

Executive Resources Biennial Allocations Guidance

November 30, 2016

Summary

In light of the upcoming change in Presidential administration, OPM expects agencies will limit requests for changes to their executive allocations to support the prerogative of incoming agency heads to have the opportunity to determine mission priorities and workforce planning decisions. Therefore, OPM will primarily give consideration to requests based upon new or changed legislation, unforeseen exigent needs, and those submitted by agency heads whose appointments will continue across the change in administration.¹ At this time, justifications based on reorganizations or on-going initiatives (including mission expansion) are strongly discouraged from being submitted, and agencies should refrain from requesting additional allocations for positions that will report directly to an agency head who has not yet been appointed. We understand this may result in the need for agencies to submit out-of-cycle allocation requests upon appointment of new agency heads.

Executive Resources Biennial Allocations

Every two years, in accordance with 5 U.S.C. § 3133(c), OPM reviews the request of each agency for SES allocations, in consultation with the U.S. Office of Management and Budget (OMB), and authorizes for each of the two fiscal years covered by the requests a specific number of SES positions for each agency. OPM follows a similar process with respect to agency requests for SL and ST positions and authorizations. OPM administers the executive resources biennial allocation process to conduct an enterprise-level review of organizational missions, plans, and structures and assess whether executive resources are being used in the most efficient manner.

Information Required for FY 2018-2019 Executive Resources Biennial Allocations Process

(1) Initial Written Verification and Requests for Changes to Allocations

By Friday, December 30, 2016, each agency is required to submit a written verification of its continuing need for current allocations (using the attached template), as well as any requests for changes to allocations for FYs 2018 and 2019 based upon background information noted above. In this initial submission, each agency must specifically include the following: certification of the continuing need for established allocations; notification on whether the agency is requesting additional allocations, or conversions within its existing allocations; and identification of any positions for which the agency is requesting re-designation as career reserved or general.

Recommendation:

1. Review the sections below for definitions and support in determining any changes in allocations needed for the upcoming two fiscal years.

¹ On November 7, 2016, President Barack Obama requested letters of resignation from all non-termed presidential appointees by December 07, 2016, and the following categories of appointees were exempted from this request: U.S. Marshals; U.S. Attorneys; Inspectors General; Appointees serving in termed appointments; Appointees of independent and regulatory agencies headed by termed appointees; and Appointees serving on part-time boards and commissions.

2. Log into ESCS and run the “Summary Agency Allocation and Filled Report with Executive Levels” located under the reports tab, to obtain your agency’s current allocation information.
3. Complete and return the “Executive Resources Biennial Allocation Request Template” to SERS@opm.gov. Please state in the subject line: Biennial Allocation Submission.

(2) Subsequent Supporting Justification and Documentation for Requests for Changes to Allocations

Not later than Tuesday, May 2, 2017, each agency requesting changes to their executive resources allocations for FYs 2018 and 2019 must submit written justifications consistent with this guidance for any additional allocations. Also included should be the prioritization for all established and requested allocations, including temporary allocations (see guidance *Supporting Requests for Additional Allocations*). Agencies must also submit written justification for conversion of existing allocations, as well as, positions requiring re-designation, for example, as career reserved or general. Updated forms for fulfilling the May 2 deadline will be forthcoming early in CY 2017.

While requirements may vary from one biennial cycle to another, the following provides additional general information agencies must ultimately submit for requests for additional allocations.

- Identification of specific positions (by title and organizational location) for which any additional executive spaces are sought and the basis for determining these needs;
- Description of the particular circumstances giving rise to the needs (e.g., legislative mandate or Presidential directive, new Agency mission, etc.);
- Specific results expected from each additional position and impact to Agency mission and/or Administration goals;
- Identification of funding or other resources to support the new allocations, including reprogramming of resources and revision to functions within each Agency, aligned to Agency priorities;
- Prioritization of all established and proposed positions (vacant, encumbered, or Temporary) by their relative significance and impact to Agencies’ mission requirements (i.e., Agency-wide goals and objectives);
- Numbers of vacancies, and length of time positions remain vacant, please make sure the Executive and Schedule C System (ESCS) has current/updated information; and
- The extent to which individual positions meet SES functional criteria.

If you have any questions, please contact Phyllis Proctor by telephone at (202) 606-2683 or by e-mail at Phyllis.Proctor@opm.gov. You may also contact the Senior Executive Resources Services (SERS) main telephone line at (202) 606-2246, or to the SERS email at SERS@opm.gov, where a member of the team will assist you.

Supporting Requests for Additional Allocations or Conversion of Existing Allocations

Agencies requesting additional resources (or to convert existing allocations) during the biennial review must provide a detailed justification for the desired increases, or changes, that is based on a comprehensive, Agency-wide assessment of their executive resource needs. This assessment should include all established and requested positions, and prioritize all current and proposed positions in terms of their relative contribution to Agency mission requirements.

In making allocation decisions, OPM considers the degree to which agencies are effectively managing their executive resources, as documented by a strategic workforce analysis. This analysis addresses such things as whether the agency has redeployed permanent allocations to critical position needs, determined whether or not positions can be abolished, and addressed performance issues. OPM also considers other factors, such as the SES/SL/ST vacancy rate, overall agency funding levels and personnel ceilings, and the impact of the requested increases on Agency-wide allocations. In addition, OPM consults with OMB about the resource implications of the requested position increases.

To reinforce our emphasis on the importance of agencies' responsibility and accountability for their own resource management decisions, we will not make allocation decisions by evaluating positions individually, in terms of classification factors, to determine whether a specific position exceeds the GS-15 level and should be placed in the SES, SL, or ST systems. Rather, each Agency is responsible for making its own classification decisions and for conducting an Agency-wide assessment of its priorities to determine how its pool of SES/SL/ST positions should be distributed. If, as part of that review, an Agency concludes that it has high priority SL or ST needs and it is able to redirect SES resources from lower priority areas to meet those needs, OPM may approve an increase in SL or ST spaces in exchange for SES spaces.

Agency-wide Priorities

Agency-wide priorities are an important component of the Agency's supporting justification for changes (additional or converting) to its allocations. Agencies must:

- Provide organization charts identifying all current and proposed senior positions with identification regarding the status of each position whether it is encumbered, vacant or proposed.
 - Agencies can establish and recruit for positions in excess of their allocation; however, the number of filled positions cannot exceed the number allocated. Agencies should explain if they use such a system of "floating" vacancies and account for all established vacancies, even if the total exceeds the number allocated.
- Prioritize all currently established positions, by category, including any Temporary allocations, whether vacant or encumbered in terms of their relative contribution to the Agency's mission requirements.

- Please use at least three, but no more than five, categories (e.g., Category A includes positions most critical to Agency mission accomplishment). While we will leave the precise definition of categories to each agency, in all cases the lowest category should consist of those positions that present opportunities for redeployment of executive resources — i.e., positions that may be filled at a lower level or abolished as turnover occurs, or positions from which the present incumbent may be reassigned if an appropriate opportunity is identified.
- Prioritize all new resource needs for which the additional positions are being requested, using the same system of categories. Indicate how the new needs relate to the prioritized list of current resources.
- Identify and address the Agency’s current vacancy rate (which will be verified against information within ESCS). If the agency has vacant positions, the Agency should address its plans for these positions, to include if any of the vacant positions are currently in the Agency’s recruitment process.
- Provide an analysis of how the Agency can best meet the highest priority needs by redirecting resources from lower priority areas. In conducting this analysis, please keep in mind that we are focusing on Agency-wide priorities — that is, while an executive may believe a particular position is critical to his/her own program area, that position may not rank as high in terms of the Agency as a whole. Also, include estimated time frames for redirecting resources away from lower priority needs for the rest of this biennium).

New SES Needs

Identify by title and organizational location the specific positions for which the additional spaces are requested. Also, identify whether the position will be designated as career reserved or general. For each position, include—

- The particular circumstances giving rise to the need (e.g., legislative mandate, Presidential directive). Indicate whether this is a new initiative or expansion of an ongoing activity.
- The source of funding or other resources to support the new or expanded initiative(s). Compare current and/or future funding levels, Agency-wide, with comparable levels in previous years. If the funding is less than that needed for the new/expanded initiative(s), indicate where funding is being reallocated within the Agency to support the activity.
- The outcomes anticipated from each additional executive position. What results will the additional executive allocations contribute to the mission? For example, an increase in the amount of grant monies appropriated does not necessarily require an increase in executive allocations; if an allocation is requested, what specific, measurable result will it bring to the management of the program and mission accomplishment?

- Indicate the number of Full-Time Equivalents expected to report to the SES positions. How do the requested positions align to the Agency-specific workforce plan?

New SL/ST Needs

Agencies seeking an overall increase in their SL/ST allocations must provide the same detailed justification as for SES increases. Specifically—

- Identify new SL/ST needs, on a position-by-position basis, showing the title and organizational location of each new position; the particular circumstances giving rise to the need; the source of funding or other resources to support the new or expanded initiative(s); and the specific outcome or result anticipated from each additional SL/ST resource; and
- Determine Agency-wide priorities by first prioritizing all currently established SL/ST positions, vacant or encumbered, using a category system; then by prioritizing all new resource needs in relation to established positions, using the same system of categories; and finally providing us with an analysis of how the Agency can best meet the highest priority needs by redirecting resources from lower priority areas. Please refer to the detailed instructions in the *Agency-wide Priorities* section, earlier in this attachment.

New Temporary Allocation Needs

OPM may grant a temporary space to support an agency sending an executive or senior professional on a short term assignment (e.g., an interagency detail, during which the individual will occupy an Agency space even though he or she is not available for Agency work). The temporary space “compensates” an Agency for the fact that the executive continues to encumber an Agency space while on detail. Examples of short term assignments include certain intra-agency details, Intergovernmental Personnel Act assignments, short term transfers that involve a reemployment right (e.g., to an international organization), and short term reassignments, if the position to which the individual would be reassigned cannot be established within the Agency’s current allocation.

Please include the following information in your request for a temporary position to support continuing development of an SES, SL or ST employee:

1. Identify who will be going on the developmental assignment. Provide the individual's name, position, organizational component, location, and current appointment type.
2. Describe the developmental assignment. Identify the position to which the individual will be assigned; the type of assignment, (e.g., detail, transfer, reassignment), including any applicable statutory or regulatory authority, such as the Intergovernmental Personnel Act, Detail or Transfer to International Organizations; the Agency, organizational component and location; and the planned duration of the assignment.
3. Identify the challenges or development opportunities that the assignment will provide that the individual has not had in previous positions.

4. Describe the Agency's future plans for the individual, presuming the anticipated benefits of the developmental assignments are fully realized. What position(s) will this assignment prepare the individual to assume?

Identifying SES, SL, and ST Positions

Agencies are responsible for deciding how to organize functions and structure senior positions in the best way to meet mission requirements. This includes deciding whether positions meet the Senior Executive Service (SES), Senior Level (SL), or Scientific and Professional (ST) criteria and establishing positions within authorized allocations.

The law and OPM regulations clearly specify that SES, SL, and ST positions must be classifiable above the GS-15 level. However, distinctions among positions in these three groups sometimes are not as clear. This provides general guidance to help establish cross-Agency consistency in identifying SES, SL, and ST positions.

SES Functional Criteria

The SES was intended to be a corps of executives—not technical experts. The law at 5 U.S.C. 3132(a)(2) sets forth the criteria that characterize SES positions. Determining whether a position meets the criteria for placement in the SES cannot be done mechanically.

The position must be classifiable above GS-15, or equivalent, based on the level of duties, responsibilities, and qualifications required by the job. The Agency needs to evaluate the position as a whole and determine if it functions as a part of the management team, or as an independent advisor or technical expert. In borderline cases, particular attention should be given to the position's qualification requirements and the impact these qualifications have on the position's duties and responsibilities. For example, a staff assistant should be placed in the SES if executive qualifications are critical to successful performance of the position's duties and responsibilities.

Additionally, the incumbent must engage in any of the following five italicized activities. The five activities are followed by clarifying descriptions of what the activity involves.

(1) Directing the work of an organizational unit

- Assessing policy, program, and project feasibility;
- Determining program goals and developing implementation plans;
- Designing an organizational structure to promote effective work accomplishment; and
- Setting effectiveness, efficiency, productivity, and management/internal control standards.

(2) *Accountability for the success of a program or project*

- Obtaining the resources necessary to accomplish the program or project goals and assuming responsibility for their effective use; and
- Dealing with key officials from within and/or outside the agency to gain understanding and support for the program or project.

(3) *Monitoring progress toward organizational goals and making appropriate adjustments to such goals*

- Monitoring work status through formal and informal means to evaluate progress toward objectives;
- Assessing overall effectiveness, efficiency, and productivity of the organization; and
- Identifying, diagnosing, and consulting on problem areas related to implementation and goal achievement; and making decisions on alternative courses of action.

(4) *Supervising the work of employees*

- Meeting minimum requirements for coverage under OPM's *General Schedule Supervisory Guide* (April 1998);
- Requiring accomplishment of work through combined technical and administrative direction of others;
- Constituting a major duty occupying at least 25 percent of the position time; and
- Meeting at least the lowest level of Factor 3 in the *General Schedule Supervisory Guide* based on supervision of non-contractor personnel.

(5) *Policy-making or policy-determining functions*

- Reviewing staff recommendations on policies developed to affect the organization's mission;
- Considering political, social, economic, technical, and administrative factors with potential impact on recommended policies; and
- Approving policies affecting the organization's mission.

Distinguishing between SES and SL / ST positions

Positions that are classifiable above the GS-15 level, but do not meet the SES functional criteria are placed in the Scientific and Professional (ST) system in accordance with 5 U.S.C. 3104, or in the Senior-Level (SL) system in accordance with 5 U.S.C. 3324, depending on the nature of the work.

Scientific and Professional Positions (ST)

Positions that are classifiable above the GS-15 level, but do not meet the SES functional criteria are appropriately placed in the ST system if they involve performance of high-level research and development in the physical, biological, medical or engineering sciences, or a closely-related field. All ST positions are in the competitive service.

Research and development positions are characterized by the following features:

- Systematic investigation of theory, experimentation, or simulation of experiments;
- Application of the scientific method including exploring and defining problems, planning the approach and sequence of steps, executing experiments or studies, interpreting findings, and documenting or reporting findings; and
- Exercise of creativity and critical judgment, the variation in which may materially affect the nature of the end product.

The qualifications, stature, and contributions of an individual involved in research and development have a direct and major impact on the level of difficulty and responsibility for the work performed. ST incumbents would be expected to possess a graduate degree, significant research experience, and national or international reputation in their field. Typically, the incumbent of a ST position—

- Has authored fundamental papers in the field of expertise that are widely used and cited;
- Has received significant honors from major organizations for his/her accomplishments and contributions; and
- Is sought as an advisor and consultant on scientific and technological problems that extend beyond his/her specialty.

Senior-Level Positions (SL)

Positions in the SL system are classified above GS-15, but do not meet the executive criteria characteristic of the SES nor do they involve the fundamental research and development responsibilities that are characteristic of the ST pay system. (Note: Some SL positions meet SES executive criteria in certain Agencies that are excluded from the SES.) SL positions may be in either the competitive or excepted service.