



## UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

The Director

Tuesday, March 10, 2009

### **MEMORANDUM FOR: Chief Human Capital Officers**

**FROM:** Kathie Ann Whipple, Acting Director

**Subject:** Biennial Review of Executive Resources Allocations For FY 2010 and 2011

This memorandum provides information about executive resources allocations for Fiscal Years 2010 and 2011. Responses are due to the U.S. Office of Personnel Management (OPM) by April 14, 2009

Every two years, in accordance with statutory guidelines, OPM allocates Senior Executive Service (SES) positions to Federal departments and agencies. The biennial allocation process provides OPM the authority to review organizational missions, plans, and structures and assess whether executive resources are being used in the most efficient manner. To facilitate strategic management of the Government's total executive resources pool, OPM uses this same process to allocate positions in the Senior Level (SL) and Scientific/Professional (ST) pay systems.

In December, agencies completed the first step in the biennial allocation cycle by accepting existing allocation levels or providing proposed alternative SES, SL, and/or ST allocations, and proposed position redesignations for the next two fiscal years. Under the Inspector General Reform Act of 2008, Public Law 110-409, agency Offices of Inspector General should submit a separate request from the agency head. If you seek an increase in executive resources allocations, you will need to support that request with specific justification. In addition, you must justify maintaining any temporary allocations. We will assume your agreement to continue current allocation levels unless you provide an alternate request.

Attachment One provides guidance on how to support allocation increases and justifying maintaining temporary allocation in executive resources. Attachment Two provides guidance on making distinctions between SES, SL, and ST positions. Please reply (original and two copies) no later than April 14, 2009 to:

Executive Resources Services Group  
U.S. Office of Personnel Management  
1900 E Street NW, Room 7412  
ATTN: Julia Markham  
Washington, D.C. 20415-5100

Please contact Julia Markham on (202) 606-1612, or Glenda Haendschke on (202) 606-1255, if you have questions or need assistance.

cc: Human Resources Directors

Attachments

Attachment 1: Supporting Requests For Additional Allocation

Attachment 2: Guidance On Identifying SES, SL, and ST Positions

**Attachment 1****SUPPORTING REQUESTS FOR ADDITIONAL ALLOCATIONS**

Agencies that request additional resources during the biennial review must provide a detailed justification for the desired increases 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. The assessment should be integrated with the agency's plans to restructure its workforce in support of the President's Agenda and should be consistent with the Office of Management and Budget's (OMB) guidance on workforce planning and restructuring.

In making allocation decisions, the Office of Personnel Management (OPM) considers the degree to which agencies are effectively managing their executive resources and have conducted a strategic analysis of their needs, including such things as redeploying permanent allocations to critical position needs, determining whether or not positions can be abolished, and addressing 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 Government-wide allocations. OPM also consults with OMB about the resource implications of the requested increases.

**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 slots contribute to the mission? For example, an increase in the amount of grant monies appropriated does not necessarily require an increase in executive spaces; if a space is requested, what result will it bring to the management of the program and mission accomplishment?
- Indicate the number of FTEs expected to report to the SES positions. How do the requested positions match up to the agency-specific workforce plan?

## Temporary Allocations

Every biennial cycle, agencies must also provide justification for maintaining temporary allocations. When providing the justification for temporary allocations include all the information requested under “New SES Needs” as well as the following additional information:

- The position number and title of the position using the temporary allocation.
- When the agency expects to no longer need the temporary allocation (e.g., mm/yy).

## Agency-wide SES Priorities

Provide organization charts identifying all current and proposed SES positions with encumbered positions indicated by an asterisk or other notation.

- Prioritize all currently established positions, whether vacant or encumbered, in terms of their relative contribution to your agency’s mission requirements.
- Agencies can establish and recruit for positions in excess of their allocation; however, the number of filled positions cannot exceed the number allocated. Agencies that use such a system of “floating” vacancies should account for all established vacancies, even if the total exceeds the number allocated.
- For ease of analysis, we ask that agencies prioritize positions by category (e.g., Category ‘A’ includes positions most critical to agency mission accomplishment). Please use at least three, but no more than five, categories. 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 executive resource needs for which the additional SES spaces are being requested, using the same system of categories. Indicate how the new needs relate to the prioritized list of current resources.
- 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 (FY 2010 & 2011).

## Senior-Level and Scientific and Professional Resources

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 spaces 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.

However, if an agency is seeking an overall increase in its total SES/SL/ST pool, we are requesting that the same detailed justification be provided for SL/ST increases 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 SES/SL/ST positions, vacant or encumbered, using a category system; then by prioritizing all new resource needs (SES/SL/ST) 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 SES instructions earlier in this attachment.

Please keep in mind that allocation increases outside the biennial cycle are generally discouraged unless the agency can demonstrate there are unforeseen, mission-critical emergencies that cannot be met within the biennial allocation. In these situations, OPM's approach is to grant temporary relief only if justified, until the next biennial assessment.

**Attachment 2****GUIDANCE ON IDENTIFYING SES, SL, AND ST POSITIONS**

Agencies are responsible for managing their executive resources and deciding how to organize functions and structure positions in the best way to meet mission requirements. This includes deciding whether executive level positions meet the Senior Executive Service (SES), Senior-Level (SL), or Scientific/Professional (ST) criteria and actually establishing individual SES, SL and ST positions within the executive resource allocation that the U.S. Office of Personnel Management (OPM) authorizes.

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 are not as clear. This attachment provides general guidance to help agencies identify SES, SL, and ST positions; maintain agency flexibility for managing their executive resources; and contribute to intra- and interagency consistency in establishing SES, SL, and ST positions.

**General Information**

Unless an agency is excluded from the SES by statute or the President, any position that is classifiable above the GS-15 level is to be placed in the SES if it meets the functional criteria set forth in 5 U.S.C. 3132(a)(2). Positions that are classifiable above the GS-15 that do not meet the SES functional criteria are appropriately placed in the ST system if they involve the performance of high-level research and development in the physical, biological, medical, or engineering sciences, or a closely-related field. The SL system includes any other positions that are classifiable above GS-15 that 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 system.

**SES Criteria**

The law at 5 U.S.C. 3132(a)(2) sets forth the criteria that characterize SES positions. First, the position must be classifiable above GS-15, or equivalent, based on the level of duties, responsibilities, and qualifications required by the job. Second, the incumbent engages in any one of the following activities:

- Directs the work of an organizational unit;
- Is held accountable for the success of one or more specific programs or projects;
- Monitors progress toward organizational goals and periodically evaluates and makes appropriate adjustments to such goals;
- Supervises the work of employees (other than personal assistants); or
- Exercises important policy-making, policy-determining, or other executive functions.

## Applying the SES Criteria

The SES was intended to be a corps of executives – not technical experts. As stated in 5 U.S.C. 3131, “It is the purpose of the subchapter to establish a Senior Executive Service to ensure that the executive management of the Government of the United States is responsive to the needs, policies, and goals of the Nation and otherwise is of the highest quality.” The following guidelines interpret the section 3132(a)(2) criteria in the context of the SES as an executive corps.

Determining whether a position meets the criteria for placement in the SES cannot be made mechanically. Rather, 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. This evaluation should consider the position’s duties, responsibilities, and *qualification requirements*. In borderline cases, particular attention should be given to the position’s qualification requirements and 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.

*Directing the work of an organizational unit includes responsibility for:*

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

At the SES level, *accountability for the success of a program or project* encompasses responsibility for the full range of factors that affect program/project accomplishment. This includes:

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

Responsibility for *monitoring progress toward organizational goals and making appropriate adjustments* to such goals is an extension of an individual’s responsibility for directing the work of an organization. It includes:

- 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.

A position should be credited with *supervising the work of employees* only if it meets the minimum requirements for coverage under OPM's *General Schedule Supervisory Guide* (June 1998). Specifically, the position's supervisory and related managerial responsibilities must:

- Require accomplishment of work through combined technical and administrative direction of others;
- Constitute a major duty occupying at least 25 percent of the position time; and
- Meet at least the lowest level of Factor 3 in the *General Schedule Supervisory Guide* based on supervision of non-contractor personnel.

A position with *policy-making or policy-determining functions* would be expected to include responsibility for:

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

### **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, depending on the nature of the work.

#### *Scientific and Professional Positions*

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. ST positions are established under 5 U.S.C. 3104. 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*

The senior-level (SL) pay system was established under the Federal Employees Pay Comparability Act of 1990 (FEPCA) to replace grades GS-16, 17 and 18 of the General Schedule, which were abolished. 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. However, the SL system is used for positions that meet SES executive criteria in certain agencies that are excluded from the SES. SL positions may be in either the competitive or excepted service.