



OFFICE OF THE DIRECTOR

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415-1000

JUL 06 2005

MEMORANDUM FOR CHIEF HUMAN CAPITAL OFFICERS

FROM: LINDA M. SPRINGER
DIRECTOR 

Subject: Biennial Review of Executive Resources Allocations
for FY 2006 and 2007

Every two years, agencies are required to re-evaluate their Senior Executive Service (SES), Senior Level (SL), and Scientific and Professional (ST) positions needs. In May 2004, the Office of Personnel Management (OPM) notified Departments and agencies of their FY 2004/2005 executive resources allocations and informed them that requests for additional allocations for the FY 2006/2007 biennial cycle must be submitted to OPM by the end of calendar year 2004. In December, you completed this first step by providing OPM with your FY 2006 and 2007 estimates.

We are now asking agencies that requested additional executive allocations to furnish detailed justifications for those increases. As in the past, OPM will review agency allocation requests on a position-by-position basis and will take the following factors into account:

- Is there a new legislative mandate or Presidential directive requiring additional allocations?
- Has the agency acquired a new mission or is it expanding an ongoing agency program?
- What is the current and average annual SES/SL/ST vacancy rate?
- Is the allocation request for a line or staff position?
- Is the allocation request for a deputy or equivalent, or a principal position?

While these factors are not intended to be exhaustive they should be considered in justifying your agency's request. Additionally, as part of OPM's oversight responsibility, we reserve the right to conduct a post-allocation audit of an agency's use of its executive resource allocations.

Please reply with the appropriate justifications no later than August 5, 2005, at the following address:

Center for Leadership and Executive Resources Policy
U.S. Office of Personnel Management
1900 E Street, NW, Room 6500
Washington, DC 20415-5100
(fax: 202-606-1637)

A separate memorandum and Attachment 1 was sent to your agency head. I am providing supplementary information for your use in Attachment 2. My staff is available to provide additional information and to answer any questions you might have regarding this process. You may contact Mr. Hughes Turner, Deputy Associate Director, Center for Leadership and Executive Resources policy at 202-606-1811, Hughes.Turner@opm.gov, or Mr. Jeffrey D. Miller of the same office at 202-606-8047, Jeffrey.Miller@opm.gov.

Attachments:

1. Supporting Requests for Additional Executive Resources Allocations
2. Guidance on Identifying SES, SL, and ST Positions

cc: Human Resources Directors

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, agencywide assessment of their executive resources 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 agency plans to restructure the workforce in support of the President's Management Agenda and should be consistent with the Office of Management and Budget's (OMB) guidance on workforce planning and restructuring.

In making allocation decisions, 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 whether a legislative mandate or Presidential directive requires the allocation of additional executive resources; whether an agency has acquired a new mission(s), is expanding an ongoing agency program(s); or, additional executive resources are required as part of succession planning requirements. Additionally, other factors are taken into account including an agency's executive resources vacancy rate, whether the allocation requested is for a line or a staff position, a deputy or equivalent, or a principal position. Consideration is also given to an agency's overall funding levels and personnel ceilings, and the impact of a requested increase on Governmentwide allocations. Finally, OPM consults with OMB about the resource implications of a requested increase.

New SES Needs

Identify by title and organizational location the specific positions for which the additional allocations are requested. For each position, include:

- The particular mission-critical requirement 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 resource levels agencywide with comparable levels in previous years. If the increase is less than that allotted for the new/expanded initiative(s), indicate where resources are 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 activity? 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?

Agencywide 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 the 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 a system of "floating" vacancies should 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 the precise definition of categories is left to each agency, in all cases the lowest category must 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 allocations 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 2004/2005), if applicable.

Senior-Level and Scientific Resources

Each agency is responsible for making its own classification decisions and for conducting an agencywide assessment of its priorities to determine how its pool of SES/SL/ST allocations 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, the agency may convert vacant SES allocations to SL or ST allocations after obtaining OPM approval. Agencies may also request to convert SL or ST allocations to SES allocations after obtaining OPM approval.

If an agency is seeking an overall increase in its total SES/SL/ST pool, the same detailed justification must 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 agencywide priorities by first prioritizing all currently established SES/SL/ST positions, vacant or encumbered, using a category system; then 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 keep in mind that allocation increases outside the biennial cycle are discouraged unless the agency can demonstrate that there are unforeseen, mission-critical emergencies that cannot be met within the current allocation. In these situations, OPM's approach is to grant temporary relief, if justified, until the next biennial assessment.

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 Office of Personnel Management (OPM) authorizes.

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 level 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 the GS-15 level that do not meet the executive criteria characteristic of the SES nor involve the fundamental research and development responsibilities characteristic of the ST system.

SES Criteria

5 U.S.C. 3132(a)(2) sets forth the criteria that characterize an SES position. First, the position must be classifiable above the GS-15 level, based on the level of duties, responsibilities, and qualifications required by the job. Second, the incumbent must engage 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
- Otherwise 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 this 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 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.

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 accomplishment; 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 from 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* (April 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/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 (scientific and professional) 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 classifiable above the GS-15 level, 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.