MACS Newsletter

Consultative Meeting with the State Office

The 2009 consultative meeting was held Wednesday, April 22nd. All MACS Executive Committee members were in attendance. Linda Hennen (SED Designee) also participated in the meetings as a guest. The Executive Committee met during the evening of April 21st and discussed the items brought forward by the members.

Attached are the issues discussed with the State Office which also includes the State Office responses. We had a good discussion with excellent participation. MACS would like to offer a sincere Thank You to the State Office participants for this opportunity and for their prompt written responses.

NACS Annual Convention

The NACS Annual Convention is set for the last week in June in Atlanta, Georgia. Opening ceremonies begin on Monday morning, June 22, 2009. Based on the current number of Minnesota NACS members, Minnesota is allowed 5 voting delegates and 5 alternates at the NACS convention.

Three MACS members are representing Minnesota in Atlanta as NACS delegates. They include FLM, Mark Drewitz, presently MACS Past President, Zone B Representative and candidate for the position of NACS Vice President. FLO, Greg Janachowski (Glencoe office) is the second NACS delegate. It is encouraging to see the newer MACS members, such as Mr. Janachowski taking an active personal interest is the associations business and in FSA's future. Well done, Greg! The third NACS delegate is FLM, Lee Crawford.

MACS/MNASCOE Joint Convention

Do plan on attending this important event in Alexandria on Friday, July 24, 2009. Activities begin Thursday afternoon and evening on July 23rd with golfing, a winery tour and hog roast. The new FSA Administrator, Mr. Doug Caruso, will be invited to speak during the joint session. It is unknown at this time if Mr. Caruso will be able to schedule us in for the 24th. FLM, Justin Phillips (Fergus Fall office) is the MACS lead person in coordinating the convention with MNASCOE. Thank you, Mr. Phillips. The registration form is posted on the MACS website.

District Representative Elections

Part of the MACS Board is comprised of an elected representative from each of the eight Districts with District 8 also including the state office. This is a two year term for each of the District Representatives with new elections occurring in odd years for the odd numbered districts and for even years in even numbered districts. Since 2009 is an odd numbered year, the members in Districts 1, 3, 5 and 7 will need to hold elections to choose their representative. The current District Reps for the odd numbered districts are as follows: District 1 – John Jacobson, District 3 – Dave Petry, District 5 – Rick Ray and District 7, Mark Baumann. In order to have a seamless transition for the new MACS Board, the preceding four District Reps have been directed to hold elections in their respective districts and provide the election results to the MACS

President by no later than July 22, 2009. The four new District Reps will begin their duties at the close of business of the MACS Annual Meeting on July 24, 2009. Please consider taking on this important position.

Executive Committee Elections

The MACS Executive Committee consists of the President, Vice President, Secretary and Treasurer who are all elected to a one year term during the MACS Annual Meeting. The Executive Committee also consists of two unelected positions; the Past President and the NASE State Contact person selected by the new President (provided the new President is a Regular MACS Member). During the MACS Annual Meeting on July 24th, elections will be held for these officer positions.

New leadership with a new approach and new ideas is important for any organization to succeed. Now is your time to offer up your talents and embrace one of the leadership positions on the MACS Executive Committee. Yes, it is your responsibility along with each and every one of us to help FSA improve and to succeed. Thank you in advance for your service to our customers, to our membership and to FSA.

NACS/NASE Information

NACS and NASE association information is available at their web sites. Information, newsletters, and other materials are available at their respective web sites:
NACS – www.nacsfsa.net
NASE - www.nasefsa.org
Links to these sites are maintained on the MACS web site under "Links".

2008-09 MACS Board
President Lee Crawford Vice President Lorraine Edwards Secretary Kevin Lehman Treasurer Scott Nordby NASE State Contact Karen Welander Past President Mark Drewitz District 1 Representative John Jacobson District 2 Representative Justin Phillips District 3 Representative David Petry District 4 Representative Rebecca Stueber District 5 Representative Rick Ray District 6 Representative Kevin Hagen District 7 Representative Mark Baumann District 8 & STO Representative Cory Chistensen

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Date: April 17, 2009

To: Glenn Schafer, Acting SED and Linda Hennen, Appointed SED

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

Subject: Consultative Meeting with State Office April 22, 2009

MNASCOE, MACS and the Minnesota State Office have a history of supporting and working for the employees of Minnesota. This past year has brought much change and many 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 bring several concerns to FSA Management in an effort to communicate a common understanding to all members of certain issues within Minnesota FSA. The responses to these concerns 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 April 22nd and to have an open dialogue on the issues at hand facing MN FSA employees.

1. Email usage

A discussion on employee associations' benign use of government email is requested to provide clarification for what is allowed. It is important for the STO and the employee associations to all have consistent expectations. Guidelines are necessary for not only the associations' officers, but the members who wish to make contact with the employee association directors / officers. Examples of acceptable use of government email by employee associations are as follows:

STO Response: MNASCOE and MACS will provide examples of how they would like to use government email in conducting employee association business. The SED/EXO will provide policy with examples of appropriate use.

2. SHPO Data Entry (MN Notice EQ 100)

MN Notice EQ-100 implements a statewide cultural resource system for the SHPO process or determining the need for SHPO contact. Some member of both MNASCOE and MACS believe that this system is more extensive or detailed than necessary. Is this process considered mandatory? What is the basis for the tracking system and what is the collected data used for? The associations request that only those cases be input into this SHPO database in which a SHPO consultation is actually needed.

STO Response: This matter is under consideration

3. Outreach Data Entry (March 19, 2009 email from Nigatu to District Outreach Coordinators)

This email requires specific data entry input for both FP and FLP outreach activities. This is difficult to read when inputting. This data input system does not allow for the person typing in information to review what they have entered before submitting the report. Is this a temporary process prior to OTIS implementation? If so, when will OTIS be implemented? If we will be required to use the MN intranet reporting system the employee associations request that this form be reformatted to a more user friendly design (allow users to see what they are typing to review for accuracy on the intranet or return to the spreadsheet system that we had in the past).

STO Response: We understand that there were several frustrating issues regarding the input of data for this spreadsheet. The Outreach activities will temporarily return to using the Excel spreadsheet until OTIS is ready for implementation.

4. Workload Reports

a. To what extent are these reports still used to manage employee ceilings in MN?

   STO response: Recognizing that the workload data on our staffing charts is reflective of the past, these reports are one tool that is used to give a "snapshot" of the state and how each county is ranked utilizing this tool. Manager's input through their District Directors drives this process when determining the needs for their office.

b. How much weight is being applied to these reports when filling vacant positions in field offices?

   STO response: See STO response above.

c. How much consideration will be attributed to these reports when looking at the statewide FLP structure?

   STO response: As you are aware the State Office is currently working on a new system with FLP task forces to analyze the workload for each of our offices. The old workload reports will continue to have less and less value in this process as we identify new tools to measure workload.

d. We understand that there is a STO task force being created to review workload during the interim prior to time tracking implementation. Could you please explain the task force, its specific purpose and the end goal of the task force?

   STO response: It is our understanding that the new Activity Reporting System (ARS) will be initially provided to all employees for input on approximately October 1, 2009. Unfortunately, it will take several years for us to have data from this new system.

   A task force to review FLP delivery structure in the state is being formed, along with a task force to review FP workload.

The FLP task force will focus on developing a long-term plan for improving FLP delivery within the state. The FP task force will focus on developing a more up-to-date method of measuring county office FP workload to assist in the fair distribution of FTEs across the state.

5. Leadership Team Role in Hiring

Currently, positions are allowed to be filled according to the allowance of staff ceiling managed by the STO and the Leadership Team discussion of priorities and need to backfill or create new positions. How is this managed by the STO? What guidelines are utilized by the Leadership Team? Are the county office profiles discussed during these discussions? Are personnel issues and other sensitive matters discussed during the decision making process? Does the STO HR section still maintain authority to override any decisions made by the Leadership Team?

STO Response: The current process for hiring requires that each request to fill or backfill both temporary and permanent vacancies be forwarded to the Leadership Team (LT) along with justification of this need. LT members then have an opportunity to respond back to this request with any valid concerns that they may have as to the vacancy and its critical need. The Acting SED reviews the comments from all parties and makes a determination as to backfilling or filling the vacancy.

County office profiles are not discussed during this process.

Many times what leads to a vacancy or need for temporary assistance are the result of a long term absence from the county office. This absence could be due to a retirement, medical issue, program related issues, etc. Employee's privacy is of the utmost concern when discussing the need to identify additional resources to assist county offices with workload issues.

The Leadership Team makes recommendations to the SED. STO HR role is to implement the decisions of the State Executive Director to backfill or fill a vacancy. HR does not have authority to override any decisions made by the SED or recommendations by the Leadership Team.

6. County Profile Reports Prepared By DDs

Concerns continue with some CEDs and FLMs reporting they have very little input on what is included in their own County Profiles and report they have not had the opportunity to look at their own profiles. SED Linda Hennen's expectations on the County Profiles would be welcomed. Specifically,

a. Will the County Profile Reports be continued in their current mode of operation?

   STO response: The profile reports will be discussed with the EXO and the new SED and a determination made at that time as to their use.

b. Will CEDs and FLMs input be obtained when profiles are developed and updated?

   STO response: Currently the DD's are instructed to obtain input from their Manager's in providing their report to the Acting SED.

c. What are SED Hennen's expectations of the DDs, the CEDs/FLMs and the STO when compiling and reviewing these profiles?

STO response: Linda Hennen will provide her expectations to the DD's, CED's and FLM's when she is appointed as SED.

d. How much weight will be attributed to these profiles by the SED when making decisions?

STO response: These profiles are one of several tools that may be used by the SED in making hiring decisions.

7. FY 2008 Final Performance Ratings

A. Members reported to the associations that DDs lowered final performance ratings in at least five districts.

i. What procedural authority does a DD have to lower the final performance rating of a CO employee?

STO response: Refer to National Notice PM-2677, Para. 2C which states that the reviewing official shall make the final decision.
For CED's the rating official is the COC Chairperson and the reviewer is the District Director, Para. 3A

ii. What expectations does SED Hennen have of the DDs to properly document these adverse actions against employees?

STO response: DD's shall follow guidelines according to National procedure in Notice PM-2677.

iii. What is the role of the COC Chairperson for CO employees regarding final performance ratings?

STO response: The rating official is the COC chairperson and the reviewing official is the DD, who serves as the STC designee. For CED rating the COC shall follow steps in Para. 3 of Notice PM-2677.

For other CO PT's generally the CED is the rating official and the reviewing official is the DD, in collaboration with COC Chairperson. Follow Notice PM-2677, Para. 3C.

iv. What does SED Hennen expect the DD to do when the COC Chairperson disagrees with the DD on the final performance rating of a CO employee?

STO response: The expectation would be that the DD and COC discuss and review the rating and reach an agreement. In a case where no agreement can be reached, the DD will make the final decision.

B. The employee associations request a ratings summary by district for 2008. This request was previously presented on February 20th, July 10th and November 25th of 2008. Each time we were told that this would be a possibility.

STO Response: This information will be compiled

C. Ratings - Please explain in further detail the following:

- STO role in reducing or increasing an employee rating made by the DD

  STO response: In cases where the DD is the rating official for an employee the SED would be the reviewing official. These reviewer responsibilities are identified in Notice PM-2677, Para. 2C.

- District director's role in reducing or increasing an employee's rating made by COC

  STO response: See 7A above

- District director's role in reducing or increasing an employee's rating made by FLM

  STO response: DD's serve as the reviewing official for GS employees rated by the FLM. The DD role is identified in Notice PM-2677, Para. C.

- District director's role in reducing or increasing an employee's rating made by CED

  STO response: DD role for a CO PT is identified in Notice PM-2677, Para. 2C and 3C. Para. 3C identifies the DD whose role is to work in collaboration with the COC Chairperson to review CO employees performing only Farm Program work and an employee performing both FP and FLP work. In all instances where the review is a collaborative process, the COC Chairperson and the DD should discuss their positions.

D. In all cases, what supporting documentation is required to change the initial rating of the direct line supervisor by the reviewer? What documentation is required of the employee to argue a rating?

STO response: Notice PM-2677, Para. 7A discusses the rating of record for an employee. Ratings shall be based only on actual employee accomplishments.

E. What appeal / grievance process is available?

STO response: All final ratings may be grieved according to Notice PM-2677, Para. 3D. This notice states that all final ratings may be grieved as follows:
CO employees may grieve to the State Grievance Board according to 22-PM
GS employees may grieve according to 15-PM, Exhibit 4

F. It was clarified to the employee associations on November 25th, 2008 by Glenn Schafer that the employee should not be made aware of the supervisor's rating of the employee until the reviewer has completed the concurrence in the EmpowHR software; therefore the employee would never know their rating was changed from what the direct line supervisor initially rated. Does the employee have a right to review any of the supporting documentation of the supervisor and the reviewer?

STO response: The employee should always be aware of their performance following guidance in Notice PM-2677, Para. 2D. Employee's must understand their responsibilities in not only the development of their plans but their responsibilies to actively participate in all discussions and documentation of their plans.

8. Adverse Disciplinary Letters and emails from STO Management (including DDs)

Members reported to the associations instances in which STO Management has sent adverse disciplinary letters and/or emails to employees with no prior warning or discussion with the affected employees.

a. What is the policy or procedure for issuing adverse disciplinary letters and emails?

   STO response: Supervisors and/or District Directors are responsible for managing and addressing both conduct and performance deficiencies of employees they supervise. In addition, these same supervisors/managers are held accountable to immediately address issues as they arise. Each case must be evaluated on its own merits. Depending on the nature and severity of the incident it is customary for supervisors and managers to work with STO Management to follow a progressive discipline action plan.

b. What expectations of the STO/DDs does SED Hennen have regarding prior communication with the affected employees before adverse disciplinary letters and/or emails are sent?

   STO response: Depending on the nature and severity of any given incident, it is customary for employees to be immediately contacted regarding any alleged incident and proposed disciplinary action that may be taken. With that said, each case is evaluated on its own merits and we rely heavily on advice from our HR contacts in Washington DC and attorneys that represent the agency.

9. Personnel Disciplinary Actions for Performance and Conduct CO Employees

Members have reported to MNASCOE and MACS questions and concerns in regards to actions that have taken place within the state to discipline employees. Training on performance and disciplinary actions have been identified by the associations as one of the primary needs in MN. PTs, FLOs CEDs and FLMs have shared concerns about a "fear factor" they have to perform in their positions. The associations believe additional in-depth (more than AgLearn) training will reduce this fear of the "unknown". The associations also want to ensure the STO provides more in-depth training and to include Agency procedure and other resources regarding disciplinary actions for performance and conduct are made available to all employees.

a. What are the Agency procedural references regarding disciplinary actions for performance and conduct for CO employees?

   STO response: Handbook 22-PM
   USDA Guide for Disciplinary Penalties

b. What other informational resources on this subject are available to CO employees?

   STO response: State Office Human Relations (HR) contact
   Information on MN Intranet under "My Employee Information"

c. What are the roles and responsibilities of the CO employee, COC, STC, DD, State Office, HRD and DAFO?

STO response: Handbook 22-PM, Section 3 is FSA CO employees reference for all performance issues.

d. If employee CO employee A files a complaint about employee CO employee B, when and how is employee B notified?

STO response: The supervisor is responsible to contact CO employee B and for the purpose of discussing an alleged complaint.

e. How does management determine if a complaint is valid for CO employees?

STO response: This question is difficult to answer in broad terms as each incident must be handled individually. An investigation into a complaint may be determined valid at the local level, STO level, WDC level depending in the nature of the complaint. What determines if a complaint is valid is factual information which supports the complaint.

f. What could initiate an OTI for performance for CO employees?

STO response: Rating officials shall monitor performance during the entire rating period and immediately address poor performance. At <u>any time</u> during the rating period when performance is at a less than fully successful level in a critical element a supervisor may consider an OTI.

g. What initiates an investigation for CO employees?

STO response: The SED/EXO through consultation with DAFO may request an investigation when an incident of misconduct or failure to perform duties is noted.

h. Who determines the severity of each situation for CO employees?

STO response: The supervisor may make a recommendation by working collaboratively with the District Director and State Executive Director/Executive Officer. The SED/EXO would consult with HRD in WDC while following the USDA Guide for Disciplinary Actions.

i. What confidentially rules are in place for CO employees and who is held to these standards?

STO response: All HR personnel issues are held in the strictest of confidence at the State Office level with the SED/EXO and HR Specialist. CO employees are advised to maintain confidentiality to ensure their privacy is protected and ensure good working conditions but we cannot control employees speaking to others about their concerns.

j. EEO Counselor, Wanda Wilson, provided excellent training to MN FSA employees several years ago. A number of these employees have retired and several new employees have since joined MN FSA. Many other employees who attended her original training session are interested in attending another session with Ms. Wilson. Therefore, MNASCOE and MACS associations are respectfully requesting the MN STO to invite Ms. Wilson to MN for additional training.

STO response: Wanda Wilson is the EEO Counselor the Minnesota and surrounding states. We will take your suggestion under advisement when planning future training sessions.

10. Personnel Disciplinary Actions for Performance and Conduct GS Employees

a. What are the Agency procedural references regarding disciplinary actions for performance and conduct for GS employees?

STO response: Many of the answers to GS performance issues and procedural references may be found by clicking on http://www.opm.gov/er/adverse.asp
For misconduct issues you may find information and procedural references on
http://www.fsa.usda.gov/FSA/hrdapp?area=home&subject=mgrs&topic=dem

c. What other informational resources on this subject are available to GS employees?

STO response: State Office Human Relations (HR) contact
Information on MN Intranet under "My Employee Information"

d. What are the roles and responsibilities of the GS employee, COC, STC, DD, State Office, HRD and DAFO?

STO response: GS employees performance and conduct are managed by their first line supervisor. HRD and DAFO are informed and consulted prior to any proposed administrative action being taken.

d. If employee GS employee A files a complaint about employee GS employee B, when and how is employee B notified?

STO response: The supervisor is responsible to contact CO employee B and for the purpose of discussing an alleged complaint.

e. How does management determine if a complaint is valid for GS employees?

STO response: This question is difficult to answer in broad terms as each incident must be handled individually. An investigation into a complaint may be determined valid at the local level, STO level, WDC level depending in the nature of the complaint. What determines if a complaint is valid is factual information which supports the complaint.

f. What could initiate an OTI for performance for GS employees?

STO response: Rating officials shall monitor performance during the entire rating period and immediately address poor performance. At <u>any time</u> during the rating period when performance is at a less than fully successful level in a critical element a supervisor may consider an OTI.

g. What initiates an investigation for GS employees?

STO response: The SED/EXO through consultation with DAFO may request an investigation when an incident of misconduct or failure to perform duties is noted.

h. Who determines the severity of each situation for GS employees?

STO response: The supervisor may make a recommendation by working collaboratively with the District Director and State Executive Director/Executive Officer. The SED/EXO would consult with HRD in WDC while following the USDA Guide for Disciplinary Actions.

i. What confidentially rules are in place for GS employees and who is held to these standards?

STO response: All HR personnel issues are held in the strictest of confidence at the State Office level with the SED/EXO and HR Specialist. GS employees are advised to maintain confidentiality to ensure their privacy is protected and ensure good working conditions but we cannot control employees speaking to others about their concerns.

j. EEO Counselor, Wanda Wilson, provided excellent training to MN FSA employees several years ago. A number of these employees have retired and several new employees have since joined MN FSA. Many other employees who attended her original training session are interested in attending another session with Ms. Wilson. Therefore, MNASCOE and MACS associations are respectfully requesting the MN STO to invite Ms. Wilson to MN for additional training.

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MACS Topics – Annual Consultative Meeting
April 22, 2009

Administrative

<u>Performance Management System</u>

Members remain concerned about final performance ratings; in particular, if there is consistency state wide in MN as well as nationally. This has been a recurring issue. The fact that awards are now directly linked to final performance ratings elevates the level of concern by the membership even more. Therefore, the following questions are being asked:

1. What is the statistical summary of ratings in each category for Minnesota in FY 08?

	STO Response:	
Unacceptable	**%**	
Marginal	**%**	
Fully Successful	**%**	**34%CO 38%GS**
Superior	**%**	**38%CO 38%GS**
Outstanding	**%**	**28%CO 24%GS**

2. What is the statistical summary of ratings in each category for Minnesota in FY 2008 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 data will not be provided; however, the SED will review statewide ratings annually to ensure consistency of performance management.

3. MACS requests the State Office to ask the National Office for a statistical summary of FY 2008 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:

Outstanding	**10%**
Superior	**35%**
Fully Successful	**54%**
Marginal	
Unacceptable	

4. In light of Minnesota's newly appointed SED, Linda Hennen, MACS wishes to emphasize the importance to management for the SED or a designated employee to monitor the consistency of ratings within individual Districts and state wide. Please comment on how the STO has accomplished this in the past and on what possible changes may be under consideration to improve the inconsistencies.

STO Response: The focus in 2006-2008 5 Tier Performance has been on providing training to all managers and employees on the performance management program. Training has been provided to the STO Office at national training and relayed to managers at District Meetings, notices, checklists and most recently through an all manager meeting in September of 2008. District Directors and Specialists have been provided additional guidance from the STO along with utilizing local managers input in all aspects of the plans throughout the state. It has been our policy to effectively develop our Performance Management Program through training, sharing of ideas and valued input while realizing that all rating/reviewing officials may not interpret all policies and guidance in the same manner. Similarly all employees do not perform at the same level which will result in different ratings throughout the state. A review of consistency has been completed which has resulted in our 1/3 split between outstanding, superior and fully successful employees.

For 2009 FY the State Office will do a comprehensive study of ratings throughout the state to evaluate overall ratings. This study will ensure that inconsistencies are not present and ratings have merit.

<u>Payroll</u>

1. Last year MACS reported several payroll issues including inaccurate leave hours, partial payment to employees going from GS to CO, relocation reimburse delay to name a few. Have these issues been successfully resolved?

STO Response: There have been no recurring errors that have been reported.

<u>FLP Staffing/Office Structure</u>

1. Is it possible for an existing supervisory FLM to voluntarily lateral to a vacant nonsupervisory (Grandfathered) FLM position?

STO Response: No

2. Is it possible for an existing nonsupervisory (Grandfathered) FLM to voluntarily lateral to a vacant supervisory FLM position?

STO Response: Yes but the Grandfathered status will be lost.

3. The decision was made 2007 to go with a regional hiring and employment of FLOTs. Has the STO determined this to be a success? Will this regional concept continue in 2009 and beyond or will MN FLP go back to the state wide basis for hiring FLOTs?

STO Response: The result of the regional hiring has been successful. The regional concept will be one of the many items that will be discussed during a review of the entire state FLP structure.

4. How many of the new Loan Analyst positions are under consideration for Minnesota and how will these vacancies be announced?

STO Response: There is one request currently on file pending a structural review of GS and CO across the state. No decision has been made on future vacancies at this time.

5. What criteria are being used to determine where the Loan Analyst positions will be located in Minnesota?

STO Response: This criteria will be developed during the structural review of GS and CO offices

6. Who will select the candidate for the Loan Analyst position? (FLM, DD, STO)

STO Response: Farm Loan Manager

7. Who provides training for the Loan Analyst?

STO Response: Farm Loan Manager with State Office assistance.

8. Will the Loan Analyst training be standardized for statewide consistency of individualized to fit the particular location where the Loan Analyst is stationed?

STO Response: This discussion will be part of the training program that is identified.

9. What happens to the on site FLP PT if he or she is not selected for the Loan Analyst position or did not apply for the Loan Analyst position?

STO Response: This discussion will be part of the structural review of our offices. In Minnesota we do not have extra FTE's, so this position would have to come within our current ceiling.

10. If the on site FLP PT is in fact selected for the Loan Analyst position, how does the FLP PT work for that on site credit team get done?

STO Response: This discussion will be part of the structural review of our offices.

11. In 2007, it was reported to MACS that the STO was telling newly hired FLOTs where they will be moved after their training period is completed; which basically maps out their first two moves. Has this continued in 2008 and 2009? Also, 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: Individual FLOT's were recruited and hired for positions within the state and their training sites and first location were predetermined at that time. With the hiring of these trainee's we were able to strategically place these FTE's where they were critically needed at that time. Note that the SED directs the movement of employees based on the needs of the agency. All FLOT's were made aware of this policy in their offer letters. The future placement of FLOT's will be part of the discussion during the structural review of our offices.

12. Will all FLOT positions continue to be hired under the Career Intern Program?

STO Response: Not necessarily. We anticipate utilizing both USAJOB announcements and the Career Intern Program (CIP) to fill future vacancies. A decision to announce ALL openings by MN PM Notice has been made. Current employees and persons outside FSA will have an opportunity to apply for these vacancies through CIP and other hiring methods.

13. What input did the Farm Loan Chief have on the recent FLP Credit Team structural changes in District 2 and what is the FLP Chief's position on this?

STO Response: None

14. Why were DD Bertram's District 2 FLP structural changes approved without consulting with MACS, without consulting with the newly selected SED, and finally without first going through a comprehensive statewide review of the overall FLP structure?

STO Response: The SED did not see the need to consult MACS; the decision was made prior to the newly selected SED being names; and, a statewide review was not necessary to improve operations in District #2.

15. MACS members wish to emphasize to the SED/STO MACS's expectation, willingness and appreciation to be involved early on in discussions regarding statewide redistricting, FLP realignment within a District, FLP statewide structure and other critical program delivery issues.

STO Response: The SED is very open to hearing input on major issues; however, some issues will not warrant consultation.

16. How many staff appraisers doing FLP appraisal work are planned for FY 2009 and FY 2010? (I.E. 2, 2.5, 3). This number has ranged between 2 and 3 the past few years.

STO Response: To be determined.

17. There are 3 FLP State Specialist getting close to being retirement eligible. In addition, FLO Keith Hobbie works about half time on STO FLP projects. MACS wishes to begin the dialogue with the STO to consider moving these positions back into the field offices as a FLM, FLO, Loan Analyst or FLP PT. MN FLP loan delinquency rates have been low for the past several years, MN FLP inventory farms are very low and MN FLP bankruptcies numbers are also low. MN FLP structural changes must not be limited only to the Credit Teams from the perspective of MACS. Since the STO is now considering changes to the overall Credit Team structure in MN, the position of MACS is the STO needs to review the overall structure of the FLP Chief's entire staff at the very least simultaneously with the review of the Credit Teams; but preferably in advance of the Credit Teams review. Should 3 or 4 FLP positions eventually be moved back to field offices, this may allow for 3 or 4 more 1165 compliant Credit Teams which in turn may allow for a completely different overall statewide Credit Team structure.

STO Response: These issues will be considered.

18. 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?

    STO Response: CO 387 GS 138

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

    STO Response: 51

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

STO Response: 85

STO Response:

Review 2008 MACS Resolutions previously submitted that pertain to Administrative type issues for further discussion.

Farm Loan Program

1. Having FLP loan approval authority is critical for employees with the delegated authority to approve and service loans. These same employees are required to have their work reviewed periodically to determine if they are doing quality work to maintain their loan approval authority. MN FLP has implemented a credit quality review process to review approximately one-third of the FLMs and FLOs each year. What process is used to review the work of and to determine if the FLP State Office Specialists are doing quality work and meeting the required specifications to maintain their loan approval authority?

STO FLP Response: 1-FLP has no requirements for review of Specialists work. Currently when we have file reviews we have group discussions on issues to ensure consistency of the reviews.

2. For the credit quality reviews in FY 2008, how may employees failed and were required to submit additional files for review?

STO Response: Three

3. If there were more than one employee that failed their credit quality review, did the same reviewer fail all the employees?

STO Response: Three separate reviewers completed the three employees credit quality reviews.

4. There was an inconsistent FLP message to employees at the St. Cloud FLP meeting in January. Anna Parker presented the new FLP marketing initiative and talked about operating between the 40 yard lines and working to try to meet our customers at the customer's 40 yard line. Mike Walzack also spoke and he presented the findings of the FLPRA/credit quality results to the employees. Credit quality reviews have very little tolerance for errors. With the emphasis on making loans and making them faster and faster, the likelihood of errors that don't pass muster with credit quality reviews will inevitably increase. Since we are being asked to meet the customer at the customer's 40 yard line when making loan decisions, why aren't the credit quality reviewers asked to meet the employee at the employee's 40 yard line when reviewing that person's work for non critical errors?

STO Response: The emphasis on underwriting standards have not changed for the agency. When Stuart Shelstad presented the topic of FLP marketing initiatives it was mentioned several times that marketing initiatives do not impact underwriting criteria. They are separate functions.

Review MACS Resolutions previously submitted that pertain to FLP issues.

MINNESOTA ASSOCIATION OF CREDIT SPECIALISTS

FARM SERVICE AGENCY
USDA

2008 Resolutions

Committee: Farm Loan Program

Procedure:	MN
Concern:	Why do we still not have MN procedure regarding the streamlining regs?
Solution:	STO issues MN procedure.
State Office Response:	MN supplements have been issued for all FLP handbooks. Additional policy for servicing inventory property will be added to MN 5-FLP in the future. MN only has 1 inventory farm. Additional guidance may be added to 1-FLP regarding construction issues even though no state supplement is required by the national 1-FLP. Most MN forms and handbook exhibits have been posted to the FLP forms page as either fillable pdf or word documents. If MACS identifies handbook areas needing further state policy clarifications or recommends changes to current policies, please advise.
MACS Discussion:	

Procedure:	1-FLP
Concern:	1-FLP paragraph 101(c) requires that justification for establishing a supervised bank account be documented in the Farm Assessment. This is redundant since the Credit Presentation includes a section for documenting the justification for establishing a supervised bank account.
Solution:	Eliminate the requirement to document the Farm Assessment to provide justification for establishing a supervised bank account.
STO Response:	The National Office removed the requirement to document the need for a SBA in the farm assessment with Amendment 12 to 1-FLP. The current national policy is to document the need in the credit presentation.
MACS Discussion:	

Procedure:	1-FLP, Exhibit 15
Concern:	Credit Presentations for Y-OL eligibility contains several ponts that are not applicable.
Solution:	Remove from the Youth OL credit presentation eligibility section all buttons that are not applicable to Youth OL loans.
STO Response:	National Office is in the process of updating the Eligibility form to coincide with 3-FLP. The STO does not know how soon this will occur. For now, 1-FLP, Exhibit 15 Page 8-15 requires the user to complete the Eligibility form which is part of the Youth Loan Credit Action.
MACS Discussion:	

Procedure:	3-FLP
Concern:	3-FLP requires the collection of 3 years of income tax returns in order to consider an application complete. There are alternate formats for collecting the same information.
Solution:	Allow the use of actual records in lieu of income tax returns as long as the records contain the same information contained in the income tax records.
STO Response:	The requirement to obtain 3 years of federal tax returns is in the CFR. This provision was added to the CFR as a result of the proposed streamlining rule. Comments were submitted that recommended that 3 years of federal tax records be obtained to reduce the paperwork burden on applicants. The applicant could submit the tax return rather than copy numbers from the tax return onto the FSA 2002, Three Year Financial History. The National Office adopted the recommendation. MN does not have the authority to change this requirement.
MACS Discussion:	

Procedure:	3-FLP and DLM Checklist
Concern:	3-FLP no longer requires the ADPS Borrower Cross Reference and Current /Past Debt screens when processing an application.
Solution:	Eliminate this item from the DLM Checklist since it has been replaced by the Borrower Profile printout.
STO Response:	This item is a National Office checklist item, and cannot be specialized by State or County Service Centers. As of this date the DLM customer profile does not include deferral, disaster set aside and other misc. ADPS loan information. The DLM customer profile information will be expanded with the release of Direct Loan Servicing later in 2009. It is anticipated that the National Office checklist item will be revised at that time.
MACS	

Discussion:	

Procedure:	3-FLP
Concern:	3-FLP requires a lien on all non-essential assets with a value of at least $5,000. This will create future servicing problems and is not likely to increase the collection potential for the loan.
Solution:	Increase the threshold for liens on non-essential assets to a minimum of $20,000 per asset.
STO Response:	Since the $5000 value is part of the CFR, any change would require the National office to publish a rule change in the Federal Register. While the STO would not object to the National Office changing CFR to increase the minimum asset value to $20,000, the STO has no control over this issue.
MACS Discussion:	

Procedure:	1-FLP
Concern:	1-FLP requires the collection be applied to the annual operating loan first. This can result in unnecessary loan delinquencies when term loan payments are due prior to annual operating loans.
Solution:	Modify 1-FLP to allow the loan official to alter the order of payment application in order to pay the loan payments that are due first, then back to the order based on the security position.
STO Response:	The STO supports the recommended solution but the payment order in Par. 62 A of 4-FLP is part of the CFR (7 CFR 765.153(a). Any change to the rule would require a publication of the change by the National Office. The STO recognizes that applying payments first to an annual operating loan may result in a delinquency on a term loan. During MN streamlining training in 2008, we advised that AAO could cautiously deviate to prevent delinquencies when the AAO was certain that adequate income would exist to make all payments and FSA was adequately secured.
MACS Discussion:	

Procedure:	1-FLP
Concern:	1-FLP requires the collection be applied to the annual operating loan first. This can complicate the borrower's ability to do sound tax planning.
Solution:	Modify 1-FLP to allow the loan official to alter the order of payment application in order to pay the accrued interest before January 1st on all loan installments due by January 1st, then allow the Borrower to pay the remaining balance of the loan installments due January 1st after January 1st . This will allow the Borrower to reduce potential tax liability by allowing the payment of all interest prior to the end of the calendar tax year. This method could not be used if detrimental to the interest of the agency.
STO Response:	The STO supports the recommended solution but the payment order in Par. 62 A of 4-FLP is part of the CFR (7 CFR 765.153(a). Any change to the rule would require a publication of the change by the National Office. The STO recognizes that applying all payments to an annual operating loan may prevent the borrower from effective tax planning by maximizing the payment of interest. During MN streamlining training in 2008, we advised that AAO could cautiously deviate for tax planning purposes when the AAO was certain that adequate income would exist to make all payments and FSA was adequately secured.

MACS Discussion:

Procedure: 3-FLP

Concern: Chattel loan closings require the Borrower to pay the fees for lien searches and recording of UCC-1 and CNS-1. Filing these documents electronically would reduce the financial burden on the Borrower by reducing the cost of filing fees.

Solution: Allow FSA to move to the electronic filing of lien instruments.

STO Response: The filing fees for UCC and CNS are the same for electronic filing or paper filing. There is the potential for cost savings on lien searches obtained electronically depending on the number of copies of filings obtained as the fee is tied to the number of filings printed. The limitation with electronic filing and lien searches remains the process of paying for the services. The MN SOS requires a prepaid account. Notice FI-2848 allows for the initial use of CCC funds to establish a prepaid account but requires that the fee be tracked, reconciled and the account reimbursed with the appropriate Agency funds. For FLP this means using PLCE funds. FSA would need to weigh the advantages of potential cost savings to our customers and real time access to the disadvantages of using limited PLCE funds, the need to collect and process the UCC fess from customers (similar to credit report fees), and the County office and STO time that would need to be dedicated to track, reconcile, and reimburse the SOS account with the appropriate funds.

MACS Discussion:

Procedure: 3-FLP

Concern: FSA 2313 does not have a section concerning Borrower Training.

Solution: Modify FSA-2313 to include an area specific to Borrower Training with space or a checklist of specific courses that could be checked instead of the need to type in all of the information for each loan approval when Borrower Training is being required by the loan approval official.

STO Response: The STO supports the recommendation to have a specific section of the FSA-2313 to address borrower training requirements.

MACS Discussion:

Procedure: <u>Farm Business Plan (FBP) Issues</u>:

Concern: 1. FBP has been slow to the point of being non-functional each year since it was implemented. This occurs during peak loan season when it is most needed. This results in great loss of time and great frustration for employees and customers.

2. The program itself could be greatly improved in terms of user friendliness. These improvements would greatly aid efficiency saving the agency time and money.

	3. FBP is used as a method of arriving at a borrower classification. However, the system consistently produces what appears to be flawed information. This information is of limited value for its intended purposes including graduation reviews.
Solution:	Although these issues will probably be considered National Issues, they go beyond that. The State Office must aggressively continue to highlight these problems to the National Office and push for meaningful improvements.
STO Response:	1. National Office last year added/upgraded the servers for the FBP. The performance of the FBP this loan making season has been the best since it was rolled out in April 2004. There have been only 3 reported days of performance issues to the FBP Coordinator. It is imperative that all users report any performance issues to the FBP Coordinator when they occur. This is the only way to keep National Office informed about the performance of the FBP and to ensure performance keeps improving. 2. Users are reminded to forward any ideas and suggestions for improvements to the FBP to the FBP Coordinator or Farm Loan Chief. These suggestions than can be forwarded out to National Office for consideration. 3. National Office is aware of the classification issues. They are considering making possible changes on how the classification is calculated.
MACS Discussion:	

Committee: Management/Personnel

Concern:	There is a continued projected shortage of Farm Loan Officers. This will be exacerbated by future retirements and transfers of Farm Loan Managers or specialists.
Solution:	FSA hire up to or above the employment ceiling taking into consideration of the rate of historical losses of Farm Loan Officers.
STO Response:	Minnesota FSA is currently above our ceiling with hiring and hiring decisions. In addition we are adding one more non-ceiling FLOT in Marshall County. Two Summer Intern's are also being put into the county offices and we hope to encourage these two individual's to consider a career with FSA upon their graduation.
MACS Discussion:	

Concern:	Several Farm Loan Officer Trainees have not been retained in the past for many reasons.
Solution:	An exit conference be held by the State Office for the Farm Loan Officers leaving for unknown reasons.
STO Response:	National Notice PM-2702 updated the HRD web-based exit interview surveys for all separating employees, including retirees. Supervisors should ensure that all employees follow the guidelines in this policy. Further discussions will be held regarding STO exit conferences in addition to PM-2702.

MACS Discussion:	

Concern:	In 2007, certain standards and elements were required to be revised well into the rating period. It appears some employees had little or no chance of meeting the revisions at the late time but were rated on them anyway.
Solution:	Elements and standards not change after they are in place, unless agreed to by the employee and supervisor.
STO Response:	National Notice PM-2677, Para. 4A discusses that performance plans are to be amended each time a work assignment changes significantly, up to 90 calendar days before the end of the appraisal period. Employees shall be informed of and participate in any changes made to their performance plans.
MACS Discussion:	

Committee: Farm Program

Procedure:	Farm Storage Facility Loans
Concern:	In several cases throughout the state, the Program Technician in charge of the FSFL program is not adequately trained to decide if the proper financial information (i.e. current and complete financials, etc.) has been submitted by the applicant. This results in the PT submitting an FSFL application for feasibility review prior to having all the necessary information. As a result, the reviewing official (FLM, FLO) must return the application to the PT requesting the additional information, must meet with the applicant to explain what items are needed, or, in some cases, both.
Solution:	It would be beneficial if the STO provided additional training to the FSFL PT and/or the CED regarding the FSFL program. This training should include STO FLP staff to lead the discussion regarding the financial information.
STO Response:	This concern is being taken under advisement to ensure program requirements are met.
MACS Discussion:	

Committee: IT / GIS / GPS / FBP / GLS .

Procedure:	

Concern:	GS Managers have no central place to obtain New Employee information packets like the CO Managers do. There also has been some confusion about what is required of a new GS employee. IE: Form SF61, “Appointment Affidavits"
Solution:	STO provide a link on the intranet to a complete new employee packet for GS Managers based on GS regulations.
STO Response: MACS Discussion:	The STO is the personnel office contact for GS employees and is responsible for providing all on boarding paperwork and forms for the new employee. We are currently in the process of identifying improvements that will assist CO Managers and Administrative PT's with their roles for CO employees. GS checklists will be added in the near future to identify roles and processes for GS employees.

Procedure:	
Concern:	Some new employees have had a difficult time getting correct passwords and permissions set up for computer systems. These employees have had to go without permissions/passwords for weeks and contact the STO numerous times to try to get this process completed. There are some instructions on the FSA intranet, however they are incomplete and difficult to follow. IE: not knowing what permissions/passwords a new employee will be required to have or need to do their job efficiently. Our PT has been trying to get permission to print 540 since December and has only received partial information each time she has contacted the STO. She now has been told it is her responsibility to contact Kansas City since it was not set up properly the first time. This should not be her responsibility.
Solution:	Within the first week of the new employee's employment, the STO spend 1 hour with new employee and manager either in person or via teleconference to ensure proper permissions and passwords are set up correctly the first time.
STO Response:	Alex Dubish is your contact for all passwords and permissions for our computer systems. Recent additions to the MN Intranet clearly outline the steps a supervisor/employee must take in completing the request for permissions and access to our systems. If you have any questions or concerns regarding the instructions or timeframes for permissions to be granted, please contact Alex directly.

MACS Discussion:	

2009 Registration
MACS/MNASCOE
State Convention
Alexandria, Minnesota
July 23– 24, 2009

Holiday Inn
Phone: 1-320-763-6577
Code: MACS/MNASCOE   Rate: $70.00
Reserve Your Room Early
Block of rooms released after June 25, 2009

Please Print:
Name: ______________________________   **# of Guest(s) :** ____________________________
Address ______________________________
City, St, Zip ______________________________
County: ______________________   *Circle One:*   ***MACS***   ***MNASCOE***   ***Guest***

Registration

Registration	Number	Price	Total
*Member Pre-Registration Postmarked **by** July 1, 2009 (includes Friday's noon meal, coffee, & rolls)*		$25.00	$
*Member Registration Postmarked **after** July 1, 2009*		$30.00	$
Guest Registration Fee – Non Member – Noon meal only		$10.00	$
Carlos Creek Winery Tour		$7.50	$

Total   *$*__________

THURSDAY EVENTS

Activity		Time	Number	Price	Total
Golf *Any questions on golfing contact Justin Phillips at 218-739-4694*	*Scramble Format @ Arrowwood Golf Course*	Check-in at 12:30 pm 1 p.m. Tee-off	Need to know number of golfers by 7/15	$50.00- includes cart Avg. Score per 9 _____	Pay at Course
Winery Tour	*Tour of Carlos Creek Winery Includes wine tasting & snacks*	2:00 PM	Need to confirm numbers 2-3 days in advance	$7.50	
Hog Roast	*Site to be determined*	5:00 – 8:00 PM	All Welcome	FREE!!!!!	FREE!!

For more information on Carlos Creek Winery visit http://www.carloscreekwinery.com

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Circle all:
Attending: ***Golf***   ***Winery Tour***   ***Hog Roast***

FRIDAY EVENTS

Friday events will include guest speakers and association meetings

Checks payable to: MNASCOE or MACS
Send to JUSTIN PHILLIPS at WEST OTTERTAIL FSA OFFICE, 506 WESTERN AVE N, FERGUS FALLS, MN 56537