



United States Department of Agriculture

Office of the Deputy Secretary
Washington, D.C. 20250

TO: All Employees

FROM: Deputy Secretary Stephen Censky

SUBJECT: Performance and Awards System

DATE: May 6th, 2020

A handwritten signature in black ink, appearing to read "Stephen Censky", is placed to the right of the "FROM:" line.

As we continue our work to be the most effective, most efficient, and best managed department in the federal government, I wanted to share with you our plans to move to a new two-tier performance management system and an accomplishments-based awards program for non-executives beginning in fiscal year 2021. This change will make the performance and awards process at USDA much simpler so that we can spend less time writing long, complicated performance plans and more time actually managing performance and rewarding employees. In the coming months, we will be finalizing a new Departmental Regulation outlining these changes, and I wanted to start talking to you about it now, so you have plenty of time to understand and prepare for the new system.

Through our OneUSDA initiative, we have been working the past several years to increase consistency across the Department for both our employees and our customers, and this is a continuation of that effort. Currently, most USDA employees are under a five-tier performance rating system. Under the new proposed system, there will only be two ratings: Fully Successful and Unacceptable. This new performance system will help provide consistency in how performance expectations are defined and how employees are rated. The success of this new two-tier system—and really to any performance management system—lies with employees, supervisors, and managers clearly communicating expectations and providing feedback on an ongoing basis.

Under the new awards program, monetary and time-off awards will be focused on employee contributions to USDA's mission, rather than employee ratings. This will allow USDA to recognize employee accomplishments throughout the year, instead of waiting until the end of the year to recognize a contribution that may be 6- or 12-months past.

A summary of the new performance management and awards draft policy can be found in the enclosure. We will be finalizing this policy in the coming months and providing additional details and training as we move towards implementation on October 1, 2020. Please note that the regulation will be implemented in accordance with terms and conditions of labor agreements and applicable statutory requirements. I hope you find this information helpful. If you have any questions, please reach out to your mission area or agency CHCO.



Employee Performance Management and Awards

Highlights of Anticipated Policy Changes

Background

USDA is moving to a two-tier performance system for non-executive employees, along with an accomplishments-based awards program focused on contributions to USDA's mission, rather than employee ratings.

This document is a summary of the key policy changes that will be formalized in the coming months.

	Policy Through September 30, 2020	Proposed Policy Beginning October 1, 2020
Performance Ratings	Outstanding, Superior, Fully Successful, Minimally Satisfactory, Unacceptable	Fully Successful, Unacceptable
Element Ratings	<ul style="list-style-type: none"> Exceeds Fully Successful Fully Successful Does Not Meet Fully Successful 	<ul style="list-style-type: none"> Fully Successful Does Not Meet Fully Successful
Determining the Final Rating	<ul style="list-style-type: none"> Based on a multi-part formula 	<ul style="list-style-type: none"> If every element is rated Fully Successful, summary rating is Fully Successful If any element is rated Does Not Meet, summary rating is Unacceptable
Performance Plans	Define all elements at both the Fully Successful and Exceeds Fully Successful levels	Define all elements only at the Fully Successful level
Accomplishment Reports	Required of all employees by October 1 st	Not mandatory Department-wide; Rating Official has discretion to require
Cash and Time Off Awards	<ul style="list-style-type: none"> Rating-based Extra Effort Spot 	<ul style="list-style-type: none"> Achievement Awards (non-rating-based) recognizing specific accomplishments that exceed normal job requirements
Time Off Awards	<ul style="list-style-type: none"> Expire after 26 pay periods Can't be transferred if employee moves from one USDA agency to another 	<ul style="list-style-type: none"> Up to 80 hours will carry over at the end of the leave year (anything over 80 hours is forfeited) Stay with the employee who moves from one USDA agency to another
Quality Step Increases (QSI)	<ul style="list-style-type: none"> Rating of Outstanding Eligible every year Limited to 2% of non-executive employees 	<ul style="list-style-type: none"> Rating of Fully Successful over consecutive years Sustained performance of the highest quality, significantly above normal expectations Performed in the same grade and type of position for at least 18 months Eligible every two years Limited to 2% of non-executive employees