



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

APR 28 2004

The Honorable Kay Coles James  
Director  
Office of Personnel Management  
Theodore Roosevelt Building  
1900 E Street, NW, Room 5A09  
Washington, D.C. 20415

Dear Director James:

Section 1125 of the National Defense Authorization Act for Fiscal Year 2004 provides for a single, open-range payband for the Senior Executive Service (SES). It also allows an agency to establish a higher rate of basic pay if the agency obtains certification of its SES performance evaluation system from the Office of Personnel Management. The purpose of this letter is to request such certification.

Enclosed for your certification is a copy of our revised SES Performance Management Handbook, which describes the appraisal system under which USDA Senior Executives will be evaluated. Some of the key features of the appraisal system include:

- ❖ Continuing with a five (5) level summary rating system that evaluates performance through meaningful distinctions among executives based on their individual performance and their contributions to overall agency accomplishment at the Outstanding, Superior, Fully Successful, Minimally Satisfactory, or Unsatisfactory levels. Enclosed for your information are the Department's SES ratings distributions for the past 4 performance years, which confirm that USDA has made meaningful distinctions in executive performance and is well positioned to make the needed modifications and move quickly to certification. In fact, USDA results are the best in government when compared to other organizations that utilize five-level performance evaluation systems.
- ❖ Closer alignment of individual performance requirements with the USDA mission and strategic goals, and the Administration's management initiatives, through use of critical performance elements. This will enhance the Department's ability to make meaningful distinctions in executive performance. Agencies within the Department have the flexibility of supplementing the USDA-wide elements with individualized additional elements reflecting unique program requirements to assist in furthering performance distinctions.

- ❖ A Performance Review Board (PRB) process that validates the initial ratings assigned by the executives' first-line supervisor through comparison with other similarly situated executives within a group of USDA agencies/offices. The PRB ensures an objective assessment of the executive's actual contribution to the accomplishment of the agency's mission, and assures that the individual performance is measurable and focuses on tangible outputs, outcomes, and other deliverables.
- ❖ Establishing the Assistant Secretary for Administration as the Senior Performance Official for the Department who will oversee the PRB process, issue required guidelines, and assure consistency among individual and organizational assessments. The Senior Performance Official will perform these functions on my behalf and will advise me on all aspects of performance appraisal.
- ❖ Establishing a method of determining compensation for executives that ties back to performance.

I have made executive performance a priority during my time as the Secretary of Agriculture. While we believe the current USDA SES system already contains many of the elements that are required under the new regulations, we are nonetheless working to improve the system in a number of key aspects. For example, we are strengthening the existing PRB process by providing targeted training to the Board members. This training will focus on improving the members' knowledge of the USDA programs, priorities, and strategic goals; understanding the key organizational accomplishments of the agency components whose SES members the PRB will be assessing; and increasing the understanding of members' roles and responsibilities.

Once the new regulations are issued, we will, of course, comply with any additional requirements and certification criteria that might be developed. We will also be submitting our appraisal system for SL and ST positions separately.

I look forward to receiving our certification. Should you have any questions, please direct them to USDA's Acting Chief Human Capital Officer, John Surina, at [john.surina@usda.gov](mailto:john.surina@usda.gov) or 202-720-3291.

Sincerely,



Ann M. Veneman  
Secretary

Enclosures

**Percent SES Rated By Category  
FY 2000-2003  
USDA**

<b>Fiscal Year</b>				
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Outstanding</b>	35	37	34	37
<b>Superior</b>	62	57	58	54
<b>Fully Successful</b>	2	5	7.4	7
<b>Min. Successful</b>	0	0	0	0.003
<b>Unsatisfactory</b>	0.007	0	0	0

## SES Ratings for Agencies with 5-level systems

AGENCY	Career SES		% at Highest Level		Career SES		% at Highest Level		Career SES		FY01-02 % Change
	Rated FY 2000	Rated FY 2001	Rated FY 2000	Rated FY 2001	Rated FY 2000	Rated FY 2001	Rated FY 2000	Rated FY 2001	Rated FY 2002		
AGRICULTURE	269	278	35.3%	36.0%	0.7%	296	34.5%	-1.5%			
AID	19	19	94.7%	78.9%	-15.8%	19	42.1%	-36.8%			
COMMERCE	218	259	88.1%	79.9%	-8.2%	215	80.5%	0.6%			
DEFENSE (Military Agencies)	695	725	98.4%	98.6%	0.2%	604	94.5%	-4.1%			
EPA	239	235	85.4%	84.7%	-0.7%	242	68.6%	-16.1%			
GSA	74	77	95.9%	92.2%	-3.7%	76	52.5%	-39.7%			
JUSTICE	287	295	91.3%	91.2%	-0.1%	258	87.6%	-3.6%			
LABOR	131	129	68.7%	60.5%	-8.2%	124	48.4%	-12.1%			
NASA	377	378	73.2%	75.9%	2.7%	358	75.7%	-0.2%			
OPM	30	27	90.0%	37.0%	-53.0%	22	45.5%	8.5%			
SBA	29	33	79.3%	81.8%	2.5%	34	50.0%	-31.8%			
TREASURY	459	467	61.4%	57.6%	-3.8%	425	48.7%	-8.9%			
VETERANS AFFAIRS	254	269	55.9%	56.1%	0.2%	270	57.0%	0.9%			
All Others	603	543	86.2%	79.6%	-6.7%	544	80.5%	0.9%			
Governmentwide	3684	3734	78.7%	75.9%	-2.8%	3487	69.2%	-6.7%			

Note: Inspector General (IG) ratings included with All Others

Source: Annual Agency Reports on OPM Form 1558

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**Appendix – Glossary of Terms**

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## CHAPTER 1

### General Information and Responsibilities

#### 1. Purpose.

This framework (handbook) establishes the Department of Agriculture's Performance Management System (PMS) for Senior Executive Service (SES) employees. See the Appendix for a Glossary of Terms used in this Handbook

#### 2. Scope.

This plan covers all SES employees in the Department of Agriculture. Other senior level positions subject to the new OPM regulations will be covered under separate USDA policy guidance

#### 3. Policy.

USDA recognizes the importance of linking its strategic planning, budget and performance integration, performance appraisal, pay, and other award programs into the management of its human resources to promote efficient and effective attainment of its mission, program objectives, and strategic planning initiatives. The Department's PMS for SES members is developed to provide a documented record of management expectations and an individual's achievement of those expectations. USDA expects to achieve excellence in senior executive performance by:

- a. Linking performance management with the results-oriented goals of the Government Performance and Results Act of 1993;
- b. Setting and communicating individual and organizational goals and expectations;
- c. Systematically appraising senior executive performance using measures that balance organizational results with customer, employee, or other perspectives;
- d. Using performance results as a basis for appraisal, base salary adjustments, awards, bonuses, development, retention, removal, and other personnel decisions; and

- e. Identifying individual accountability for accomplishing USDA goals and objectives.

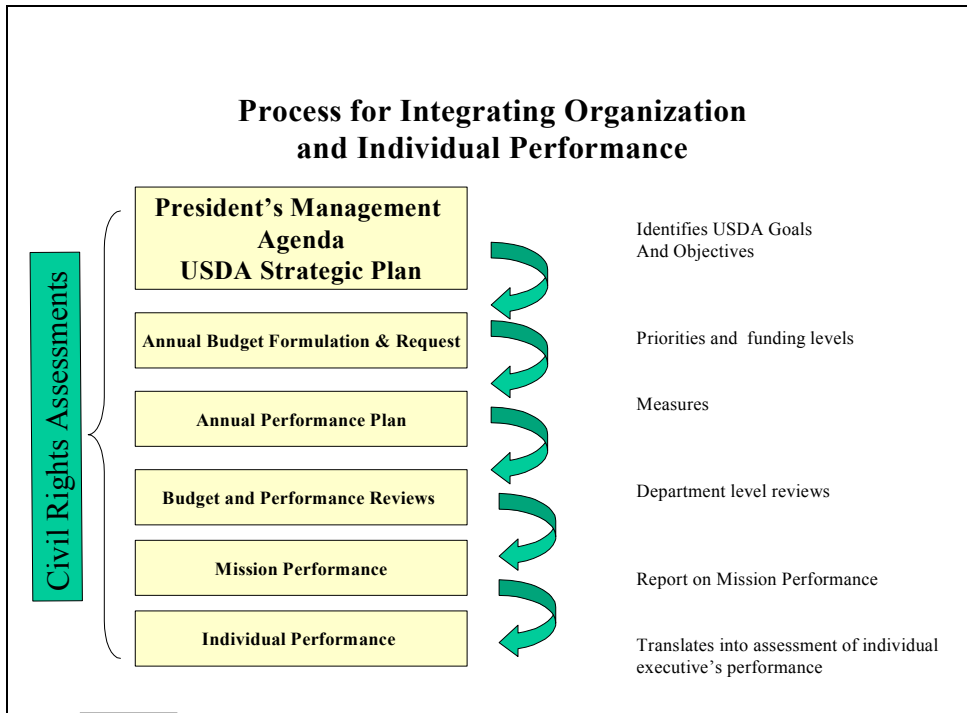


Figure 1. Process for Integrating Organizational and Individual Performance

#### 4. Authorities.

The SES PMS is established in accordance with the following authorities:

- a. Performance Appraisal - 5 U.S.C. chapter 43, subchapter II (Performance Appraisal in the Senior Executive Service); 5 CFR Part 430, Subpart C (Managing Senior Executive Performance);
- b. National Defense Authorization Act (Public Law 108-136); and
- c. Records of Employee Performance - 5 CFR Part 293, Subpart D (Employee Performance File System Records).

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## 5. Major Responsibilities.

The following are the responsibilities of key players in the USDA SES rating process.

- a. The **Secretary of Agriculture**<sup>1</sup> develops and communicates the Department's strategic plan and as the USDA "appointing authority" for SES matters:
  - (1) Assesses annually the overall USDA organizational performance as well as performance of the major program and functional areas;
  - (2) Assigns each individual annual summary rating at the end of the appraisal period after considering the PRB's recommendations. This is the official rating;
  - (3) Makes final decisions on bonuses and base salary adjustments for USDA executives;
  - (4) Nominates USDA executives for Presidential Rank Awards;
  - (5) Approves all monetary awards and pay adjustments for the SES;
  - (6) Approves all aspects of the senior executive service program; and
  - (7) Appoints members to the Secretary's Executive Resources Board (ERB) and the Chairpersons of the USDA Performance Review Boards (PRBs).
- b. The **Deputy Secretary**:
  - (1) Chairs the Secretary's Performance Review Board for noncareer executives and other key executives evaluated by this PRB; and
  - (2) Serves as Ex Officio Chair of the Secretary's Executive Resources Board.
- c. The **Assistant Secretary for Administration** (Chief Human Capital Officer) serves as the USDA Senior Performance Official and as such, coordinates for the Secretary all aspects of the SES appraisal process. This role is carried out in coordination with the Secretary and applicable Departmental Office Heads, and includes the following responsibilities:

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<sup>1</sup> The responsibilities listed for the Secretary of Agriculture do not apply to employees of the USDA Office of the Inspector General. The Inspector General Act of 1978 as amended, 5 U.S.C. App.



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- (1) Managing the SES appraisal process including the issuance of the Secretary's guidance and direction on performance expectations at the beginning of the appraisal process and throughout the appraisal cycle, as required;
  - (2) Coordinating with key Departmental officials who have responsibility for strategic and performance planning to ensure that the appraisal process links with strategic planning initiatives <sup>2</sup> as required by law;
  - (3) Establishing Performance Review Boards (PRBs) at the beginning of the appraisal year to monitor individual and organizational performance and ensuring that the PRB information is published in the Federal Register as required by law;
  - (4) Developing and implementing training on SES related issues, including training for the PRB and ERB members on their roles and responsibilities, as required;
  - (5) Providing analytical support and oversight, for and on behalf of the Secretary, regarding the appraisal process and the workings of the PRBs and ERB;
  - (6) Conducting an annual assessment of the SES Program on behalf of the Secretary; and
  - (7) Overseeing the Executive Resources Services Division, which is assigned day-to-day responsibility for supporting the USDA executive programs.

d. The **Assistant Secretary for Civil Rights** is responsible for:

- (1) Ensuring that the PMS reflects the Secretary's Civil Rights Policy;
- (2) Developing procedures, elements and requirements (standards) for rating Agency Heads and Departmental Staff Office Heads on civil rights performance;
- (3) Recommending the annual rating for the civil rights element for Agency Heads and Departmental Staff Office Heads;
- (4) Providing guidance to agency civil rights directors regarding their role in the performance appraisal process.

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<sup>2 2</sup> See definition for strategic planning initiatives in Appendix 1, Glossary of Terms.

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- e. **Subcabinet Officials, Agency Administrators, Staff Office Directors** are responsible for:
- (1) Ensuring that performance plans for senior executives reflect a direct link to the Department's strategic plan and other key plans and include expectations for the rating period;
  - (2) When designated by the Secretary, serving as Chairperson of the Performance Review Board (PRB) and appointing full PRB membership; and
  - (3) Ensuring that formal mid-year organizational and individual performance reviews are conducted and documenting such reviews.
- f. The **Inspector General**<sup>3</sup> is responsible for:
- (1) Appointing SES members (from other Departments' Inspector General Offices) to serve on the OIG Performance Review Board;
  - (2) Approving performance appraisals for all noncareer and career executives in the OIG;
  - (3) Approving extra effort awards (Special Act or Service) for all noncareer and career executives in the OIG; and
  - (4) Approving ratings, bonuses and base salary adjustments for all career executives in the OIG; and
  - (5) Reporting final rating, pay and bonus information to the Senior Performance Official for inclusion in required reports to the Office of Personnel Management.
- g. **Rating Officials** (the employees' supervisors) are responsible for:
- (1) Developing performance plans in consultation with senior executives and communicating performance elements and requirements to executives within 30 days of the beginning of the appraisal period. (Note: although the senior executive being rated should actively participate in setting goals and identifying critical elements, the rating official's decision will prevail in any disagreement on critical elements or performance standards);

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<sup>3</sup> The Inspector General has separate authorities under the Inspector General Act of 1978, as amended, 5 U.S.C. App.

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- (2) Ensuring that standards reflect the goals and objectives identified in the Departmental and agency strategic planning initiatives, and are supported by work plans at the Agency or Staff Office level;
  - (3) Conducting at least one progress review with the executive, by July 1. The supervisor, however, may conduct as many progress reviews as determined necessary. This review may be used to improve communications, provide guidance, provide assistance to improve performance if below fully successful, or to avoid misunderstandings. The progress review may also provide an opportunity to modify optional elements and standards.
  - (4) Ensuring that performance appraisals and documentation for recommended awards and base salary adjustments are completed, reviewed by a higher level official, and submitted to the mission area/agency servicing human resources office by the due date prescribed by the Senior Performance Official.
  - (5) Ensuring that the executive is aware that he/she may respond to the initial rating in writing and that his/her comments become a part of the appraisal package submitted to the PRB.
- h. **Chairpersons** of the PRBs are responsible for a variety of activities. Annual guidelines regarding the PRBs and the role of the chairperson will be issued by the Senior Performance Official.

## 6. Training.

The Senior Performance Official, Subcabinet officials, agency heads and rating officials are required to make effective use of available resources (e.g., technology, learning, information, etc.) to maximize SES employee performance. Training and information, as needed, on the PMS will be provided to SES employees, rating and reviewing officials and members of the PRBs to assure effective administration of the PMS.

## 7. Program Evaluation.

The Senior Performance Official is responsible for evaluating data and feedback from the PRBs and advising the Secretary, the Secretary's PRB, the ERB and other key officials of any changes or corrective actions associated with the PMS.

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## Chapter 2

### Overview of USDA SES Performance Appraisal System

#### 8. Performance Appraisal Principles.

The Department has adopted the following set of principles to guide performance management within the SES:

- a. The SES appraisal system supports the USDA mission to provide leadership on food, agriculture, natural resources, and related issues based on sound public policy, the best available science, and efficient management;
- b. Department leaders and managers create a climate for excellence by communicating their vision, values, and expectations clearly, and by:
  - (1) Creating an environment in which every employee may excel, regardless of race, color, religion, sex, age, national origin, disability, sexual preference, or parental status, and which is free of sexual harassment;
  - (2) Creating an environment for continual learning;
  - (3) Working in partnership with employees to ensure they reach their full potential;
  - (4) Recognizing and rewarding excellence with financial incentives and non-financial incentives, such as increased flexibility to do jobs, more meaningful work, and achieve a sense of accomplishment;
  - (5) Taking timely action to both reward and correct performance appropriately, ensuring that excellence is the standard for all;
  - (6) Holding individuals personally responsible for being results-oriented, performance-based, and customer-focused; and
  - (7) Recognizing that leaders, managers, and employees have a mutual obligation to provide value and excellence. This requires each individual

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to be continually challenged to perform his or her best. Taking action to improve the performance of each individual is imperative to achieving USDA's mission.

## **9. Coverage**

- a. All SES members are subject to the SES PMS without regard to type of appointment (career, noncareer, or limited) or the type of position (general or career reserved) occupied.
- b. All SES members, career, noncareer and limited, are eligible for base salary increases (if no adjustment has been made within a 12-month period). On an exception basis, a waiver request to the 12-month rule can be submitted by the Secretary to the Director of the Office of Personnel Management.
- c. Performance Awards and Awards of Rank. Only SES members holding career appointments are eligible for performance awards (bonuses) and Presidential Rank Awards. However, a former career SES executive who holds a Presidential appointment with Senate confirmation and has elected to retain SES benefits under 5 U.S.C.3392 is also eligible.

## **10. Performance Appraisal Period.**

- a. The USDA rating period begins annually October 1 and ends the following September 30, unless advanced or delayed by appropriate authority. By law, supervising executives must communicate performance elements and requirements (standards) to executives at or before the beginning of each rating period. Written performance plans must normally be provided to the executive within 30 calendar days after the beginning of the rating period.
- b. The minimum appraisal period is at least 90 days. When a senior executive transfers jobs after completing the minimum appraisal period, the supervisor must appraise the executive's performance in writing before the executive leaves.
- c. If a senior executive fails to complete the established minimum appraisal period because of reassignments, change in supervisor, or other legitimate management reasons, the issue should be discussed with the Senior Performance Official who along with the PRB chair will seek resolution on a case by case basis;
- d. When a senior executive is detailed for more than 90 days, the gaining agency must set performance goals and requirements, and appraise the executive's overall performance in writing, which is factored into the overall summary rating.

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- e. An appraisal or rating of an SES career executive may not be made within 120 days after the beginning of a new Presidential Administration.

## 11. Details and Job Changes.

- a. **Position Changes Within the Department.** When an executive occupies two or more positions in the Department during the appraisal cycle (in which the executive served under written elements and performance requirements for the minimum appraisal period) an interim rating must be prepared. This interim rating, along with the Performance Agreement (See Section 12 for information on developing Performance Agreements) upon which it was based, must be forwarded to the new supervisor for inclusion in the rating of record due at the end of the appraisal cycle. The weight given to this interim rating should generally be proportionate to its share of the appraisal period. When such interim ratings are used to develop a rating of record, both the interim ratings and the Performance Agreements upon which they are based must be attached to the material furnished to the PRB. The PRB, however, recommend one final annual summary rating.
- b. **Temporary Assignments Within the Department.** If the senior executive is detailed or temporarily reassigned WITHIN the Department and if the assignment is expected to last the minimum appraisal period or longer, written critical elements and performance requirements MUST be provided to the employee and an interim rating must be prepared based on the performance during the assignment. The weight given to this interim rating in preparing the rating of record should generally be proportionate to its share of the appraisal period.
- c. **Temporary Assignments Outside the Department.** If the employee has been temporarily assigned OUTSIDE the Department, reasonable effort must be made to obtain performance appraisal information from the organization to which the employee was detailed. In the absence of performance appraisal information, a Fully Successful Rating will be presumed for the period of the assignment(s) and considered by the rating official and forwarded to the PRB by the supervisor of record (rating official).
- d. **Transfers From Other Agencies.** If an employee transfers from another agency into the Department during the appraisal cycle, any rating(s) which are forwarded from the losing agency (and which encompass periods of time included in the Department's appraisal cycle) MUST be considered in deriving the rating of record. Weight given to these ratings should be proportionate to their share of the appraisal cycle.
- e. **Transfers To Other Agencies.** If an executive transfers to a new agency at any time during the appraisal period, a summary (interim) rating must be prepared by the employee's supervisor and provided to the gaining agency.

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## 12. Performance Agreements

The Senior Executive Performance Agreement describes the individual and organizational expectations for the appraisal period and sets the requirements against which performance will be evaluated. Supervisors must develop performance plans in consultation with senior executives and communicate them on or before the beginning of the appraisal period. Performance plans must: (1) describe critical elements; (2) performance requirements; and (3) link with strategic planning initiatives based on USDA and agency strategic plans, performance plans, organizational work plans and any other related initiatives.

- a. Each senior executive must have a written Performance Agreement (also sometimes referred to as Performance Work Plan), which describes the individual and organizational expectations for the appraisal period and sets the requirements against which performance will be evaluated. USDA will issue annual guidance on the SES Performance work plans and procedures to ensure that plans appropriately reflect USDA strategic initiatives, to address training requirements, and to communicate procedures changes, as appropriate. Performance Agreements should be supplemented by agency or office level work plans to clearly identify expected priorities and results.
- b. The Performance Agreement is the written aggregation of an executive's critical and other elements and performance requirements. Critical elements must be so designated.
- c. Rating officials should develop Performance Agreements in consultation with senior executives and communicate (in writing) the plans within 30 days after the beginning of the rating period.
- d. Elements must reflect both individual and organizational performance. They can be either capsulized aspects of the most important duties and responsibilities associated with the SES position or specific projects or tasks which can be logically inferred from the duties and responsibilities cited in the employee's position description. Accomplishment of organizational objectives **MUST** be included in Performance Agreements by incorporating objectives, goals, program plans, work plans, or by other similar means that account for program results. USDA prescribes two mandatory elements for all SES employees, and a separate mandatory civil rights element for agency heads and staff office directors. The agency has the option to add up to four additional elements. See Section 13.
- e. Critical and noncritical elements for each senior executive must be consistent with the goals and performance expectations in the Department's strategic planning initiatives.

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- f. Before or at the outset of the rating period (usually within 30 days) or, in the case of an executive entering a new position, as soon as possible (but no later than 30 days) after entry into the position, a Performance Agreement must be either developed or reviewed for continued appropriateness and the elements and performance requirements covered by the Performance Agreement communicated to the executive.
  - g. Final authority for establishing the elements and requirements rests with the rating official. However, the Performance Agreement can be modified, as appropriate, at any time during the appraisal period to reflect changing priorities or shifts in workload. A second level review of SES Performance Agreements is required.

### **13. Establishing Elements and Requirements (Standards)**

The Performance Agreement consists of performance elements and associated performance requirements or standards. USDA prescribes two mandatory elements and up to four optional elements. **These requirements will be issued annually by the Senior Performance Official.**

- a. **Performance Elements:** A performance element is a key component of a position consisting of one or more duties and responsibilities, which contribute toward accomplishing organizational goals and objectives. Once all performance elements are identified, the supervising executive, with input from the senior executive must determine which elements are critical and noncritical. Because of the importance of civil rights in all aspects of an executive's performance, civil rights expectations will be included in all performance elements
  - (1) **Mandatory Elements.** All Senior Executives must be rated on the following mandatory elements:
    - (a) Leadership/Management (critical); and
    - (b) Mission Results (critical).
  - (2) **Mandatory Civil Rights Elements**
    - (a) **For Agency and Departmental Staff Office Heads.** Agency Heads and Staff Office Directors will continue to be evaluated on a separate critical element on civil rights. The Office of the Assistant Secretary for Civil Rights will recommend ratings according to its procedures and guidelines.
    - (b) **All Other Executives.** All other senior executives will have civil rights performance requirements accounted for within all elements, as appropriate. Rating officials also have the right of establishing a



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separate civil rights element for any executive, as warranted, and this separate civil rights element will be considered one of the four optional elements described in (3) below.

- (3) **Optional Elements.** Rating Officials may add up to four program specific elements, which may be designated either critical or noncritical. It is strongly recommended that any executive responsible for functions related to homeland security functions, have a separate homeland security element. Homeland security is defined here as any functions related to continuity of operations, continuity of government, facility or information technology security, or those related to the safety of food and agricultural products.
- (4) **Critical Elements.** If an element is so important that unsatisfactory performance would make the executive's overall job performance unsatisfactory, then that element is considered "critical." Critical elements are those elements that are of such importance that a "Does Not Meet" rating in those elements would result in an overall unsatisfactory performance in the position. Collectively, critical elements should cover the major duties and responsibilities of the position. Every position must have at least one critical element and it is possible to have all critical elements. Critical elements are weighted more in the rating process.
- (5) **Noncritical elements** do not have the level of importance characteristic of a critical element, but are of sufficient importance to warrant written appraisal. Because noncritical elements in SES performance plans are not required a position may or may not have noncritical elements. This allows for the possibility of having all critical performance elements.
- (6) **Weighting of Elements.** Critical elements count as two appraisal points, whereas noncritical elements count as one appraisal point.

**b. Performance requirements (or standards):**

- (1) Each element must be accompanied by "requirements" written at the level expected of Fully Successful performance. At the end of the rating period each element will be rated at one of 3 levels:
  - (a) Exceeds Fully Successful;
  - (b) Meets Fully Successful; or
  - (c) Does Not Meet Fully Successful.

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These element ratings are then used to calculate an initial annual rating at one of 5 levels: Outstanding; Superior; Fully Successful; Minimally Satisfactory; or Unsatisfactory. In the rating process a critical element will carry the weight of "2", while a non-critical element will be weighted "1".

- (2) A performance requirement or standard is a statement of the expectations or requirements established by management for a performance element at a particular rating level. These requirements are the standards against which the senior executive's performance will be appraised. Standards may be based on outcomes and/or work behaviors, as appropriate to the element. It is important that a standard describe performance that is:
  - (a) Observable - can be witnessed;
  - (b) Measurable - can be assessed at different levels; and
  - (c) Achievable - can be accomplished within the time frame specified.
- (3) Only the standard for the "Meets Fully Successful" level is described in writing in the SES Performance Plan. Like critical and noncritical elements, performance requirements must be consistent with the goals and performance expectations in the Department's strategic planning initiatives.
- (4) The absence of a written performance requirement at a given level does not preclude the assignment of a rating at that level.

#### **14. Review of Performance Agreements.**

- a. The Agency or Staff Office Head is encouraged to review Performance Agreements to ensure appropriate levels of quality and difficulty of performance requirements.
- b. The executive, the rating official and the reviewing official should sign the Performance Agreement.
- c. The Senior Performance Official will review the process for ensuring that the PMS is fairly managed. Reviews of the system may be made at any time during the appraisal process.

#### **15. Progress Reviews.**

- a. Rating officials must monitor each senior executive's performance during the appraisal period and provide ongoing, timely, and honest feedback to the senior executive on progress in accomplishing the performance elements and

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- requirements described in the performance plan to sustain and reinforce expected performance.
- b. A progress review shall be held for each SES member at least once during the appraisal period, **before July 1**. At a minimum, senior executives must be informed about how well they are performing by comparing performance with the elements and performance requirements established for their positions.
  - c. The rating official must provide advice and assistance to senior executives on how to improve their performance.
  - d. If either the rating official or the executive believes that modifications to previously established elements or performance requirements are warranted because of unforeseen shifts in workload or changes in priorities, he/she must be prepared to discuss possible alternatives. If the rating official believes that performance in one or more of the established elements is lacking, he/she should discuss possible corrective actions as well as the ramifications of unimproved performance. The progress review should not be viewed solely as a discussion of performance weaknesses or deficiencies, but should also serve as a forum for encouraging employees whose performance is Fully Successful to strive for even greater achievement.
  - e. If modifications in either elements or requirements are warranted, they must be discussed and recorded during the progress review process. At the end of the review session, both the rating official and the executive should share a common understanding of where the employee stands in relationship to his/her Performance Agreement, what is expected of the employee through the remainder of the rating period, and what actions, if any will be initiated as a result of performance to date. The executive and the rating official each sign and keep a copy of the Performance Agreement or progress reviews, acknowledging that the progress review was conducted. Any substantive modifications to the elements and standards should be signed by the rating official and sent to the reviewing official for concurrence.

## **16. Appraising Performance**

- a. If an SES member has served in his/her current position under written performance elements and requirements for the established minimum appraisal period (**90 days**) when the performance appraisal cycle ends (September 30 of each year), and there is adequate basis on which to rate the senior executive, the employee must be rated as soon as practical after the end of the appraisal period on the appropriate performance appraisal record.

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- b. Each executive must be appraised on each element of the Performance Agreement, unless the employee has had insufficient opportunity to demonstrate performance on the element. On the rating date or as soon as possible thereafter, the rating official should be prepared to compare the overall achievements of the employee with respect to each element and performance requirement.
  - c. Appraisals of senior executive performance must be based on both individual and organizational performance, taking into account such factors as:
    - (1) Linking performance management with the results oriented goals of the Government Performance and Results Act of 1993;
    - (2) Customer satisfaction;
    - (3) Employee perspectives;
    - (4) The effectiveness, productivity, and performance quality of the employees for whom the senior executive is responsible; and
    - (5) Meeting affirmative action, equal employment opportunity, and diversity goals and complying with the merit system principles set forth under section 2301 of title 5, United States Code.
  - d. **Element Ratings:** The supervisor will assign an individual element rating of either Exceeds, Meets, or Does Not Meet the Fully Successful Level.

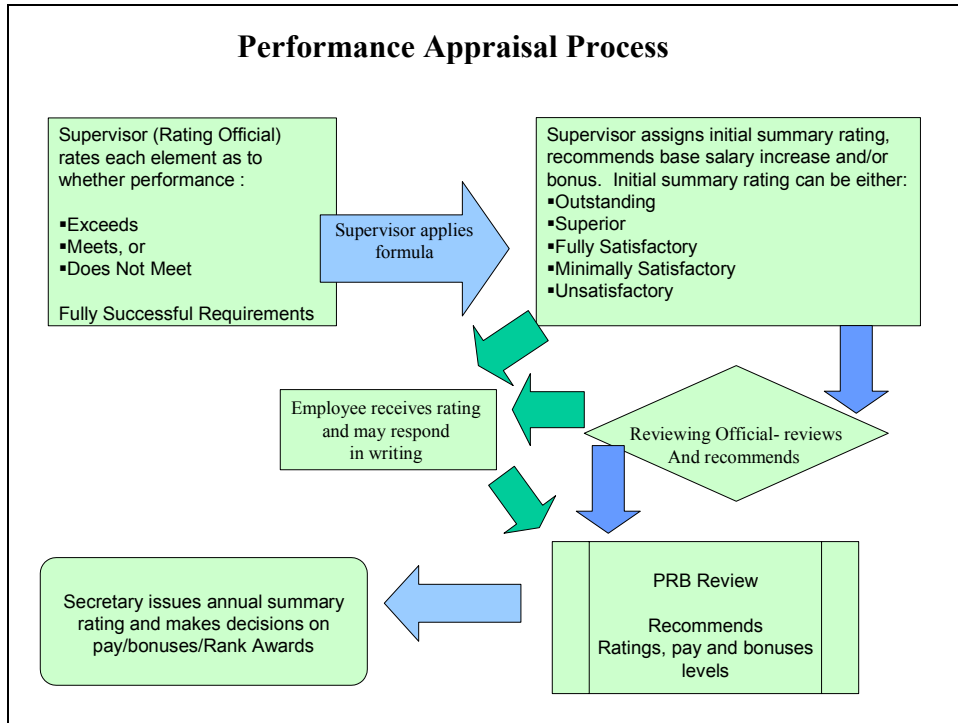


Figure 2. Performance Appraisal Process

- e. **Initial Summary Rating:** Element Ratings are considered according to the process described in Figure 2 above, and the supervisor recommends an initial summary rating at one of the five levels listed in 16f, below. This rating will be shared with the senior executive.
- f. **Summary Rating Levels** are as follow:
- (1) **Outstanding:** This level exemplifies the highest level of performance possible. This level is rare, and should be thought of as the exception. Outstanding performance is characterized by performance that demonstrates organizational as well as personal achievement. The Senior Executive's performance has made a positive and significant impact on organizational results in direct support of USDA's mission. All critical element activities are not only achieved, but also completed in an exemplary manner. The Senior Executive has exerted a major positive influence on the organization through effective management practices and procedures, noteworthy program implementation, success in building partnerships and coalitions, demonstrated responsiveness to internal and external customers, and outstanding management of resources, all of which have contributed substantially to mission accomplishment.

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- (2) **Superior:** The performance rating for an employee who meets the retention standard and generally exceeds levels of performance described in his/her Performance Agreement. This rating may also be given to an employee who meets the retention standard and demonstrates exceptional performance in either responsibilities or commitments and meets the expectations in the other, but overcomes significant organizational challenges or whose work effectiveness and contributions have impact far beyond his/her purview.
  - (3) **Fully Successful:** The Senior Executive's performance meets expectations. The Senior Executive demonstrates sound performance. All critical element activities have at least been satisfactorily completed. The Senior Executive has contributed positively to organizational goals and achieved meaningful results.
  - (4) **Minimally Satisfactory:** The Senior Executive does not consistently meet performance expectations. This level of performance, while demonstrating some positive contributions to the organization, shows notable deficiencies. It is below the level expected for the position and requires corrective action. The quality of performance does not meet the expectations nor contribute towards mission accomplishment at a level expected of a senior executive.
  - (5) **Unsatisfactory:** The Senior Executive does not meet performance expectations on one or more critical elements. Job performance produces unacceptable work products. Minimum requirements of the critical elements are not met. Performance deficiencies detract from mission goals and objectives.
- g. **Required Documentation.** A summary rating level is sufficient in most cases, but written justification is required for the following:
- (1) For recommendation for base salary increase and/or bonus, a summary of accomplishments, not to exceed two pages, is required;
  - (2) For an otherwise successful executive who is rated "Does Not Meet" on any element, a justification of no more than one-half page is required for each element rated "Does Not Meet";
  - (3) For an executive nominated for a Presidential award of rank, justification must comply with OPM instructions and guidance, and be appropriate for the level of competition for such an award;
  - (4) For any executive who is rated "Minimally Satisfactory" or "Unsatisfactory" and is recommended for corrective action, such as

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removal or reassignment, up to a two-page summary statement that provides the rationale for the action is required.

## **17. Right to Respond in Writing and Request Higher Level Review.**

- a. USDA requires a review of the initial summary rating by a higher-level official (the reviewing official), before the rating is given to the PRB.
- b. The rating official should discuss the executive's proposed rating with the reviewing official prior to sharing the rating with the executive. Both the rating official and the reviewer should consider organizational as well as individual performance when determining or reviewing the executive's rating.
- c. When the rating official gives the initial rating to the executive, the rating official shall advise the senior executive of his or her right to respond in writing to any aspect of the rating. If a senior executive chooses to exercise his or her right to respond in writing such response must be made to the rating official within 7 calendar days of the date the rating was signed by the rating official.
- d. The reviewing official cannot change the rating, but may recommend a different rating to the PRB and the Secretary. If the reviewing official proposes changes to the rating or wishes to submit comments to the PRB, the executive will be given the opportunity to review the comments and respond to the PRB.
- e. Agency heads and staff office directors may also respond to the Civil Rights rating recommended to the rating official and the PRB by the Assistant Secretary for Civil Rights, prior to the PRB meeting. If the civil rights element rating proposed by the rating official or reviewing official is different than that recommended by the Assistant Secretary for Civil Rights, the PRB should be advised of the discrepancy;
- f. Both the executive and the rating official must be given copies of the reviewer's comments and recommendations.
- g. After the higher-level review is completed, the appraisal package (the rating and accompanying documentation, including the higher level review's comments and recommendation, if any) will be forwarded to a PRB for review.

## **18. Review by the PRB**

The PRB must review the rating and comments from the senior executive and the higher-level official, if any, and make recommendations to the Secretary. The

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PRB will consider the material forwarded and make a written recommendation to the appropriate appointing authority regarding the annual summary rating to be assigned as well as any related matters such as performance pay, base salary adjustments, performance awards, reassignments, and removals. USDA will issue annual guidance on PRB procedures and those pertaining the base pay adjustments and bonus awards. The Senior Performance Official will review and analyze the package before it goes to the Secretary. Any issues will be resolved by the Senior Performance Official in consultation with the PRB Chair, prior to submission of the ratings and pay or bonus recommendations to the Secretary.

## **19. Annual Summary Rating.**

- a. The Secretary makes the final decision, in writing, regarding the annual summary rating to be assigned and related personnel recommendations after considering any PRB recommendations.
- b. The annual summary rating approved by the Secretary is final and becomes the executive's official rating. Senior executive performance appraisals and ratings are not appealable. See Section 25 for Rights of the Senior Executive.
- c. One copy of the approved rating form must be provided to the employee; the rating official may retain another copy; and a third copy will be forwarded to the servicing personnel office for retention in the Official Personnel File (OPF) or Employee Performance File (EPF).
- d. The rating official must promptly initiate personnel actions resulting from the annual summary rating.

## **20. Processing and Retention of Performance Ratings.**

- a. Control dates established by Departmental guidance must be adhered to in order to ensure the proper review of ratings by PRBs.
- b. All performance related records must be maintained in either the OPF or EPF for no less than 5 years from the date the rating is issued.
- c. The performance appraisals for the most recent 5 years and the most recent Performance Agreement and interim rating will be forwarded as part of the OPF to a gaining agency upon an employee's transfer.

## **21. Validity of Ratings.**



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- a. Each final annual summary rating issued within the Department (or other office which is subject to the performance appraisal requirements of 5 U.S.C. chapter 43, subchapter II) supersedes the previous one and is considered to be the valid rating of record.
  - b. When a new SES employee enters on duty with the Department at any time during the appraisal period, the most recent annual summary rating rendered in the former agency will be recognized as the official rating of record until it is superseded by a rating of record issued under this plan.

## **22. Effect of the Rating**

A summary rating of at least "Fully Successful" will provide the basis for an executive's retention in the SES and will establish the executive's eligibility for consideration for performance awards and base pay increases.

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## Chapter 3

### Performance Based Actions

#### 23. Performance-Based Pay and Awards

The proposed rating of an executive is just one part of an overall recognition of individual performance. Public Law 108-136 significantly changed how to financially compensate executives. Any increase in salary or bonus must be related to an executive's performance. Executives rated at the Fully Successful level and higher are eligible for base salary increases and/or bonuses. At the beginning of the performance year, the Senior Performance Official, in consultation with the Secretary, will issue guidelines for base salary adjustments and bonus percentages. As part of the overall training of the PRB chair and members, compensation directions will be discussed to assure that all participating executives understand how to evaluate and issue recommendations on base salary adjustments and bonuses. Executives with a final rating of Minimally Satisfactory or Unsatisfactory may have their base salary decreased by a percentage, as determined by the Secretary. Executives on Limited Term or Limited Emergency appointments and non-career executives are not eligible for bonuses but are eligible for base salary adjustments based on performance.

#### 24. Actions Based on Less than Fully Successful Performance

- a. **Requirement.** 5 CFR § 430.306(a) requires that supervisors must advise and assist employees in improving their performance.
- b. **Optional Removal:** Any SES member receiving an Unsatisfactory rating shall be reassigned or transferred within the SES or removed from the SES.
- c. **Mandatory Removal:** Any SES member who receives the following shall be removed from the SES:
  - (1) Two Unsatisfactory ratings within any period of 5 consecutive years; or,
  - (2) Receives two less than Fully Successful ratings within 3 consecutive years.

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- d. Less than Fully Successful performance.** When an employee's performance falls below Fully Successful (whether or not a formal appraisal has been given), good personnel practice suggests that this determination should trigger prompt action on the part of the supervisor to bring the employee's performance up to an acceptable level or, if warranted in the case when an employee is Unsatisfactory, to begin steps leading to the placement of the employee in a job he or she can successfully perform. Exactly what steps should be taken depends on the circumstances of the case. A Minimally Satisfactory rating permits a year's period to show improvement. However, the base salary **may be reduced by the Secretary.**
- e. **Approaches.** Formal training, on-the-job training, counseling, and closer supervision are common approaches to below par performance problems. An organization has no justification, however, for continuing to retain an employee whose performance is Unsatisfactory after attempts to improve the employee's performance or place him or her in another position fail.
- f. **Procedures.** Since performance appraisal is a continuous process, the following procedures shall be followed at any time during the year after the minimum appraisal period has been completed when a supervisor concludes that the employee's performance in one or more critical elements is below Fully Successful.
- g. **Discussion.** There must be a discussion between the supervisor and the employee for the purpose of:
- (1) Advising the employee of specific shortcomings between observed performance in the critical element(s) under scrutiny and the performance requirements associated with the particular element(s); and
  - (2) Providing the employee with a full opportunity to explain the observed deficiencies.
- h. **Determine Appropriate Action.**
- (1) If the supervisor believes that the matter has been resolved to his or her satisfaction during the course of the discussion, the supervisor need not take further formal action at this point.
  - (2) If the supervisor believes that further action is necessary, he or she shall complete an appraisal and record his or her assessments on the rating form.
  - (3) The supervisor shall advise the senior executive of his or her right to respond in writing within 7 calendar days and of the action he or she is

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recommending with respect to the proposed Minimally Satisfactory or Unsatisfactory rating.

- (4) The supervisor should also advise the senior executive of the review levels required before the rating and proposed action become final, i.e., a possible review by a higher level official, the PRB, and, ultimately, the Secretary as appropriate. The senior executive should also be advised that the rating and proposed action do not become final until the Secretary's decision is made.
- (5) If a first-time rating of Minimally Satisfactory is recommended by the PRB, it does not carry with it any legally mandated personnel action. However, as a practical matter, such a rating should carry with it a recommendation reflecting the marginal performance it represents. Recommended actions that the rating official may wish to consider include: (a) additional training designed to correct the deficient performance or (b) reassignment to another SES position. If the Minimally Satisfactory rating is approved by the Secretary, base salary may be reduced.
- (6) A career executive may be reassigned to another SES position only if the executive receives at least 15 days advance written notice for a reassignment within the commuting area and at least 60 days advance written notice for a reassignment outside the commuting area. The executive may voluntarily waive the above notices. Such waivers must be in writing.
- (7) If the Unsatisfactory rating is approved by the Secretary, the senior executive must be reassigned to a different position within the SES or removed from the SES in accordance with the provisions of 5 CFR Part 359, Subpart E. Base salary may be reduced.
- (8) A career executive may be removed from the SES at any time prior to the completion of the probationary period required under 5 U.S.C. § 3393. However, a career executive who has completed the probationary period and whose removal from the SES for less than Fully Successful executive performance is contemplated is entitled to a 30-day advance written notice of such action (see 5 CFR § 359.502). In addition, upon request, the career executive shall be granted an informal hearing before an official designated by the Merit Systems Protection Board at least 15 days before the effective date of the removal. At this time, the career executive may appear and present arguments. Such hearing shall not give the career executive the right to initiate an action under 5 U.S.C. § 7701 (formal appellate procedure) nor need the removal action be delayed as a result of the granting of such hearing. A career executive who is removed from the

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SES for less than Fully Successful performance is entitled to be placed in a civil service position (other than an SES position) in accordance with the provisions of 5 U.S.C. § 3594.

- (9) The removal of an SES career executive for performance reasons is subject to the 120-day moratorium, except for a removal based on an Unsatisfactory rating given before the appointment of a new agency head or noncareer supervisor that initiated the action. This includes an optional removal based on one Unsatisfactory rating, a mandatory removal based on two Unsatisfactory ratings in 5 years, and a mandatory removal based on two less than fully successful ratings in 3 years.
- (10) SES noncareer and limited term executives may be reassigned or removed from the SES at any time. Regulations require that noncareer and limited term executives receive notice in writing before the effective date of a removal (See 5 CFR Part 359, Subpart I).

## **25. Rights of the Senior Executive**

By law, a senior executive may not appeal the final rating and the rating is not grievable. A career executive, however, may file a complaint with the Office of the Special Counsel on any aspect of the rating process that the executive believes to involve a prohibited personnel practice. Guidance can be found in 5 CFR Part 359 for provisions governing removal (Subpart E) and guaranteed placement following removal (Subpart G).

## **26. SES Probationary Period**

New career SES executives must serve a 1-year probationary period. Satisfactory completion of the probationary period is a prerequisite for retention in the SES. This probationary period begins on the effective date of the initial SES career appointment and ends one calendar year later.

- a. The supervisor of the new career SES executive has the following responsibilities during the probationary period:
  - (1) Follow through on agency initiated or the Office of Personnel Management Qualifications Review Board recommended training.
  - (2) Observe the employee's performance and conduct.
  - (3) Hold at least one periodic rating prior to 90 days before the end of the rating period, documenting discussions of progress with the employee,

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clearly outlining the strengths and weaknesses of the employee in relation to the position's performance requirements.

- (4) Complete Form AD-773, Supervisory or Managerial Probationary Period Report, (Exhibit 2) and an interim rating on Form AD-435C, SES Appraisal Record, and submit to Executive Resources Services Division (ERSD) at least 60 days prior to completion of the employee's probationary period. If the employee's performance is evaluated as less than Fully Successful, appropriate supporting documentation must also be submitted. (See Section 16g, Required Documentation).
- (5) If the probationer's managerial or professional/technical performance is unacceptable, consider whether remedial action (such as specialized training or assignment to other SES duties) or removal action is appropriate.
- (6) If after full and fair consideration, the probationary period evaluation results in a recommendation for removal, the supervisor should promptly contact ERSD for further guidance.
- (7) The removal of a probationer for performance reasons is not appealable to the Merit Systems Protection Board and does not entitle the employee to an informal hearing before the Board.

The removal of a probationer entitles them to a GS-1, or equivalent, position and to an appointment of equivalent tenure held at the time appointment to the SES was made.

## **27. System Evaluation and Reports**

The Senior Performance Official is responsible for conducting annual assessments of the SES PMS and providing information and recommendations to the Secretary to ensure that the performance appraisal process is an effective tool for USDA. The Senior Performance Official issues annual guidance and policy and reports as required.

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## Glossary of Terms

1. **Annual Compensation Limitations**—The new pay for performance system establishes level III of the Executive Schedule (currently \$145,600) as the base salary limit for all SES members. However, those agencies that demonstrate that their executive appraisal systems make “meaningful distinctions based on relative performance,” as certified by OPM, with concurrence by the Office of Management and Budget may grant base pay increases to their highest performing executives up to level II of the Executive Schedule (currently \$158,100). However, the statute dictates that any amount over the maximum that is not paid to an employee in a calendar year be paid at the beginning of the following calendar year.
2. **Approving Official**—The approving official for executives’ Summary Evaluation Ratings, performance bonuses, and base salary increases is the Secretary of Agriculture who receives recommendations from the Performance Review Boards.
3. **Special Act Award**—An action taken to recognize and reward individual or team achievements that contribute to meeting organizational goals or improving the efficiency, effectiveness, or economy of the government, or is otherwise in the public interest.
4. **Basic Pay**—The rate of pay fixed by law or administrative action for the position held by an employee before any deductions are made and exclusive of additional pay of any kind, including locality payments.
5. **Base Salary**—The continuing annual salary paid to an executive. As of January 11, 2004, all salary dollars for senior executives are considered base salary.
6. **Base Salary Decrease** – Executives receiving a Minimally Satisfactory rating may have their base salary decreased by 3 percentage points.
7. **Base Salary Increase**—Increase resulting from an executive’s performance. A portion of the increase will be mandatory and linked to the ration. Additional salary increases are optional. The Secretary of Agriculture approves base salary increases based on recommendations from the PRBs.
8. **Bonus Pool Dollars**—The total amount of money available to be awarded to career SES for bonuses, limited by statute to 10% of the aggregate career SES basic pay as of the end of the preceding fiscal year.
9. **Bonus Restriction**—Bonuses may not be less than 5% of an executive’s basic pay and are generally not more than 20% of an executive’s basic pay.

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10. **Career SES**—Executives on competitive appointments to the SES without time limitation.
  11. **Critical Element** – means a key component of an executive’s work that contributes to organizational goals and results and is so important that unsatisfactory performance of the element would make the executive’s overall job performance unsatisfactory.
  12. **Excess Annual Compensation Amounts**—Any sum of money that an employee receives beyond the statutory limitation on the total aggregate amount of money an Executive Branch employee may receive in any one calendar year.
  13. **Executive Performance Agreement**—A multi-part agreement intended to establish annual performance expectations for executives, which also includes the mid-year progress review, Summary Evaluation and the Performance Review Board process. Describes the individual and organizational expectations for the appraisal period and sets the requirements against which performance will be evaluated. Supervisors must develop performance plans in consultation with senior executives and communicate them on or before the beginning of the appraisal period. Performance plans must: (1) describe critical elements; (2) performance requirements; and (3) link with strategic planning initiatives.
  14. **Executive Resources Board (ERB)**—A group comprised of USDA executives, which oversees aspects of the SES and advises the SPO and the Secretary of Agriculture.
  15. **Fully Successful Rating**—The performance rating for an employee who meets the standard and the responsibilities and commitments in his/her Performance Agreement. Employee is eligible for base salary increase and performance bonus.
  16. **Minimally Satisfactory Rating**—The performance rating for an employee who fails to meet the retention standard, responsibilities, and/or commitments in his/her Performance Agreement. Base salary reductions may be required.
  17. **Noncritical Performance Element** – means components of an executive’s work that do not meet the definition of a critical element, but may be important enough to factor into the executive’s performance appraisal
  18. **Official Rating** – is the same thing as the annual summary rating.
  19. **Outstanding Rating**—The performance rating for an employee who meets the retention standard, and performs as a model of excellence by exceeding the responsibilities and commitments of his/her Performance Agreement, despite constantly changing priorities, insufficient or unanticipated resource shortages and externally driven deadlines. This level exemplifies the highest level of performance possible. This level is rare, and should be thought of as the exception. Outstanding performance is characterized by



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performance that demonstrates organizational as well as personal achievement. The Senior Executive's performance has made a positive and significant impact on organizational results in direct support of USDA's mission. All critical element activities are not only achieved, but also completed in an exemplary manner. The Senior Executive has exerted a major positive influence on the organization through effective management practices and procedures, noteworthy program implementation, success in building partnerships and coalitions, demonstrated responsiveness to internal and external customers, and outstanding management of resources, all of which have contributed substantially to mission accomplishment.

- 20. Performance Bonus**—A lump sum payment, ranging from 5 to 20 percent of basic salary awarded by the Secretary of Agriculture to a career SES member who has at least a Fully Successful rating. Provides recognition of consistently good performance throughout the rating cycle with substantial achievement of agency's performance objectives. Bonuses are optional.
- 21. Performance Cycle**—The period, typically starting October 1 and ending September 30 for executives, during which an employee's performance is evaluated (generally one year).
- 22. Performance requirement (or standards)** - means a statement of the performance expected for critical and noncritical elements. At a minimum the performance agreement must describe performance expected for Fully Successful performance.
- 23. Performance Review Board (PRB)**—A group of senior executives that is responsible for the oversight of the Performance Management and Compensation processes for SES employees. Membership of the PRBs is established at the beginning of the performance year and lasts through the completion of the appraisal process. More than 50% career SES membership is required for review of SES ratings, bonuses and pay adjustments. Each PRB reviews the recommended Summary Evaluation Ratings of the executives within the organization for which it has jurisdiction and makes recommendations on ratings, bonuses, and base salary increases.
- 24. Presidential Rank Award**—An award (Distinguished for sustained extraordinary accomplishment or Meritorious for sustained accomplishment) given to career SES (and certain other career senior level positions) to recognize exceptional performance over a period of time. Nominations are submitted by the Secretary of Agriculture to the Office of Personnel Management, which, in turn, makes recommendations to the President for approval.
- 25. Rating Official**—The employee's supervisor who evaluates performance and proposes the ratings for each performance expectation and the initial Summary Evaluation Rating.

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- 26. Reviewing Official**—A manager in the organization at a higher level than the Rating Official who reviews the self-assessments, summary narratives and ratings assigned. After this review, they endorse or disapprove the performance rating and/or pay level increase using the Performance Agreement Form (Appendix 4) and forwards endorsed package to the PRB.
- 27. Secretary of Agriculture** —The Secretary of Agriculture serves as the Approving Official for Summary Evaluation Ratings, base salary increases, performance bonuses, and for Presidential Rank Awards nominations.
- 28. Senior Executive Service (SES) Compensation Plan**—The guidelines used to establish a framework for how USDA will increase base salary and determine performance bonuses and awards for members of the SES. The Plan sets Bonus Targets “up front” to reinforce critical performance expectations and links base salary increases and performance bonuses and awards with performance results.
- 29. Senior Performance Official (SPO)** – The Assistant Secretary for Administration is the Department’s SPO. The SPO evaluates and analyzes the PRB recommendations for ratings, performance bonuses and base salary increases and submits recommendations to the Secretary.
- 30. Senior Executive Performance Work Plan – also known as the Performance Agreement, describes** the individual and organizational expectations for the appraisal period and set the requirements against which performance will be evaluated. Supervisors must develop performance plans in consultation with senior executives and communicate them on or before the beginning of the appraisal period. Performance plans must: (1) describe critical elements; (2) performance requirements; and (3) link with strategic planning initiatives.
- 31. Special Act Award**—An action taken outside of the performance appraisal process to recognize and reward individual or team achievements that contribute to meeting organizational goals or improving the efficiency, effectiveness, or economy of the government, or is otherwise in the public interest.
- 32. Strategic Planning Initiatives** – USDA and agency strategic plans, performance plans, organizational work plans, and any other related initiatives.
- 33. Summary Rating** – can be either initial or annual:
- a. **Initial summary rating** means an overall rating the supervisor derives from appraising the executive’s performance during the appraisal period and forwards to the PRB;

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- b. **Annual summary rating** means the overall rating level that an appointing official (USDA Secretary) assigns at the end of the appraisal period after considering the PRBs' recommendations. This is the official rating.

**34. Superior Rating**—The performance rating for an employee who meets the retention standard and generally exceeds levels of performance described in his/her Performance Agreement. This rating may also be given to an employee who meets the retention standard and demonstrates exceptional performance in either responsibilities or commitments and meets the expectations in the other, but overcomes significant organizational challenges or whose work effectiveness and contributions have impact far beyond his/her purview. Employee is eligible for base salary increase and/or performance bonus.