

NPA BRIEFING

Impact of Post Office Level Changes

Background:

Throughout the year, the field processes changes to authorized post office EAS levels (both upgrades and downgrades). NPA differentiates between post offices by assigning unit indicators based on EAS level groupings as follows:

Post Office Level NPA Grouping	Corporate vs. Individual Weight	
	Postmasters	Mgr/Supv/Staff
EAS 26 to 21	50% / 50%	50% / 50%
EAS 20 to 18	40% / 60%	50% / 50%
EAS 16 to 11	70% / 30%	N/A
EAS A to E	70% / 30%	N/A

As the level groups go up, more unit indicators are added reflecting the higher complexity of the office. The postmaster and any EAS managers/supervisors/staff in the office are impacted by both the additional indicators and the changing proportionate weight between the Corporate and the Unit Indicators in calculating the NPA Composite Summary score.

No data is available on the number of offices that are relegated to a lower EAS level annually, but the number of such occurrences is small. Research shows that the number of post offices nationally that increased in level from one NPA EAS level group to the next are as follows:

<u>Year</u>	<u>EAS 11-16 to EAS 18-20</u>	<u>EAS 18-20 to EAS 21-26</u>
2003	31	15
2002	63	20
2001	48	27
2000	52	24
1999	54	28
Average	50	23

Post offices moving from EAS A-E to EAS 11-16 or from EAS 21-26 to PCES are a relatively rare occurrence. Overall, the number of post office changes that impact the NPA system is relatively small in any given year. It is therefore logical to treat this as an exception rather than to attempt programming a solution into the system.

Issues and Considerations:

There is a workload and programming issue for NPA to ensure that changes in post office level are captured and included accurately in the system. In general, however, the source systems that provide information to NPA on unit indicator performance can accommodate changes in level rather easily, so the technical issues are minimal. The exception is the Safety Program Evaluation Guide (PEG) where a review must be scheduled in advance so that it can be resourced appropriately. If an office were to advance from EAS20 to EAS21 late in the fiscal year, it might not be possible to prepare for and schedule a PEG review prior to the end of the year.

The significant impact of these level changes is not to the NPA system itself, but to the EAS employees in the affected offices. If those managers and supervisors have been planning and managing to a specific set of unit indicators throughout the year, they may not have time to react appropriately if additional indicators are imposed upon them late in the year as a result of a post office EAS level advancement. This could possibly have an adverse impact on their NPA Composite score and therefore on their Pay-for-Performance.

Recommendation:

We recommend that NPA process post office level changes only at the beginning of the fiscal year and at mid-year. This would minimize the technical and programming impacts on the NPA system. More important, it would stabilize any impact on the EAS employees in affected offices.

For example, if an office were officially advanced in January from an EAS15 to an EAS18, NPA would process that change at mid-year (March) and the EAS employees would have sufficient time to react to the additional indicators before the end of the fiscal year. If, however, that office were advanced in June, their NPA unit indicators would remain the same through the end of that fiscal year and only be changed at the beginning of the next fiscal year (October).

- **Please note that this recommendation will have no impact on any other financial, personnel, or operations systems. Once the authorized office EAS level is officially changed, that change and all its repercussions will be immediately effective in all systems except NPA.**

Implementation:

If this recommendation is adopted, NPA will cease processing post office level changes effective immediately, since we are already past mid-year in FY2004. This briefing has been forwarded to the Management Organizations for their comment and feedback. All three found the proposed policy acceptable. In the absence of an official indication to the contrary, NPA will consider this change implemented.