive paid-in-full borrowers from FBP? They are researching the options. We still can not destroy any borrower data due to the pending civil rights lawsuits. The info can be exported and saved on the server but will not be able to be imported back into FBP. The info would need to be manually re-entered.
23. Do we need to save the computer copy in FBP if the info is printed and in the file? It is best to save the automated data.
24. When will customers have access to the FBP? They can now with the E-Gov passwords, but due to security issues the option is blocked.
25. The new loan-making checklist in FLIPIDS will be automatically updated to reflect the changes in forms, procedure, etc.
26. Why do supervisors need to document exceptions to the measurement standards if the employee is fully successful? If no exceptions are documented, it will appear that the employee exceeded the fully successful requirements and should receive a better rating. This issue was debated for quite awhile and changes may be expected in the type of measurement standards as the system develops.

NASE

John Nassif met with us and discussed SCIMS to PLAS updates they are currently working on.

Sheree Krogstad, Zone B Rep, opened the meeting at 3:30 p.m. There were 30 members present, 10 of them first time attendees. There were two employees from Kansas who are interested in organizing a state association. Bonnie Noziska, NASE Vice President, greeted us as President Bobbi McKinney was not able to attend.

Sheree provided some NASE Zone B facts – 64% of the membership is from Zone B, three members of the NASE Executive Board are from Zone B and there are 29 new members in Zone B.

The previous years' zone meeting minutes were read and approved.

Reports were given by each state president or contact. The Automation Committee Report and two resolutions were presented, Farm Loan Program Committee Report and five resolutions were presented, Farm Program Committee Report and one resolution was presented. Reports were also given by the By-Laws, Nominating, Personnel, Resources and Ways –N- Means Committees.

Old business—NONE

New Business— The Standing Rules were read and discussed.

People were encouraged to think about running for an office and letting others know. Forms Review - reminded everyone to be sure to get comments to Bobbi whenever forms are sent out – we use the forms and Washington listens to our suggestions.

Meeting adjourned at 9:30 a.m.

NASE presented an award to Sandralee Scott of Iowa for 40 years of service and as a valuable asset to NASE.

NACS

Resolutions were reviewed in committee area working groups to revise and clarify. Those that were found to be

acceptable by the committee working group will be forwarded to for action at the National Meeting in June. Minnesota had several resolutions that were presented with a number of them dealing with the Farm Business Plan.

NACS State Presidents reports were given on the final day. Following, in order of membership numbers, is a listing of the states in Zone B with their NACS membership numbers.

Texas – 86 (44 FLP Offices)
Minnesota – 62 (30 FLP Offices)
Iowa – 58
Nebraska – 45
Kansas – 44 (22 FLP Offices)
North Dakota – 40
Oklahoma – 37
South Dakota – 35
Missouri – 28

FMA provided an update on activities which included working to obtain the same 3.1% pay raise for 2006 that was given to the military. The President had initially proposed a lower increase.

Melissa Cummins, NACS President, also reviewed the activities at the National NACS level. She has also recently been named to be the new Farm Loan Chief in Washington state.

Mike Norberg announced his intention to seek the Zone B representative position for the 2006-07 period.

MACS Consultative Meeting with State Office

The annual consultative meeting with the State Office is to be held March 8th. Each District Representative was requested to contact all members in their district and compile a report of issues and concerns to be brought forward to the State Office. If you have not yet been contacted your District Representative either contact them or email me your concerns and issues at mark.drewitz@charter.net.

A report on the consultative meeting results will be provided in the March newsletter.

Review Team Meeting Feb. 28-March 1

The Review Team is meeting Feb. 28 – March 1 for the FSA structure in Minnesota plan. Two MACS representatives will be on the review team – Becky Martinson, NASE Contact and Mark Drewitz. To prepare for this meeting the MACS Executive Committee held the first online chat meeting. This is a new feature added to the MACS web site this month.

We expect to be guided closely the principles contained in the MACS FSA Tomorrow document completed last fall. A report on the meeting will be included in the March newsletter.

NACS/NASE Annual Meeting – June 19-21

The annual meeting for the national associations will be held June 19-21st in Arlington, Texas. The registration form is available at the NACS web site. The Texas Association encourages people to sign up early and book the hotel rooms early. There is concern the primary hotel could fill up early. The first 200 registrants will also receive a free ticket to the Texas Rangers baseball game event.

Minnesota NACS is entitled to 5 delegates to the convention. The number of delegates is based on the number of members. At this point, Mike Norberg and Mark Drewitz are known to be planning on attending. Additional members to serve as delegates are requested.

NACS Fundraiser – Lottery Tickets

If you have not yet purchased your lottery ticket from your District Representative, you still have time. Tickets are \$20 each and provide you with two chances to win. Contact your local representative for your ticket.

MACS Annual Meeting – July 21st

The MACS annual meeting will be held in Owatonna on Friday, July 21st. This meeting will be a joint event for part of the day with MNASCOE followed by our regular business meeting. FSA Administrator Teresa Lasseter has agreed to attend.

During our business meeting election of officers for 2006-07 will be conducted. Sheree Krogstad, MACS treasurer since 1999, has announced she will not be seeking re-election. This provides an opportunity for other interested individuals to consider serving the association in this position as well as any of the other officer positions.

We thank Sheree for her many excellent years of service as treasurer as well as her other Association duties including that of NASE Zone B representative this year.

Lender Survey Reminder

A reminder is given to visit with your area lenders between now and June 1 to complete the lender survey. The lender survey to use is in the last newsletter (February) and should be completed by you by discussion with your most active lenders.

The information obtained will be used to evaluate the appropriateness of FLP goals and other issues with program delivery.