

**MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES
AND INSPECTORS GENERAL**

From: **John Berry**
Director

Subject: **Biennial Review of Executive Resources Allocations for Fiscal
Years 2014 and 2015**

This memorandum provides information and guidance to Federal Departments, Agencies, and Offices of Inspectors General for the submission to the U.S. Office of Personnel Management (OPM) of a written request for a specific number of Senior Executive Service (SES), Senior Level (SL), and Scientific/Professional (ST) positions for Fiscal Years (FYs) 2014 and 2015. Pursuant to 5 U.S.C. § 3133(a), Federal Agencies are required – during each even-numbered calendar year (CY) – to examine their needs for SES positions for each of the two fiscal years beginning after such calendar year, and to submit to OPM a written request for each of such fiscal years. Since 2012 is an even-numbered calendar year, Agencies are required to conduct an examination of their SES position needs for FYs 2014 and 2015, and must submit a written request to OPM for a specific number of SES positions for FYs 2014 and 2015. Although not expressly required by statute, Federal Agencies conduct the same examination and submit a similar written request to OPM for their positions in the SL and ST pay systems.

Deadlines for Agency Submissions of Executive Resources Allocation Requests for FYs 2014 and 2015

The following Agency submissions and deadlines apply for the FY 2014-2015 executive resources (i.e., SES, SL, and ST positions) process:

- (1) By December 31, 2012, Agencies must submit to OPM (using the attached request template) a written verification of their established executive resources allocations (i.e., SES, SL, and ST positions), as well as any requests for changes to their executive resources allocations for FYs 2014 and 2015, and**
- (2) By April 1, 2013, Agencies requesting changes to their executive resources allocations for FYs 2014 and 2015 must also submit supporting justifications and documentation to OPM, consistent with the attached guidance documents.**

Offices of Inspectors General should independently submit separate requests from the ones submitted by their Agencies.

Biennial Executive Resources Allocation Process

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, 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. This biennial allocation process enables OPM to review organizational missions, plans, and structures, and to assess Agencies' effective and efficient use of executive resources.

Information Required for FY 2014-2015 Executive Resources Allocation Process

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

By December 31, 2012, each Agency is required to submit a written verification of its continuing need for current allocations, as well as any requests for changes to allocations for FYs 2014 and 2015 based upon a comprehensive Agencywide assessment of the Agency's current and prospective executive resources needs, using the attached template. 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; and identification of any positions for which the Agency is requesting re-designation as career reserved or general during the FY 2014-2015 biennial allocation process.

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

By April 1, 2013, each Agency requesting changes to their executive resources allocations for FYs 2014 and 2015 must provide prioritization for all established and requested allocations (including temporary allocations). Agencies also must submit supporting justifications consistent with the attached guidance documents for projected positions for which any additional allocations are requested and any positions requiring re-designation as career reserved or general during the FY 2014-2015 biennial allocation process. 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:

- Description of the particular circumstances giving rise to the needs (e.g., legislative mandate or presidential directive, new Agency mission or expanded Agency program, succession planning requirements, issues raised by OMB, etc.);
- Identification of specific positions (by title and organizational location) for which any additional executive spaces are sought;
- 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 (either vacant or encumbered) by their relative significance and impact to Agencies' mission requirements (i.e., Agency-wide goals and objectives).

Additionally, OPM may consider other information, including the following:

- Changes in functions or programs;
- Overall Agency funding levels or personnel ceilings;
- Numbers of vacancies, and length of time positions remain vacant; and
- The extent to which individual positions meet SES criteria;

Guidance and Template for Preparing and Submitting Biennial Executive Resources Process Requests and Information

The following documents are attached to provide guidance and a template for Agency submissions for the FY 2014-2015 executive resources allocation process:

- Guidance to Agencies on supporting current allocations and requests for new allocations;
- Guidance on distinguishing SES, SL, and ST positions; and
- Template to submit FY 2014-2015 executive resources allocation requests.

Additional information will be forthcoming for electronic submission of requests and documentation. Alternatively, Agencies may submit hardcopy requests and documentation packages to:

Senior Executive Resources Services
U.S. Office of Personnel Management
1900 E Street NW, Room 7412
ATTN: Phyllis Proctor
Washington, DC 20415-5100

If you or your staff have any questions or require any assistance, please contact Phyllis Proctor by telephone at (202) 606-2683, or Laura Lynch by telephone at (202) 606-2773.

cc: Chief Human Capital Officers, and Human Resources Directors

Attachments

Supporting Requests for Additional Allocations

Agencies requesting 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.

In making allocation decisions, the Office of Personnel Management (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 Agencywide 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 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.

Please keep in mind that OPM expects allocation increases outside the biennial cycle to be rare events where the Agency must demonstrate there are unforeseen, mission-critical emergencies that cannot be met within the biennial allocation. In these situations, OPM generally will grant only temporary relief, when justified, until the next biennial assessment.

Agencywide Priorities

Agencies must provide organization charts identifying all current and proposed senior 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 should explain that they use such a system of "floating" vacancies and account for all established vacancies, even if the total exceeds the number allocated.

- For ease of analysis, Agencies should 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 resource needs for which the additional 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 Agencywide 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 2014 & 2015).

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).

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 Agencywide 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 allocations; if an allocation 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?

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 Agencywide 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 *Agencywide Priorities* section, earlier in this attachment.

Guidance on 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 attachment provides general guidance to help establish cross-Agency consistency in identifying SES, SL, and ST positions.

SES 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.

First, 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.

Second, the incumbent engages in any one 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
- 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
- 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
- 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
- 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
- Approving policies affecting the organization's mission

Distinguishing between SES and SL/ST positions

Positions that are classifiable above the G-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
- 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.

**FY 2014-2015 Executive Resources Biennial Allocation Request
Action Required**

Agency Name: _____

This request is in response to the requirement that during even-numbered calendar years each Agency examines its Senior Executive Service (SES) position needs and submits a written request to the Office of Personnel Management (OPM) for a specific number of SES position authorizations for each of the succeeding fiscal years (5 U.S.C. § 3133). We are also responding to the OPM requirement to simultaneously submit our request for any increase in our Senior Level (SL) and Scientific and Professional (ST) allocations.

[Instructions to Agencies: Please address ***each*** of the following three items, obtain the appropriate signatures by the Agency Head or his/her designee or Inspector General, and return this 2-page attachment, ***no later than December 31, 2012***, to OPM at SERS@opm.gov. If you have any questions or need assistance, please contact Phyllis Proctor on (202) 606-2683, or Laura Lynch on (202) 606-2773.]

1. As part of the biennial process, the Agency has reviewed its existing SES / SL / ST allocations and certifies that the allocations are still required. (Note: this is required whether or not there is a request for additional allocations.)

_____ Initial here

2. In addition to the existing SES / SL / ST allocations, the following are requested (if no additional allocations are requested, please initial below):

FY 2014-2015 NEW ALLOCATION REQUEST

Allocation Type	Permanent (#)	Temporary (#)
SES		
SL		
ST		

_____ Initial here to indicate the Agency can continue to work within its existing allocation and is not requesting new positions during the FY 2014-2015 biennial allocation process.

3. Also, as required by law, we are submitting the attached list of SES positions and accompanying justifications for positions proposed for re-designation as career reserved or general.

_____ Initial here to indicate the Agency does not have any SES positions to re-designate as career reserved or general during the FY 2014-2015 biennial allocation process.

Signature: _____ **Date:** _____
(Agency Head or Designee, or Inspector General) (Type/Print)

Name: _____
(Type/Print name of Agency Head or Designee, or Inspector General)

Title: _____
(Type/Print title of Agency Head or Designee, or Inspector General)

POC: _____ **Phone No:** _____
(Agency biennial allocation point of contact)