

United States Department of Agriculture

Research, Education, and Economics Agricultural Research Service

APR 28 2008

DECISION MEMORANDUM FOR THE DEPUTY ADMINISTRATOR

SUBJECT: Options for Performance-based Awards in AFM for the Shortened

Rating Cycle

TO: James H. Bradley, Deputy Administrator . Administrative and Financial Management

FROM: Karen M. Brownell, Director

Human Resources Division

Current AFM policy on performance-based awards provides a variety of options from which employees may select depending on whether they receive a 'Superior' or 'Outstanding' performance rating. For the rating cycles that will end on September 30, 2008, I recommend modifying the performance award policy to address the shorter timeframes that will be covered by these cycles. The recommendations below apply to all AFM employees regardless of whether they are currently on a calendar year or spring performance cycle. Employees currently on a calendar year cycle will have their rating period shortened to 9 months; employees on a spring cycle will have their rating period shortened to 6 months.

Specifically, I recommend the following:

- Suspend the use of Quality Step Increases (QSIs) for 'Outstanding' ratings for the transition cycle; and,
- Pro-rate the value of cash and time-off awards based on the length of the cycle relative to a normal, year-long cycle.

OSIs

One condition of granting a QSI is that an employee cannot have received one in the 52 weeks prior to the granting of another. Since the rating cycles will be shortened to either 6 or 9 months, employees who received a QSI for the last rating period will not be eligible for another if they receive a subsequent 'Outstanding' rating because 52 weeks will not have elapsed. In addition, QSIs are regarded as the highest form of performance recognition allowed. Due to the shortened rating



cycles, supervisors have modified or pro-rated performance expectations to reflect what can be accomplished in 9 or 6 months. As a result, the value of QSIs seems disproportionate to what employees can be expected to accomplish in the curtailed cycles.

Pro-rating amounts of bonuses/time-off awards

AFM performance award policy links dollar/time-off values to specific ratings. I recommend that the values of these awards be reduced in proportion to the shortened cycles.

For 2-grade interval employees who will have a 9 month cycle, reduce the values to 3/4 the normal amount (see table below).

For 1-grade interval employees who will have a 6 month cycle, reduce to values to ½ the normal amount (see table below).

IF:	AND:	THEN:
Employee is in a 1-grade interval position	Receives a 'Superior'	He/she would be eligible for either \$375 or 12 hours time
miter var postuori	Tating	off (1/2 the normal amount).
Employee is in a 1-grade	Receives an 'Outstanding'	He/she would be eligible for
interval position	rating	either ½ the interval
		between steps in his/her
		grade level or 20 hours time
		off.
Employee is in a 2-grade	Receives a 'Superior'	He/she would be eligible for
interval position	rating	either \$563 or 18 hours time
		off (3/4 the normal amount).
Employee is in a 2-grade	Receives an 'Outstanding'	He/she would be eligible for
interval position	rating	either ¼ the interval
		between steps in his/her
		grade level or 30 hours time
		off.

(4) I accept the recommendations for QSIs and performance bonus/time-off awards as described above.

() I do not accept the recommendations for QSIs and performance bonus/time-off awards as described above. Implement alternatives I have described below.

Signature

Date