TO: Subcabinet Officials
    Agency Heads
    Staff Office Directors

FROM: Deputy Secretary Stephen L. Censky

SUBJECT: New USDA Performance and Awards Policy

DATE: June 25, 2020

Today I am pleased to share that USDA has finalized and published Departmental Regulation 4040-430, Employee Performance and Awards, for non-executive employees, effective October 1, 2020. As you know, USDA’s workforce is our most valuable asset, the face of USDA customer service across the country, and critical to ensuring our mission is achieved every day. We are moving to a new performance and awards policy to significantly simplify the process, address differences in how the previous system was implemented across the Department, and to recognize employees in a timely fashion for work well done. The new performance and awards policy aims to ensure consistency across the Department in how our employees’ performance is assessed, awards are distributed, and to encourage ongoing performance discussions and recognition of accomplishments.

The new performance management system moves USDA non-executives from a five-tier rating system to a much more simplified system with only two ratings: Fully Successful and Unacceptable. To be clear, this is not a check-the-box exercise. USDA supervisors are expected to have ongoing, substantive performance conversations with their employees throughout the year, and quarterly conversations will still be required. We are shifting the burden from writing performance plans at two levels and narrative justifications for each element rating to spending more time managing performance and recognizing employees for their many accomplishments.

Under the new awards program, monetary and time-off awards will be focused on ongoing employee contributions to USDA’s mission, rather than employee ratings, and will be granted throughout the year instead of waiting until end-of-the-year ratings are completed. This will require a change in mindset across USDA, but research has shown that employee recognition is most meaningful when it’s given soon after the achievement being recognized. It is important that agency leaders embrace and promote this change as we transition from FY 2020 to 2021. Additionally, under the new awards policy, employees will be able to carry over up to 80 hours of time off awards a year, and agencies will need to determine if they want to honor time off awards from employees transferring from other federal agencies, which is allowed under the new policy. These are just a few of the changes in the new policy; you and your staff should review the new policy and associated documents to fully understand and implement it.
To help employees and managers understand how to use this new policy, USDA has developed training and job aids that will be assigned in AgLearn to employees and supervisors to educate them about the new policy, how to develop meaningful performance plans and standards, and how to make performance discussions an ongoing part of the employee-manager relationship. Additionally, while we expect most employees to be fully successful under the new performance policy, we will also be assigning mandatory training in the coming months to provide supervisors with additional tools in identifying and managing poor performance. Lastly, we are also taking this time to reemphasize the importance and requirement that all employees have individual development plans (IDPs) and discuss their training and development needs with their managers on an annual basis. IDPs are an important tool to foster continuous skills development while supporting USDA’s broader mission needs.

USDA agency labor relations officers (LRO) should begin Impact and Implementation bargaining with their appropriate unions on this new policy and its associated training requirements to allow for implementation October 1, 2020. If a LRO requires labor relations assistance or guidance on this matter, please contact Dan Kline, OHRM Branch Chief, Labor Relations Division, at (202) 570-8610 or by email at Dan.Kline2@usda.gov.

If you have any other questions about this memorandum, please contact Mary Pletcher Rice (mary.pletcher@usda.gov) or Douglas Follansbee (douglas.follansbee@usda.gov) within the Office of Human Resources Management.

Cc: USDA CHCO Council