

# THE CORPORATION PERSONNEL SYSTEM

## HANDBOOK

### Mission

The human resources program will promote the Corporation's overall business strategy and mission by providing for a work force of the highest quality - one that is customer oriented, competent, motivated, empowered, accountable, culturally diverse, and committed to partnership and teamwork.

The Corporation for National Service has special statutory authority for maintaining its own excepted service personnel system. These authorities allow the Corporation unique flexibilities in hiring, paying, promoting, and even removing employees. However, the Corporation is, like most Federal entities, generally covered by title 5 of the United States Code as well as other statutes affecting personnel operations, including laws implementing equal opportunity, benefits, standards of conduct, citizenship, and other requirements.

The following handbook explains many facets of the Corporation's new personnel system in generally non-technical "user friendly" language. It also describes the Corporation's personnel policies, particularly where they diverge from standard Federal regulations and Office of Personnel Management guidance that applies to other Federal agencies or Corporations. What the handbook does not attempt to do is address every contingency that may arise affecting the Corporation's personnel management. To do so would re-create the kind of cumbersome and excessive system that the National Performance Review and the National Community Service Trust Act seek to avoid. Thus, where the Corporation's policies do not speak to a given issue, applicable laws and regulations will determine the Corporation's policy.

Corporation employees who are in competitive service positions at the time the Corporation converts to the new personnel system will remain in the competitive service and will not automatically convert to the new system. They will later be provided an opportunity to voluntarily convert to an excepted service position in the new system. Those competitive service employees who do not elect to convert will remain in the competitive service until they leave the Corporation or until they are selected for, and accept, an offer to fill an excepted service position.

As an evolving organization, we expect to change old ways of doing business and implement new solutions to problems encountered on a continuing basis. We will issue memoranda where changes in the handbook are needed, and in addition, we will re-issue this handbook on an annual basis. All employees and managers are encouraged to share their views and insights as this new system is implemented.

### Background Information

The Corporation for National and Community Service (which came into existence October 1, 1993) was formed as a result of the National and Community Service Trust Act of 1993, and is the successor organization to the Commission on National and Community Service and ACTION, the functions and employees of which were officially transferred to the Corporation.

The Corporation's legislation authorizes the Chief Executive Officer to designate positions to be covered by an "alternative personnel system" that: allows the CEO to "make appointments...and determine compensation, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of the General Schedule pay rates. The CEO may provide for appointments to such positions to be made on a limited term basis." It also states that the Director of the Office of Personnel Management will approve these provisions of the alternative personnel system.

The legislation provides that the Director of OPM may grant competitive status under prescribed conditions to employees who are appointed under this system and separated from the Corporation.

Regarding selection, it requires "a competitive process" and selection "on the basis of the qualifications of applicants and the requirements of the positions."

Regarding compensation, it requires "a scheme for the classification of positions: and "that compensation be determined in part on the basis of the job performance of the employee and in a manner consistent with the principles described in section 5301 of title 5, United States Code (principles of equal pay for substantially equal work).

The Office of Personnel Management reviewed and approved the Corporation's plan for the new system in June 1995.

#### Conversion to the Corporation's New Personnel System

In September, 1993, the Office of Personnel Management granted a special Schedule A authority [213.3121(a)] to enable the Corporation to fill positions immediately. In addition, the Corporation has made Administratively Determined (AD) appointments to the National Civilian Community Corps, and Schedule C appointments. There are also employees serving under other excepted service appointments, such as Schedule B and other Schedule A appointing authorities.

At the time the new personnel system is implemented, all employees serving under these authorities are to be converted from their current positions to like positions in an appropriate pay band at the same salary under the new system upon the date established for initial conversion. The type of appointment will be determined by the appropriate Department Head.

If the pre-conversion salary exceeds the payable rate in the appropriate pay band, the employee's position will be placed in the proper pay band and the employee will be entitled to pay retention

of the pre-conversion salary indefinitely. If covered by pay retention, the employee is entitled to appropriate comparability ("cost of living") and locality pay adjustments.

For employees converted in this manner, any service with the Corporation under previous excepted service appointments will count toward completion of the two year probationary period and toward the competitive status eligibility period for employees separated from the Corporation (as prescribed by OPM). Employees in discretionary (or Schedule C) positions are not eligible for competitive status for appointment to the competitive service and are not subject to a probationary period.

Employees who are currently serving in competitive service appointments remain in the competitive service and do not fall under the Corporation's new Personnel System. The rules and regulations which apply to all competitive service employees will be observed to ensure they are granted all of the rights and privileges to which they are entitled.

Competitive service employees may voluntarily convert to an excepted service appointment under the Corporation's new personnel system and receive all of the rights and benefits afforded to all employees under this system.

#### Acquiring Competitive Status

Employees appointed under the Corporation Personnel System and separated from the Corporation (for reasons other than removal for cause) may be eligible to acquire competitive status. Competitive status is the basic eligibility to be noncompetitively selected for appointment to a competitive position. Competitive status is normally acquired by career-conditional or career appointment through open competitive examination upon satisfactory completion of a probationary period. However, it may also be granted by statute, executive order, or the civil service rules, without competitive examination, as is the case with the Corporation.

Employees must meet the conditions prescribed by the Director of the Office of Personnel Management. These conditions are set forth in an agreement between the Corporation and the Office of Personnel Management.

#### Role of the Department Head

A unique feature of the Corporation's personnel system is the expanded leadership role of Department Heads. In addition to exercising traditional responsibilities such as establishing goals and objectives, assigning work, approving work schedules, and improving performance, Department Heads have delegated classification and budget authorities. They classify positions,

determine pay band levels, decide initial salary for new employees and make decisions on pay adjustments and promotions. Department Heads also have greater flexibility in filling their vacancies within the context of merit principles and equal opportunity laws and regulations. Department Heads are responsible for creating and maintaining a diverse workforce within the Department, for affirmative recruitment as needed, and for reasonably accommodating employees with disabilities. Department Heads may delegate, in writing, any of the above authorities to a subordinate manager no more than one level below the Department Head.

### Role of the Human Resources Office

Because of the responsibilities delegated to Department Heads, the primary role of the Human Resources Office (HRO) is that of organizational consultants. In this capacity, the HRO provides a broad range of technical advisory services to Department Heads and their representatives in such areas as compensation, classification, recruitment and placement, processing personnel actions, conducting open seasons for employee benefits, developing personnel reports, handling training requests, and performance and adverse actions as well as maintaining Official Personnel Folders (OPF). HRO staff are the focal point for representing Corporation management with the employee union and employee conduct issues.

The HRO further oversees the issuance of biweekly employee salary payments with the Corporation's pay agent, the National Finance Center.

### Equal Opportunity

The Corporation is an equal opportunity employer and does not discriminate on the basis of race, age, sex, color, creed, national origin, religion, handicapping condition or marital status. Minorities, women and the disabled are encouraged to apply for Corporation vacancies. Employees who believe they may have been subject to discriminatory treatment may contact an Equal Opportunity counselor through the Equal Opportunity Office.

### Merit System Principles

As a Federal employer, the Corporation adheres to the Merit System Principles, which are outlined in title 5 of the United States Code, and described below:

(1) Qualified individuals shall be drawn from appropriate sources in an endeavor to achieve a work force from all segments of society; selection and advancement shall be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition.

(2) All employees and applicants for employment shall receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.

(3) Equal pay shall be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector; appropriate incentives and recognition shall be provided for excellence in performance.

(4) All employees shall maintain high standards of integrity, conduct, and concern for the public interest.

(5) As a Federal employer, the work force shall be used efficiently and effectively.

(6) Employees shall be retained on the basis of the adequacy of their performance, inadequate performance shall be corrected, and employees shall be separated who cannot or will not improve their performance to meet required standards.

(7) Employees shall be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.

(8) Employees shall be -

(A) protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and

(B) prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election.

(9) Employees shall be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences -

(A) a violation of any law, rule, or regulation, or

(B) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

Allegations alleging violations of these principles may be filed with the Office of Special Counsel, and independent Federal agency.

### Prohibited Personnel Practices

No employee or manager who has authority to take or direct personnel actions will -

(1) discriminate on the basis of race, color, religion, sex, national origin, age, disability, marital status or political affiliation;

(2) solicit or consider any information in taking a personnel action unless the information is job related. Information may be considered that helps determine an employee's or applicant's suitability for employment;

(3) coerce political activity or take action in reprisal for refusal to engage in political activity;

(4) purposely obstruct any person's right to compete for employment;

(5) influence an employee or applicant to withdraw from competition for employment in order to improve or injure the prospects of another person for employment;

(6) grant any hiring preference not authorized by law, rule or regulation for in order to improve or injure the prospects of any other person for employment;

(7) hire or promote a relative;

(8) take or fail to take, or threaten to take or fail to take, a personnel action with respect to any employee or applicant for employment because of -

(A) any disclosure of information by an employee or applicant which the employee or applicant reasonably believes evidences -

(i) a violation of any law, rule, or regulation, or

(ii) gross mismanagement, a gross waste of funds, an abuse of authority or a substantial and specific danger to public health or safety, if such disclosure is not specifically prohibited by law; or

(B) any disclosure to the Special Counsel, or to the Inspector General of an agency or another employee designated by the head of the agency to receive such disclosures, of information which the employee or applicant reasonably believes evidences -

(i) a violation of any law, rule, or regulation, or

(ii) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

(9) retaliate against an employee in reprisal for exercising any appeal right granted by law, regulation, or this policy;

(10) consider non-job related factors when making personnel decisions except when making determinations of suitability for employment; and

(11) violate any law, rule, regulation or merit system principle.

### Ethics/Standards of Conduct

National Service is a public trust and each employee has the responsibility to place the Constitution, law, ethical principles, and the interests of the Corporation above private interests or personal gain. In order to maintain the confidence of the public, each employee must avoid even an appearance that would reflect unfavorably upon the employee's ability to perform assigned duties in a fair and objective manner, or that would compromise the integrity of the Corporation's programs.

### Labor-Management Relations

Certain employees are members of the "bargaining unit" which means they are represented by the Corporation for National Service Employees Union, AFSCME Local 2027. The union and Corporation management negotiate a master contract that determines various conditions of employment for members of the bargaining unit. The contract contains a grievance procedure and provides for employee union representatives on official time. In 1993, the President issued an Executive Order requiring all agencies of the government to establish labor-management partnerships with a goal of creating a government that works better and costs less. Corporation management and the union fully support the partnership process and regularly communicate over matters of mutual interest.

### Alternative Dispute Resolution (ADR) Process

The Corporation employs a form of an Alternative Dispute Resolution to resolve employee complaints over matters that are not subject to the arbitration procedure. The purpose of this procedure is to provide a simplified and economical process to voluntarily resolve disputes through consensus. Employees who wish to appeal decisions by any level of management that are not appealable to arbitration may utilize the process. [Bargaining unit employees must raise their disputes through the negotiated grievance procedure and may not use the ADR process.] ADR officials are to be volunteers selected from the Corporation work force by the Labor Relations Officer and will receive training before being appointed to resolve a dispute. The ADR official shall have this responsibility as a collateral duty and shall be free from harassment and reprisal. The ADR official cannot be under the direct supervision of the supervisor who is the subject of the allegation.

The ADR official will be trained by ADR professionals and may attempt a combination of recognized ADR techniques as deemed necessary for a particular case. These techniques may include conciliation, mediation and/or factfinding as appropriate. If these efforts fail to resolve the dispute, the complaining employee may ask for a final written decision from the appropriate Department Head. The ADR official will then prepare a written summary of the facts, issues and attempts at resolution for the Department Head who will render a final written decision. Because pledges of confidentiality are common when a dispute is in a mediation mode, the ADR official

will honor any pledge of confidentiality made during the mediation process if factfinding is later utilized.

In the event the ADR official believes he/she was subject to harassment or reprisal, he/she may have the Labor Relations Officer submit the matter to binding arbitration.

The ADR process is used for disputes as an alternative to traditional adversarial procedures. Matters not subject to arbitration or the grievance procedure of the union contract are appropriate for ADR. These subjects can include, but are not limited to, classification appeals; suspensions of 14 calendar days or less; written reprimands; disagreements over work schedules, leave approval, etc.; and matters of general concern.

An employee who wishes to utilize the ADR process should notify the Labor Relations Officer in the Human Resources Office. Upon determining that the issue is appropriate for the ADR process, the Labor Relations Officer will appoint an ADR official who will attempt to resolve the dispute to the mutual satisfaction of all interested parties.



## COMPENSATION AND CLASSIFICATION

A key guiding principle throughout the Corporation's personnel system is the desire to have a simple, flexible system that is easy for managers and employees to use with room for managers to manage and room for employees to grow. The Corporation's statute requires that a compensation system be developed to include a scheme for the classification of positions and that compensation be determined in part on the basis of the job performance of the employee and in a manner consistent with the principles of equal pay for substantially equal work and comparability with local non-Federal pay. The compensation and classification portions of the personnel system were designed to facilitate the selection, development and retention of high quality employees, provide flexibility in making compensation decisions and foster the creation of a delayed, decentralized and empowered workforce. Portions of the compensation policies apply to all employees and some apply only to employees in the Corporation's personnel system. The entire classification portion applies to employees in the Corporation's system.

After surveying many options, the Corporation decided that a pay banding system was the most effective way to meet the challenges above and do so in a manner embracing merit principles and job performance. Pay banding is the consolidation of two or more General Schedule (GS) grade levels into a single pay band or level, thus expanding pay ranges and removing the "traditional barriers" in the GS system of title 5 position classification and pay setting. Pay banding simplifies classification and is more readily understandable to employees and supervisors. The Corporation's pay banding system has five broad pay bands in which positions are placed. Each pay band has its own pay range and pay plan. Department Heads are delegated authority to classify positions, determine pay bands and set salaries within budgetary and Corporation policy.

While pay banding is not a new approach to classification and compensation and is used only in a few Federal agencies, it represents the course chartered by the National Performance Review which recommended the simplification of the current classification and pay systems.

Only those positions within the Corporation identified with the prefix **NX** or **NY** (instead of **AD**, **GS** or **SL**) are covered under the classification system.

### Role and Membership of the Compensation Committee

The Compensation Committee is established by the Chief Executive Officer (CEO) who appoints its members. **Membership consists of the heads of the following Departments: External Affairs, Chief Operating Officer, Chief Financial Officer, the Executive Director and the Inspector General. There are non-voting Advisory Members on the Committee representing the Human Resources Office and the Financial Management Office. As needed, other non-voting members from other Offices may be selected by the Committee.**

**The Committee recommends to the CEO** the broad policy framework for all compensation and classification decisions involving the Corporation's personnel system. The Committee promotes

consensus on accountability and equity of pay setting decisions throughout the Corporation. It **recommends** the general framework for adjusting pay and also **recommends** the overall amount and distribution of funds within the Corporation. The Committee **recommends** the frequency of within-band pay adjustments, e.g., annual or otherwise, and whether increases should be geared to individual or group accomplishments, or a mix. The Committee also **recommends** the amount of annual locality payments and comparability ("cost of living") adjustments **and may recommend adjustments in the ranges of the pay bands.**

**The Committee nominates the Chair, ensures that all decisions are made public and may not re-delegate the above authorities. Advisory members provide the Committee with issues and data pertinent to financial management and other human resources matters.**

#### Role of the Department Heads

Department Heads ensure that employee specific compensation and classification determinations are made for their organizations within delegated authorities and the general framework **decided by the CEO and executed by the** Compensation Committee. Delegated authorities exercised by Department Heads include: budget, classification, setting initial salaries, determining within band pay adjustments, establishing positions up to and including Band NY-4, reducing pay or pay band levels, non-competitively promoting employees up to and including Band NY-3 and approving employment incentives (recruitment, retention and relocation bonuses) for staff. Department Heads may also resolve disputes and classification appeals. **All authorities, with the exception of the approval of employment incentives, may be re-delegated, in writing, to positions one (1) level below the Department Head. Any further re-delegations must be approved, in writing, by the CEO. All Corporation staff is notified of which responsibilities have been re-delegated and to whom.**

#### Role of the Executive Resources Board

The Executive Resources Board, appointed by the CEO, reviews all requests for the establishment of executive and managerial positions in pay bands NX-1 and NX-2 and the assignment of employees to these positions in order to ensure a proper allocation and balance of senior level resources within the Corporation. Board recommendations are presented to the CEO who renders a final decision.

#### Compensation

Compensation is payment for a variety of activities such as basic pay for the position held by an employee; bonuses, awards and allowances; premium pay; pay for working in specific

geographic locations; promotions; temporary salary increases; annual increases, payment for leave and severance pay.

#### Compensation Ceilings

By statute, the total rate of compensation payable under the Corporation's personnel system cannot exceed the basic rate of pay for level IV of the Executive Schedule, unless authorized by the Office of Personnel Management. This total rate of compensation includes any applicable locality payment. The maximum any employee in the Corporation may receive in basic pay, bonuses and allowances during a calendar year is the rate payable for level I of the Executive Schedule.

### Pay Bands

Pay bands apply only to employees covered by the Corporation's alternative personnel system. As stated earlier, the Corporation uses a pay banding system to classify positions and determining basic rates of pay in a fair and equitable manner. There are five pay band levels representing the consolidation of two or more "traditional GS grades" into broad pay levels. Each band consists of positions which have similar complexity, skills and qualification requirements. A minimum and maximum salary range is established for each band. Pay bands allow for a simplified, shorter classification process, expanded pay ranges and gives Department Heads flexibility in determining basic rates of pay.

Salary ranges within each band may be adjusted in accordance with Corporation policy as **recommended by the Compensation Committee to the CEO**. Factors considered in adjusting pay bands include: competition for the recruitment and retention of employees; pay rates for similar positions both within and outside the Federal sector; and the availability of funds. Corporation pay bands and the basic pay ranges (locality payments excluded) in effect at the time of the alternative personnel system implementation are shown below.

#### **Band 1 NY-1 Clerical/Technical Support \$12,141-\$30,721**

Employees assigned to positions in **Band NY-1** perform entry level or general clerical functions such as filing, answering phones, coding data and providing routine and repetitive information **or**; examine and report on the contents of documents, databases or similar systems; **or** perform more substantive technical assistance work in support of specialists such as reviewing and analyzing project data; **or** assisting others within and outside of the office on office requirements. Proficiency in the use of personal computers and a variety of software may be required.

#### **Band 2 NY-2 Entry Level Administrative/Professional Senior Technician \$23,171-\$41,396**

Employees assigned to positions in **Band NY-2** perform entry and developmental level administrative, program or professional work; or independently perform highly technical administrative assistance or support work; or coordinate and/or direct specialized administrative or technical functions; or perform full performance level technical work.

**Band 3 NY-3**  
**Full Performance Level**  
**Administrative/Professional**  
**\$34,295-\$64,810**

Employees assigned to positions in **Band NY-3** perform full performance level administrative and professional work in a recognized function; **or** serve as independent subject matter specialists; **or** coordinate and direct the monitoring of projects or programs for a limited geographic area, sometimes performing limited supervisory duties; **or** conduct analyses and reviews of program areas; **or** direct significant administrative or program functions in a major organizational unit.

**Band 4**  
**NY-4 Expert/Supervisor**

**NX-1 Manager**

**\$57,760-\$88,326**

This band has two components, **NY-4** and **NX-1**.

Employees assigned to positions in **Band NY-4** perform highly technical, staff, or complex administrative and/or **professional work**; **or** serve as an expert advisor to top managers and outside officials on major functional areas, rendering authoritative opinions and decisions; **or** provide leadership and technical guidance on multi-task broad program and professional areas; **or** plan and direct critical temporary projects that impact or facilitate the mission. Some employees assigned to positions in this band are supervisors of units whose services or functions are conducted throughout, or cover the operations of the entire Corporation or significant portions thereof; **or** oversee or direct program activities in geographic locations where a substantial range and scope of agency resources and projects are assigned.

Employees assigned to positions in **Band NX-1** operate at the national or major field office level **and** direct significant subordinate functions having broad impact across the Corporation and its programs **and** accomplish work through subordinate supervisors or team leaders and may exercise delegated classification and budget authority.

**Band 5 NX-2**  
**Executive Level**

## **\$88,326-115,700**

Employees assigned to positions in **Band NX-2** have responsibility for directing and overseeing extensive and nationwide programs and/or operations **or** a major sub-component thereof; **or** exercise important policy-making, policy-determining or other executive functions. Subordinate programs are typically subdivided and headed by other managers. Executives typically have significant classification and budget authority.

Approval from the Chief Executive Office is required to classify a position using pay plans **NX-1** and **NX-2**.

### Determining Pay for New Employees

Normally pay is set for a new employee in the Corporation's personnel system ( i. e., a person newly hired into the Corporation), by Department Heads, **or managers to whom this authority has been delegated**, at the entry level of the pay band; however, **they** have the flexibility to set a new employee's pay up to the midpoint of the band. Pay setting above the entry level of the band may be considered in a case of special qualifications, high academic or professional credentials relevant to the position, salary history, or verified employment offers which justify a higher rate of pay. Other factors Department Heads **and managers** consider are the current job market, the difficulty encountered in obtaining highly-qualified applicants, the criticality of the position to the Corporation and the level of skill and expertise the selectee brings to the position. Concurrent with these considerations, Department Heads **and managers** assess pay equity within their Department, i.e., comparing the salary of high caliber employees performing similar work and the impact the proposed salary would have on the work unit.

Additional assistance on setting initial pay by contacting the Human Resources Office. In some instances, Department Heads **or managers** may authorize one-time pay incentives as part of the hiring process.

To set pay higher than the midpoint of the band, a written justification is submitted to the CEO or designee for approval. Approval may be granted in rare instances where it is apparent that the value of the potential employee to the Corporation's mission clearly justifies the higher salary.

Department Heads **or managers** also have the discretion to make a one-time adjustment in the pay of a new employee within the first six (6) months of employment. **As in setting**

**initial pay, this adjustment requires the CEO's approval if it is made above the mid-point of the band.**

### Pay Upon Conversion from General Schedule Position

Employees automatically converted to the Corporation's personnel system upon system implementation will be converted performing their current duties and responsibilities, at their

existing basic rate of pay to include any locality or interim geographic adjustment payments and their position will be placed in the proper pay band. Should an employee be eligible for a within grade increase (WGI) under the general schedule system on the same date of the conversion, the Corporation will process the WGI and the conversion action in that order.

If the pre-conversion salary of an employee exceeds the maximum rate in the pay band, the position is placed in the proper pay band and the employee will be entitled to pay retention of the pre-conversion salary indefinitely or until such time the salary can be met within the pay band range. While on pay retention, the employee is entitled to receive appropriate comparability and locality payments.

Pay is set for Corporation general schedule employees voluntarily converting to the Corporation's personnel system on a case-by-case basis, depending on agency policy and the circumstances involved, i.e., whether the personnel action is an appointment to a similar position or promotion to a new position.

#### Setting Pay for Transfers and Rehires

Persons transferring to the Corporation from other Federal agencies into the Corporation's alternative personnel system, those hired based on reinstatement eligibility and Corporation employees with a break in service of more than 30 days, have their pay set in accordance with the policy for Determining Pay for New Employees. Former Corporation employees re-hired with less than a 30 day break in service, are appointed to a position within the same pay band and are paid at a rate no higher than it would have been had they not separated.

#### How Pay Can Change

There are a range of compensation events that may cause basic pay to change in the alternative personnel system. They are: comparability ("cost of living") adjustments, within-band pay adjustments, locality pay adjustments, premium pay (overtime), promotions, adjustments for temporary assignments and a change to a lower pay band.

#### Annual Increases

Corporation employees in the alternative personnel system will normally receive the same comparability (cost of living) adjustments and locality payments as general schedule (GS) employees as a basic measure for maintaining comparability with other Federal agencies and local non-Federal pay. However, this determination is made by the **CEO based on a recommendation from the Compensation Committee**. These adjustments occur at the same time as adjustments authorized for other Federal employees under the general schedule. Employees automatically receive the comparability adjustment if they have a performance rating equivalent to Successful.

#### Progression Within a Pay Band

Department Heads consider employees for within-band pay adjustments. **The Compensation Committee recommends to the CEO the amount of available funds taking into account the relative distribution of employees with the bands, overall Corporation performance against annual goals and objectives and the overall status of the budget. The Committee further recommends to the CEO the distribution of funds by Department or otherwise. Once the CEO renders final decisions on within band adjustments, Department Heads determine the distribution of within band adjustments for employees not to exceed the amount designated for the Department.**

The Human Resources Office reviews all proposed distributions prior to the notice to employees to ensure that all requirements are met.

The following criteria are considered in making employee specific within-band pay adjustments, recommendations and decisions: 1) the employee's position responsibilities; 2) an assessment of performance in comparison to individual or unit work plans; 3) recency and amount of the last increase, e.g., a promotion or pay adjustment and, 4) the level of current basic salary compared to the salaries of other employees in the unit who are performing work of a similar level and quality.

#### Promotions

One of the more flexible provisions of the Corporation's alternative personnel system is the ability of Department Heads to promote employees up to and including Band NY-3.

When promoted into a higher-level pay band, i.e., NY-2 to NY-3, an employee's salary is increased at least 6 percent or to the minimum rate of the pay band (whichever is higher) but no more than 10 percent (unless that would fall below the minimum rate of the band). The Department Heads, **or managers to whom this authority is delegated**, render a pay decision taking into account the recency and amount of the last salary adjustment, performance and equity with comparable positions. There is no minimum time period required to serve in a band. Promotions may only be made to the next higher band.

#### Pay for Temporary Assignments

The Corporation promotes the concept of an empowered work force in a flexible work environment with a need for a minimal number of managers and first line supervisors. To nurture this concept, Department Heads may delegate broad personnel and budget authority to a limited group of managers, while supplementing leadership by use of non-traditional teams. To that end, when employees at or below band NY-3 are assigned significant lead or supervisory duties for at least 60 days, **Department Heads, or managers to whom this authority is delegated**, may authorize a pay differential of 3-6 percent during that period. The temporary increase can be paid for up through such time as the temporary assignment ceases or one year,

whichever occurs first. **Prior approval must be granted by the CEO for situations beyond one year.**

This provision is intended to cover unusual temporary supervisory situations, such as leading or providing supervision to temporary, semi-autonomous teams that operate outside the established reporting lines. It should not be used for standard short-term projects or task groups, or to provide permanent supervision within the work unit involved.

### Geographic Moves

When any employee is temporarily or permanently reassigned to another Corporation duty site, the total salary received is adjusted upward or downward, depending on the applicable locality payment in effect for the new duty station. The adjustment is effective on the date of the reassignment.

### Reductions in Pay Band or Salary

Specific circumstances may cause an employee's pay band level or salary within the band to be reduced. Such conditions include: an accommodation for a voluntary change to a lower pay band, a less severe penalty for disciplinary reasons when the alternative would be termination, when an employees continues to perform at an unsuccessful level after having had an opportunity to demonstrate successful performance, when a Department Head chooses to retain an employee who does not successfully complete a probationary period, or when **an across the board reduction in pay is deemed necessary by the CEO. An example, (but not limited to), of when an across the board reduction may occur is when there is a lack of funds.**

**When there is a reduction in salary or pay band level for poor performance reasons, duties and responsibilities will be assigned commensurate with the lower pay band and/or pay level.**

### Premium Pay/Fair Labor Standards Act

This section covers overtime payments and related areas. All Corporation employees, **except** Presidential appointees, SES members, Band NX-2 employees, employees paid at a rate equivalent to GS-15 Step 10 and experts and consultants, are covered under the overtime provisions. It is Corporation policy to pay eligible employees for all overtime worked that is officially ordered and approved in advance and in writing by the Department Head. Overtime hours are those in excess of a normal tour of duty in a workweek or pay period. Payment for overtime may be in the form of payment for hours worked or an equal number of hours off, i.e., compensatory time.



Entitlement to payment or compensatory equal time off depends on whether or not an employee is covered by the Fair Labor Standards Act (FLSA), as amended. Coverage determinations under the Fair Labor Standards Act is made by the Human Resources Office when a position is classified and is based on the nature of the work performed. Employees who perform executive, administrative and professional work are exempt from the Fair Labor Standards Act. These are employees whose positions are in pay bands NY-3, NY-4, NX-1 and NX-2. Employees whose positions are in pay bands NY-1 and NY-2 are typically nonexempt and are covered by the Act.

Employees paid at the equivalent of GS-15 Step 10 rate of basic pay are not eligible for overtime payment or compensatory time because of Federal compensation regulations. If paid close to this rate, the employee may only earn overtime or compensatory time to the extent that payments will not exceed the GS-15 Step 10 rate of basic pay in a biweekly pay period.

#### Nonexempt Employees and Overtime

Nonexempt employees must be paid for assigned overtime work. They are compensated at a rate equal to one and one-half times the employee's basic hourly rate. However, an employee has an option of requesting, in writing, to receive compensatory time in lieu of payment. If the Department Head approves the request, the employee must take the compensatory time off within six months from the pay period in which it was earned. If the compensatory time is not used by the end of six months, payment is made at the overtime rate in effect at the time it was earned.

#### Exempt Employees and Overtime

Department Heads, **or managers to whom this authority is delegated**, determine whether to pay overtime to eligible exempt employees or grant compensatory time instead. Normally, exempt employees are compensated for the overtime worked with an equal amount of compensatory time. Should an exempt employee receive payment, the rate of overtime pay cannot exceed the overtime rate for GS-10 Step 1.

Exempt employees have six months from the time the compensatory hours were earned to use these hours. If circumstances beyond the employee's control do not allow for the compensatory time to be taken with supervisory approval, the Department Head may grant a 60 day extension or authorize payment at the rate in effect at the time the hours were earned. If the employee could have taken the compensatory time off during the six months from when it was earned and did not, the hours earned are forfeited.

Upon separation from the Corporation, all employees are paid for unused compensatory hours at the rate of overtime pay in effect at the time compensatory hours were earned.

#### Compensatory Time for Religious Observances

Employees whose personal religious beliefs require abstention from work during certain periods of time may make modifications in work schedules, to the extent that such modifications do not interfere with the accomplishment of the Corporation's mission. With advance written supervisory approval, an employee may elect to work overtime before or after the day of the religious observance, and be granted compensatory time off for such observances.

If the overtime is not worked prior to the absence, it must be worked within six pay periods of the time the absence was taken. If the employee fails to work the overtime, annual leave or leave without pay is retroactively substituted and appropriate corrections made to time and attendance records.

### Overtime in Travel Status

It is Corporation policy to schedule official travel time within employees' usual hours of work. However, when scheduling of travel is not administratively within the control of the Corporation and an employee is required to travel outside of regular hours of work, overtime pay or compensatory time may be authorized in advance if it is determined that the time spent traveling is considered hours of work. The determination as to whether time spent traveling is considered hours of work is based on whether the employee is FLSA nonexempt or exempt.

For FLSA nonexempt employees, time spent traveling is considered hours of work for overtime purposes if there is a requirement to travel on non-workdays during hours that correspond to the employee's regular work schedule. As an example, a nonexempt employee who must travel on Sunday between Noon and 6:00 pm whose work schedule is 8:30 am to 5:00 pm, is eligible for overtime between Noon and 5:00 pm.

For FLSA exempt employees, time spent traveling is considered hours of work only if the employee has been officially ordered in advance to perform actual work while traveling.

### Other Compensation Matters

Severance pay is authorized for an employee who is involuntarily separated from the Corporation and, at the time of separation is serving in an appointment without time limitation, i.e., an Indefinite or Permanent appointment, whether career or excepted service, and has completed at least 12 months of continuous employment in one or more civilian Federal positions without a break in service of more than three calendar days.

How much money an employee gets is determined by a formula that considers the basic rate of pay at the time of separation, years of federal service, and age if over 40. For example, an

employee receives one week of basic salary for each year of creditable service for the first 10 years, and two weeks of basic salary for each year of creditable service thereafter. The age adjustment allowance is computed on the basis of 2.5 percent of the basic allowance for each full three months over age 40.

Severance pay is paid at the same pay period intervals as salary was paid. The total severance payment is limited to one year's pay at the rate of pay received prior to separation to include locality payments. Severance payments cannot exceed 52 weeks.

Employees serving under term temporary and discretionary appointments (Schedule C) and Presidential Appointees do not qualify for severance pay.

Pay Retention may be authorized by Department Heads, **or managers to whom this authority is delegated**, in situations where pay would otherwise be reduced. Examples include, but are not limited to: conversion or transfer into a Corporation pay band, or a change to a lower band as a result of a reduction-in-force. The CEO may authorize pay retention in other cases for an employee whose pay would otherwise be reduced as a result of a management action, i.e., a reorganization.

In the case of a reduction-in-force, the employee must have spent at least 52 consecutive weeks in a Federal position with no time limitation to qualify for pay retention. While on pay retention, an employee receives 50% of any comparability ("cost of living") increase granted to Corporation employees.

Pay retention terminates when an employee's salary can be met within the pay band range.

#### Unemployment Compensation

Unemployment compensation is provided for all eligible employees as outlined in 5 United States Code part 8501-8509. States, through agreements with the Department of Labor, serve as agents in processing claims and determining eligibility. The Corporation provides wage and separation information to the States to assist in processing claims. The program provides weekly income for limited time periods to unemployed former employees who qualify to help them meet basic needs while seeking other employment. Because states vary in their eligibility and payment criteria, employees must contact their local unemployment offices directly at the time of separation.

## CLASSIFICATION

The Corporation's legislation required that a "scheme" be developed for the classification of positions. As stated earlier, it was decided that a pay banding system could most effectively meet this requirement. The Corporation's 5 level pay banding system provides for the establishment and grouping of positions in a fair and equitable manner. The classification system applies only to employees in the alternative personnel system.

### Authority and Accountability

In the Corporation's personnel system, the primary responsibility for the classification of positions shifted from the Human Resources Office to Department Heads who have delegated classification and budget authority. As such, Department Heads (who may re-delegate these authorities) establish and classify positions, write position descriptions, assign pay band levels and determine the salary for positions in their organizations in accordance with Corporation policy, classification standards and budget limitations while observing the principle of equal pay for substantially equal work. Department Heads, **or managers to whom classification authority has been delegated, after meeting with employees, ensure that position descriptions reflect major, recurring duties and responsibilities.**

Before a position is classified, a decision is made on what type of work needs to be performed based on the organization's mission, goals and objectives, and whether there is a temporary, permanent or other need to have the work performed. Inherent in this preliminary analysis is the consideration of whether or not work can be accomplished through other means such as details, through temporary promotions or contracting out.

### Definition and Purpose

Classification is the grouping of positions by pay band level, occupational group (e.g. Human Resources) and pay plan (NX/NY) based on the duties and responsibilities assigned and the qualifications required to do the work. These groupings recognize the levels of difficulty and responsibility as defined for each Corporation pay band. Positions are classified to ensure merit, equal treatment of similar work and to support the Corporation's mission.

Classification also serves to facilitate other human resource areas such as recruitment, performance, promotion, career development and training and reduction-in-force.

### How to Classify a Position

The process of classifying a position should flow easily once the main purpose, or principal objective, of the position is determined. The classification process is one of understanding and obtaining information about a position and reviewing this information against Corporation

classification standards to determine the appropriate pay band level, occupational group, title, and pay plan.

Very little time needs to be spent classifying positions under the Corporation's system because there are fewer and broader classification standards, and the Corporation uses generic standardized position descriptions for heavily populated occupations in specific pay bands. This means that up-to-date existing classified position descriptions may already exist that describe the work to be done. The steps below are used when there is a need to classify a position.

#### Determine the Principal Objective.

Once the principal objective of the position is determined, (within the context of the entire unit and its mission), the specific nature of the work is readily identified. For example, a the principal objective of a Human Resources Specialist position is to provide advice and technical assistance on Corporation policies and Office of Personnel Management regulations to Department Heads and employees. This objective defines the basic work and assists in defining the knowledge, skills and abilities required, occupational group and pay plan. With this much information at hand, selection of a pay band level and the application of classification criteria is rather straightforward.

#### Identify the Major Duties and Responsibilities.

Major duties and responsibilities are the reason for the position, they govern qualifications and usually occupy most of the employee's time.

#### Determine Knowledge, Skills and Abilities.

This can sometimes be determined by asking the questions - what kind and level of knowledge and skill are needed for successful performance in the position and, how are they used in performing the work? The Department Head or the person to whom the position reports determines these requirements. Technical assistance is available for the Human Resources Office.

#### Select an Occupational Group

Consistent with the goal of simplicity, the Corporation primarily uses a limited number of broad occupational groups in which to organize positions within pay bands. These groups are generally consistent with general schedule (GS) groups. Within these broad groups, Department Heads have the option of identifying positions by more specific occupational sub-groups called series. For example, Attorney positions fall within the broad 900 Legal Group. However, a sub-group designation of 905 may be assigned to Attorney positions. The Department Head assigns an occupational group and series to a position.

The Human Resources Office may recommend additional occupational groups as circumstances warrant. The occupational groups are:

### **200 Human Resources Group**

This group of positions administer, advise on, manage or perform administrative or technical work covering a broad range of specialized human resources management functions.

### **300 General Administration Group**

This group of positions perform, manage or advise on programmatic or general analytical work; or perform technical or specialized assistance work in support of others; or perform routine support functions for an office. This group includes also includes positions whose here the work is not covered by another occupational group.

### **500 Financial Administration Group**

This group of positions advise on, administer, manage or perform professional, administrative or technical work of a financial management, accounting, budget or auditing nature. Some positions in this group may have specific educational, **professional certification or professional licensure** requirements.

### **900 Legal Group**

This group of positions perform work of a legal nature that is not covered by the occupational sub-group 905.

#### **905 Attorney**

This sub-group of professional positions advise on and render legal advice and services with respect to **laws, rules, regulations and other matters**. The work of this group requires admission to the Bar.

### **1000 Public Information Group**

This group of positions administer, perform or manage administrative or technical work involved in establishing and maintaining communications between the Corporation, the general public, other Federal, **State and local** and **independent and** private sector audiences.

### **1100 Procurement and Grants Administration Group**

This group of positions advise on, administer, manage or perform work involved in the procurement of services or provide technical review and monitoring of Corporation grants and contractual agreements.

## **1800 Investigations Group**

This group of positions advise on, administer or perform work of an investigative, compliance or enforcement nature concerned with alleged or suspected offenses against Corporation laws and regulations, or are concerned with practices or suitability of persons or organizations receiving Federal funds.

### Determine the Pay Band

Review the description of each pay band and tentatively select the band most appropriate for the position based on the principal objective and the major duties and responsibilities. As a check, the next lower pay band should be reviewed to ensure that it is too low for the position and the next highest band should be reviewed to make sure that it is too high for the position.

### Apply the Classification Standard

The Corporation uses a simplified set of classification standards to classify positions. Standards are developed to define the criteria which are significant for final pay band assignments. There are generic standards for each pay band, (applicable to multiple occupational groups) which consist of a description of the pay band in two factors: **(1) Duties and Responsibilities and (2) Knowledge, Skills and Abilities Required.** Both work together to define the band and cannot be separated. These factors, in concert with a whole job comparison, are used to classify the position. Should there be a borderline case, the Human Resource Office is available for assistance.

The Corporation's classification standards were developed based on a review and analysis of recognized federal sector grading criteria. The Human Resources Office ensures that standards are current and maintains this information for use of Department Heads. Employees may review standards at any time.

### Select the pay plan

One of the following pay plans is selected:

**NX** represents executive-level and managerial positions

**NY** represents all other positions

Prior review by the Executive Resources Board and approval from the Chief Executive Officer or designee is required to classify a position using the **NX** pay plan.

### Assign a title

Department Heads have discretion in titling positions within their organizations. The Human Resources Office monitors titling practices to ensure internal Corporation consistency.

### Finalize the Position Description

Now that the above steps are completed, the Department Head or designee develops the final position description. Only a brief (typically one or two page) position description is required. A sample position description is attached.

### Format

The position has the following three sections:

#### Principal Objective

This is a brief sentence stating the purpose of the position.

Example: Serves as Human Resources Specialist providing authoritative advice and technical assistance on Corporation and Office of Personnel Management policies and regulations to Department Heads and employees.

#### Duties and Responsibilities

This should be a concise summary of the major recurring work to be performed. Work described is commensurate with the requirements of the pay band to which the position is assigned.

#### Knowledge, Skills and Abilities Required

This section describes the knowledge and skills needed for successful performance in the position and how are they used in performing the work.

### Certifying the Position

The Department Head or designee signs the appropriate form to officially classify the position. The signature means that there are funds available for the position and that the position description accurately reflects the major duties and responsibilities.

### Standard and Individual Position Descriptions



In keeping with the tenor of simplicity, the Human Resources Office develops standard generic position descriptions for use of Department Heads when the duties and responsibilities are the same or similar for a large number of employees. For example, all **Band NY-3** Headquarters Program Officers would be assigned the same position description.

In general, an employee is assigned to the same position description for the entire period spent in a pay band as long as the major duties and responsibilities remain basically the same. Significant changes in duties and responsibilities require reassignment to a new position description.

### Classification Appeals

An employee may appeal the assignment of his/her position to a pay band or occupational group at any time. Normally, the first level of appeal is to the Department Head **or the manager who has been delegated classification authority for the position**. The employee must provide written reasons as to why it is believed that the position is incorrectly classified.

The Department Head **or manager** renders a written decision to the employee within 30 days. (Decisions involving positions in pay plan **NX** require the concurrence of the Chief Executive Officer.) **If the manager does not resolve the appeal, the employee may present the appeal to the Department Head within 10 calendar days of the first decision. If resolution is not reached at the Department Head level, an employee may use the Corporation's Alternate Dispute Resolution (ADR) Procedure.**

**If the Department Head is the first level to which the appeal is presented and he/she does not resolve the appeal, the employee may submit the dispute, within 10 calendar days, through the ADR Procedure.**

If the final decision results in an assignment to another pay band or occupational group, the corrective action is made effective at the beginning of the next pay period.

## **EMPLOYMENT AND RECRUITMENT (Excepted Service)**

### **A WORKFORCE FOR OUR MISSION**

Whether it is through hiring or promotion, it is the policy of the Corporation for National Service that we strive to select from the highest caliber of applicants we can possibly obtain and in so doing reward our employees with opportunities for innovation, recognition, career growth, monetary achievement and personal satisfaction. We seek to create a workforce which is of the highest quality, is customer-oriented, competent, motivated, empowered, accountable, culturally diverse, and committed to partnership, teamwork and reinvented government.

To accomplish this objective, we have instituted a flexible personnel system, which eliminates bureaucratic barriers and enhances rather than hampers the mission of the Corporation. While many changes have been incorporated, we have retained our commitment to merit principles and fair competition.

In addition to basing selections upon job-specific knowledge, skills and abilities, special consideration shall be given to the possession of experience which includes service either through community or military service. Service is what the Corporation is about and the emphasis on service should always remain in the forefront.

### **Types of Appointments -**

Appointments to positions are in the Excepted Service and are made under the Corporation's legislative authority. There are five types of appointments as follows:

**Term** - Non-permanent appointment for a specified period exceeding one year and lasting no more than five years. Management has the option of renewing the appointment for additional terms.

**Temporary** - Non-permanent appointment for a specified period not exceeding one year. This appointment can be extended as needed.

**Indefinite** - Term appointment without a fixed end date.

**Discretionary** - Confidential or policy-making positions (which would be considered Schedule C appointments in the General Schedule). Appointees serve at the discretion of the Chief Executive Officer and are made without a fixed end date.

**General** - Appointment without time limitation that carries the expectation of continuous employment.

The first two years of a general, indefinite or term appointment are served in a probationary status.

Each of the above listed appointments confers specific employee benefits. These benefits are as follows: General, term, indefinite, and discretionary employees are eligible for retirement, health insurance, life insurance, and sick and annual leave accrual.

Temporary employees whose initial appointments are for less than one year are not eligible for life insurance or retirement. They are eligible to earn annual and sick leave. Temporary employees are not eligible to enroll for health insurance until they have completed one year of current continuous employment, excluding any break in service of five days or less. However, once they are eligible, they must pay the entire cost of the coverage.

### **Other Resources** -

Additional types of arrangements and contracts may also be used to accomplish work. Detailing employees from other federal agencies, non-federal staff working under authority of the Intergovernmental Personal Act (IPA) and private contracts for personal services are among the methods used. Many of the following options do not count against Full-Time Equivalency (FTE) restrictions. To determine whether or not a proposed method of filling a vacancy does impact on FTE, the Department Head should contact the Human Resources Office.

Details from other federal agencies start with discussions between the Corporation and a potential lending agency about experience and qualifications needed to complete a task. Usually an agreement is reached quickly and a fully-qualified person is temporarily loaned to the Corporation's staff.

The IPA opens temporary assignments to employees of local, state and tribal governments, junior and four-year colleges and some 500 other nonprofits qualified with the Office of Personnel Management. Also called the Intergovernmental Mobility Program, the IPA appointment or detail is generally created for a one- or two-year period but can be as long as four years. An IPA agreement signed by the Corporation and the employee's organization spells out the cost-sharing arrangements, the work to be accomplished and the expected benefits.

Specialized federal contracting procedures are also used in which a contractor remains the legally responsible employer with overall control of activities from staff hiring through terminations. The Corporation may contract with vendors who provide experts and consultants, temporary help, and data and teleprocessing services including writing and modifying software. Small business set-aside authority and Section 8(a) of the Small Business Act and Blanket Purchase Agreements (BPA) are frequently used to put these service contracts in place. The

Corporation may contract for personal services with private enterprises and individuals to meet a variety of needs within the Corporation.

The Human Resources Office, Procurement and Administrative Services and the Field Service Centers have information about contracts. The Human Resources Office can provide information about federal and non-federal staff assignments to the Corporation.

### **Non-Competitive Authorities -**

One of the ways to fill a vacancy is to use non-competitive authorities. Although most of the non-competitive hiring authorities such as for appointments of prior VISTA or Peace Corps volunteers, Veterans' Readjustment Appointments, Schedule A Handicap Appointments, reinstatement eligibles, and lateral reassignments from other agencies are only applicable to the competitive service, we will grant them the ability to apply for our vacancies without having to undergo competition. However, they will not actually be appointed under those authorities and by virtue of these appointments they will not lead to competitive status.

To hire using one of these non-competitive authorities, the Department Head should work with the Human Resources Office.

### **Veterans' Consideration -**

The Corporation is subject to the broad Veterans' Preference Act of 1944 as amended. In conformance with this Act, veterans preference eligibles will be given special consideration when a vacancy is being filled from outside the Corporation. Veterans' preference is not applicable to internal selections.

Special consideration will be granted by forwarding all qualified veterans' preference eligibles who applied for an announced vacancy to the selecting official for consideration, whether or not a personnel specialist or selection panel is used to determine the best qualified candidates. If a veterans' preference eligible is ranked as one of the final top candidates, but is not selected, the selecting official shall document the reasons why the selectee was better qualified than the veteran(s) for the position. This documentation becomes a record maintained by the Human Resources Office. The reasons for non-selection will be provided to the veteran upon written request.

### **Filling Vacancies Through Hiring and Promotion -**

Department Heads have the responsibility for deciding the numbers and types of employees needed to accomplish the mission of their Department. This decision is based on the workload of the Department, position management, Full-time Equivalency (FTE) allocations, and budget considerations.

### **Non-Competitive Promotions -**

Under our personnel system, the Department Head has the flexibility to promote Corporate employees up through band NY-3 without formally advertising the vacancy. This flexibility allows promotion of employees who have trained and prepared for career growth within the organization and demonstrate possession of the qualifications needed. This system places greater emphasis on employees to stretch their work assignments to learn new and higher levels of skills and consequently earn a greater opportunity for career growth.

### **Competitive Promotions -**

The Department Head can promote a Corporation employee into bands four or five only after using competitive procedures which include advertising the vacancy, evaluating the qualified applicants and following an approved selection methodology. The only exception would be if the employee has non-competitive eligibility such as having permanently held an equivalent position previously.

### **Recruiting for Vacancies -**

When the Department Head decides to recruit for a position, he/she should consider the duties of the job to be filled and decide what job-related requirements a successful candidate should possess in order to be selected for the position. The attributes should be based on tangible objectives which are measurable, achievable and job-related. Once these attributes are determined, they are used in advertising the vacancy. Therefore, consideration should be given to those factors which, if demonstrated, would provide a pool of well-qualified candidates from which to make a selection.

When a vacancy is to be filled, the Department Head has the flexibility to determine the best source of candidates and the selection method to be used. In determining the best source of candidates, he/she would decide how and where to advertise the vacancy, how wide an area of distribution to use and what special target recruitment may be required.

### **Area of Consideration -**

When recruiting for a vacancy, one of the initial determinations the Department Head will make is to determine the "Area of Consideration." This term simply refers to the parameters from which applications will be considered and is stated on the vacancy announcements. The Area of Consideration can be limited to "Corporation employees only" which would mean only Corporation employees who are not temporary, discretionary, experts or consultants may be considered. An "all sources" recruitment means anyone can apply regardless of whether or not they currently work for the Corporation, another Federal agency, or private industry.

When the Department Head wishes to reach the widest pool of applicants for a vacancy, the Area of Consideration should be "All Sources". This allows applicants from within the Corporation as well as private industry and other Federal agencies to apply and be considered.

The selection process to fill a vacancy may consist of panel assessments, peer reviews, interviews, work samples or other valid methodology deemed appropriate for the position to be filled. The Department Head will make the final selection and determine the salary and/or optional incentives to be offered. The Department Head should always maintain fairness and uniformity of treatment of selectees when making these decisions. The Department Head will make appropriate documentation throughout the process and provide this documentation to the Human Resources Office. The Human Resources staff serve as consultants to managers in this process.

The Department Head has the responsibility for filling vacancies but there are resources available to him/her to assist in this process. The Human Resources Office is always available to provide guidance and information to make the process as efficient and effective as possible. There are many options available and the alternatives should be discussed with the Human Resources Office to decide the best option in each situation. Additionally, the Equal Opportunity Office is available to consult for guidance on diversity and recruitment options.

#### **Advertising the Vacancy -**

If a vacancy is filled by internal promotions through band NY-3, or filled by using discretionary or temporary appointments, is an expert/consultant position, or filled through any other non-competitive authority such as reinstatement or lateral reassignment from another agency there is no requirement for competition.

All other recruitment actions to fill a vacancy will be advertised to allow fair and open competition. Our announcements will be open for a sufficient period of time and to the widest area of consideration to provide an adequate number and a diversity of candidates from which to make a selection. The Human Resources Office maintains a standard mailing list for "All Sources" recruiting which encompasses private and public sector organizations, sources for minority recruitment and organizations actively engaged in community service that traditionally provide us with quality candidates. Department Heads are encouraged to provide additional source listings for inclusion.

The Department may decide if any special paid advertising or targeted mailings should be used when recruiting for a vacancy. These include special mailings to universities or colleges or to other targeted audiences and advertising in trade newspapers or magazines, or any other periodical which would reach the appropriate pool of potential applicants.

Vacancy announcements are prepared and distributed by the Human Resources Office in consultation with the requesting office.

### **Assessment Methods and Options -**

The Human Resources Office collects all applications for an announced vacancy and pre-screens them for basic eligibility including all experience, education or mandatory selective factors. The qualified applications are then referred to the requesting office to continue the assessment process and ultimately make a selection.

All applicants are evaluated against the advertised experience and/or education requirements as well as the specified knowledge, skills, and abilities and mandatory selective factors, if any, to narrow down the pool of applicants to a manageable number. The process used by the Department Head to accomplish this depends on the numbers of applications received and the amount of pre-screening the manager wishes done before further review of the applications.

The Department Head may elect to use any or none of the following methodologies or any other approved method to assess the applicants. Regardless of which methodology is used, the emphasis in this process is to use a competency based approach where the applicants are evaluated to ascertain that they possess the attributes which are directly related to successful performance of the duties of the position.

The following are some methods that can be used to assess the qualifications of the applicants. These techniques may be applied by an individual evaluator or by a panel of evaluators.

**Rating of Applications** - Candidates are ranked against an established list of point assignments based on the degree to which they possess the advertised knowledge, skills and abilities pertinent to the position.

**Best Qualified vs Qualified Evaluation** - This method lists the attributes that separate the best qualified candidates from the qualified only candidates. The evaluator(s) then uses a rating system to indicate the attributes possessed by each candidate.

**Total Attributes Evaluation** - This method consists of comparing a list of required attributes to the application of each candidate to determine which ones they possess. Each candidate is then placed in a rank order with the ones with the most attributes being placed at the top of the list.

**Weighted Attributes Evaluation** - This method gives a weighted ranking to the attributes required to perform the job with certain attributes being of greater value than others. A total score is then determined and the applications placed in rank order based on this score.

**Interview Assessment** - As part of the assessment process, an evaluator or a panel of evaluators may conduct interviews to narrow the field of candidates. If desired, the Human Resources Office can assist in developing an appropriate list of questions for the interview process.

The methods for assessing applicants listed above are not intended to be all inclusive. Department Heads may develop their own assessment methods to assess applicants; however, they must be reviewed by the Human Resources Office before they are implemented.

### **Making the Selection -**

Although only the Human Resources Office staff may make an official job offer on behalf of the Corporation, the Department Head determines who will be selected or placed in a vacancy. The selection is made after considering all of the qualified candidates through an assessment method or methods which have been designed to determine the best qualified applicant for the job. The Department Head should always ensure the selection is based on merit principles and that prohibited personnel practices do not occur. The merit principles and prohibited personnel practices are fully described in the General Information section.

Selection for the vacancy should be from an adequate pool of quality candidates. If the Department Head deems that the pool of applicants does not provide sufficient quality candidates, the vacancy may be readvertised or filled through alternative means such as non-competitive appointment. If the vacancy is readvertised, consideration should be given to expanding the "Area of Consideration" or initiating or expanding advertisement of the vacancy.

### **Documentation Requirements -**

The Department Head will document the reason(s) for selection, the justification for not selecting the preference eligible, if applicable, and the assessment process used to determine the best qualified applicants for the position. This documentation will be forwarded to the Human Resources Office at the time of the selection and will be maintained for a period of two years from the date of the selection.

### **Probationary Period -**

A probationary period is required to be served by all new employees or employees who have never served as a supervisor or manager to determine that his or her work performance or conduct demonstrates his/her fitness or qualifications for continued employment. A probationary period of two years is required for initial appointments to indefinite, term, or general positions. A separate two year probationary period will be used for appointments or promotions to managerial or supervisory positions. The two probationary periods can run concurrently for new employees who are selected for managerial/supervisory positions. During the probationary period, the employee's supervisor shall observe and evaluate the employee's performance and conduct and give as much supportive guidance and training as possible.

For employees converted into the system upon the initial conversion date, any service with the Corporation under previous excepted service appointments will count toward completion of the two year probationary period and toward the competitive status eligibility period ((as prescribed



by OPM). Employees in Schedule C or like positions are not eligible for competitive status for appointment to the competitive service and are not subject to a probationary period.

Employees who have completed a one-year probationary period or one-year managerial/supervisory probationary period in another Federal agency are considered to have met the applicable Corporation probationary period requirement.

If appointed to a Corporation position prior to completion of a one-year probationary period in another Federal position, time served in that probationary period will count towards completion of the Corporation's two-year requirement, provided there is no break in service.

During the probationary period the manager and the employee should ensure that the employee's work is consistent with the duties for which they were hired and that the work habits and conduct of the employees are appropriate for Federal employment.

Supervisors are required to provide a written evaluation based on critical tasks after three months and another follow-up if recommendations for improvement were included in the initial three month evaluation. The time frame for the follow-up evaluation will be determined in the initial evaluation.

Six months prior to the end of the two-year probationary period, the Human Resources Office will notify the supervisor that the employee's probationary period is near completion. This serves as a reminder for the supervisor to consider the performance and retention of the employee. If the performance is not considered at least satisfactory, or other reasons exist, the supervisor should contact the Human Resources Office to initiate appropriate action.

Failure to successfully complete a probationary period, whether for initial appointment or managerial/supervisory could result in termination from employment. The offer of an alternative position rests with the Corporation.

### **Welcoming Our New Employees -**

On the first day a new employee begins working for the Corporation, they will be received by the Human Resources Office to complete necessary paperwork which will ensure proper processing and initiation of pay, benefit elections and other entitlements. They are also formally sworn in as an employee of the Federal Government.

This is performed at Headquarters for those employees working within the commuting area. For those employees whose duty location is outside of the Headquarters commuting area, the appropriate Field Service Center will provide the welcome process for the new employee.

An expanded new employee orientation session will be held for all new employees. These sessions are to orient the new employee to the Corporation and its programs, the various offices and their functions, and to review the Corporation's personnel policies.

### **Official Personnel Files -**

The Corporation maintains an Official Personnel File (OPF) on each employee. All documents regarding employment status, job history, election forms for health and life insurance benefits and other relevant and appropriate personal information is contained in this file. An OPF follows an employee throughout their entire Federal employment and serves as a history of all personnel actions that were effected throughout their Federal service.

Employees are encouraged to review their OPF and become familiar with the contents. It is also their responsibility to inform the Human Resources Office of any changes in name, address, changes in dependents, changes in income tax withholding, information on beneficiaries, emergency contacts, etc. To help insure the accuracy of the personnel file, employees should also take the time to review the information on each Notification of Personnel Action (SF-50) form received. A copy of the SF-50 is provided to employees for each official personnel action taken.

The sensitivity of the data contained in the Official Personnel File requires that access to the file is limited to only those officials who have a need for the record in the performance of their duties. Employees are granted access to review all information and documentation maintained in their OPF, and can give written consent to someone else, such as a Union Steward, to review their records. The OPF will be maintained in accordance with applicable laws and regulations.

### **Departing Employees -**

When an employee is leaving the Corporation, or reassigning to another duty station within the Corporation, he/she should contact the Human Resources Office or his/her Service Center at least a week in advance so that he/she may be informed of the appropriate clearance process required. If he/she is leaving the Corporation, he/she will be given an Exit Clearance Form to assist him/her in processing out. If the employee is just changing duty stations, an abbreviated process will be used to only cover those items which need to be cleared.

This ensures that all keys, credit cards, and government equipment or property loaned to the employee can be returned to the appropriate official and provides the employee with a signed receipt for all returned property.

It is during this exit clearance process that any financial indebtedness must be resolved. If the employee has any outstanding debts which are owed to the Corporation, they will be deducted from the final paycheck or lump sum payment.

Depending on whether the employee is going to another Federal Agency, private industry, or retiring, the employee will also receive information on his/her benefits and how they may be affected and how he/she will receive any money that may be coming to them such as his/her last paycheck or lump sum payments for annual leave. The employee should provide the Human Resources Office with a forwarding address so that these payments can be made and supporting documents provided.

## **RETENTION, RECRUITMENT AND RELOCATION**

The following are options available to the Department Head as incentives which may be offered to excepted or competitive service employees when it is essential to obtain, relocate, or retain high-quality individuals in a specific position, in accordance with statutory and regulatory criteria. These options are normally to be considered in lieu of setting pay at an advanced rate. Department Heads approve these payments unless the Department Head is the person recommending the payment in which case the Chief Executive Officer will approve the payment.

**Recruitment Bonus** - A recruitment bonus may be paid to an individual to whom an offer of employment has been made if this is his/her first appointment to the Federal government or if they are being reappointed following a break in government service of at least one year. This bonus is used to encourage the selectee to come to work for the Corporation by providing a mechanism of compensation above the offered salary. It can be made to a newly hired employee or one to whom an offer of employment has been made if the Department Head has determined that in the absence of such bonus, difficulty would be encountered in filling the position with a high-quality candidate. It is a one-time cash payment of up to 25% of basic pay and subject to the same taxes and withholdings as normal income. Prior to receipt of the bonus the employee, or prospective employee, must sign a twelve-month service agreement. Employees of other Federal Agencies are not eligible.

**Relocation Bonus** - A relocation bonus may be paid to a current Federal employee, including one within the Corporation, who must relocate (permanently or for a temporary period of time) to a position in a different commuting area provided that the Department Head has determined that in the absence of such bonus, difficulty would be encountered in filling the position with a high-quality candidate. This option is limited to positions with pay plans NY-4, NX-1 or NX-2. A relocation bonus is a one-time cash payment up to 25% of basic pay and is subject to taxes and withholding. A twelve-month service agreement is also required. The service agreement signed for a relocation bonus is separate from one needed for travel relocation expenses.

**Retention Allowance** - A retention allowance may be paid to a current employee whose unusually high or unique qualifications or special need of the Corporation for the employee's services makes it essential to retain the employee, when it is likely that the employee will leave Federal Service. To grant a retention allowance, written documentation of a bonafide offer from another potential employer within the private sector must be provided. A retention allowance is a payment of up to 25% of basic pay and is paid in the same bi-weekly manner and at the same time as the employee's regular salary. It continues to be paid as long as the circumstances giving rise to the determination to pay the allowance exist and is not otherwise terminated by the Department Head.

When determining the amount of any bonus, the following factors should be considered, as applicable:

- The success of recent efforts to recruit highly-qualified candidates for similar positions, including indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions;
- Recent turnover in similar positions;
- Labor-market factors that may affect the ability of the Corporation to recruit highly-qualified candidates for similar positions now or in the future;
- Special qualifications needed for the position;
- Special or unique conditions in the new commuting areas which make filling the position especially difficult;
- Unusually high or unique qualifications of the employee or a special need of the Corporation for the employees services which makes it essential to retain the employee; or
- Other special or unique needs for the employee's services.
- The amount of the bonus cannot exceed 25% of the base salary of the employee or prospective employee.

Before a bonus can be paid, the following conditions must be met:

- **Service Agreement** - The employee must sign a service agreement (for purposes of recruitment and relocation only) to complete a minimum period of twelve months with the Corporation at the new duty station. In the case of a temporary change in duty station for less than one year, a service agreement may provide for a shorter minimum period of employment (must be documented in writing and shall include a description of the reasons). If the employee fails to serve the twelve months under this agreement, he/she will be responsible for reimbursing the Corporation for any bonus money received.
- **Time Limit of Appointment** - The employee's appointment must be without a time limit or for a minimum period of at least 2 years, except when relocated for a shorter minimum period.
- **Establishment of Residence** - Relocation bonuses may only be paid after the employee has established a residence in the new commuting area.

### **Approval and Payment**

Department Heads are authorized to approve the payment of a bonus for relocation, recruitment or a retention allowance. In no case can the requesting official also serve as the approving official. If a Department Head is the requesting official, a higher level of approval is required.

The determination for paying a recruitment or relocation bonus must be made before the employee actually enters on duty in the position to which appointed or relocated. Recommendations and written documentation and approvals for each of the above are submitted to the Human Resources Office for technical review and payment. The Human Resources Office retains all records on bonuses and allowances paid.

**Relocation Expenses** - Travel relocation expenses may be paid for positions in Bands NY-4, NX-1 or NX-2 to a potential employee under the General Services Administration guidelines as long as the vacancy announcement so stated. The items that can be paid differ as to whether the employee is a current Federal employee or from private industry. The benefits are listed in the Federal Joint Travel Regulations and are very specific. It is the policy of the Corporation that this option is limited to positions in pay plans NY-4, NX-1 or NX-2. A twelve-month service agreement is required to be signed between the employee and the Procurement and Administrative Services Office prior to initiating travel.

## **TRAINING AND DEVELOPMENT (EXCEPTED AND COMPETITIVE SERVICE)**

It is the policy of the Corporation to continually strive to maintain a fully-trained staff with skills to meet its mission and objectives. The changing environment in which we function requires that our employees maintain their skills and update them as new techniques and technologies evolve.

Our system places a greater emphasis on training because each employee has a greater growth opportunity within the personnel system. However, there is no guarantee that an employee will advance without demonstrating growth in ability and performance within their current position.

Pay banding allows for career growth. Employees have greater flexibility to progress to other positions since each pay band level covers a broad range of occupational groups. Since position descriptions are written more broadly, it is easier to accommodate increasingly complex work without having to redescribe the position. Therefore, managers have much more flexibility, within budgetary parameters, to provide for career advancement and skills development based on the unit's needs.

### **Training Plans -**

All employees should have a training plan. The need for a training plan is based on the level of the employee and the need for career growth. If the supervisor chooses to have training plans for his/her subordinates, they and the employee should develop a training plan which outlines the objectives and methods of accomplishment of the training. These plans may be designed to have short-term (one to two year) objectives, mid-term (two to three year) objectives and long-term (three years or greater). This allows the employee and supervisor to not only train for the current needs of the position but also assists the employee in determining their long-term career objectives by projecting the future needs of the Corporation.

To establish training plans, each manager should evaluate the work performed under his/her direction and establish a list of skills and knowledge necessary to perform the various levels of work for each position within their purview. The plan should be designed to encompass professional development, ensure the employee maintains "state of the art" expertise and keeps informed of initiatives in their field. Because of the impact to the Corporation and the employees, these skills and knowledge should be carefully analyzed to establish their relevancy to the work performed as well as the value they contribute to the mission of the Corporation.

The training plan should be reviewed periodically to ensure that it is being kept current and that the employee and supervisor are endeavoring to accomplish its objectives.

It is recognized that at times, available funding or workload may impact on the ability to meet the plan objectives, however, employees and supervisors will continuously strive to meet the objectives.

## **Training Opportunities -**

### **Corporation Training -**

The Corporation provides on-the-job training as well as formalized training in many areas in order to assist our employees to better perform their jobs. This training is scheduled on an as-needed basis and can encompass any aspect of an employee's work or our Corporate mission.

### **Non-Corporation Training -**

Employees of the Corporation may obtain training outside of the Corporation and receive payment of its cost if it is job-related, there are funds available and if approval for taking the training is received in advance. The decision to pay for training rests with the Department Head in conformance with Federal regulations and requirements. Payment for training is not available to people who work for the Corporation under private contracts.

This training can be provided by other Government agencies and non-Government agencies, such as learning institutions or private contractors. Some training that we use on a regular basis has been contracted for. An example of this type of training is the contract we have for computer training. This training allows for various levels of computer training as well as onsite tutorial assistance.

Brochures on types of training that are available are maintained in the Human Resources Office and are available to employees upon request. The staff of the Human Resources Office can provide assistance as to the appropriateness of the training, the availability of training as well as guidance on the preparation and submission of training request forms.

The Human Resources Office can also assist when there is a need to train a large group of people in a particular subject matter field. They can provide assistance as to the best method to conduct the training and help in obtaining it whether it is through the Corporation, through off the shelf videos or through contract with private industry. If a contract is the decided route Procurement and Administrative Services in the Chief Financial Office can provide information and direction.

### **Training Audiovisuals -**

Training can also be obtained through the use of audiovisuals which can be ordered through the Human Resources Office. Catalogues are maintained which list the types of videos available either to rent or purchase. The Human Resources Office, the Equal Opportunity Office and the Office of Automation maintain a limited library of videos which can be borrowed for use in training employees.

### **Training Records -**



Successful completion of any type of training should become part of the employees personnel file. The employee is responsible for submitting documentation of successful completion of training to the Human Resources Office. This will ensure that the training becomes a part of their permanent personnel file.

## Recognizing Performance

The Corporation's Performance Appraisal System is designed to improve individual, organizational and team effectiveness. This is accomplished by identifying universal job objectives from which employees can be rated at the conclusion of the performance cycle. This system is derived from findings by the National Performance Review and the National Partnership Council which recommended systems that are simple, promote team performance and separate the appraisal from cash awards. Individual work plans will focus on the mission of the Corporation and the employee's work unit. In order to emphasize our focus on performance improvement, we have limited rating levels to two possibilities - Successful or Unsuccessful - to redirect the focus of our appraisal system from individual ratings to overall improvement of organizational performance. This system applies to all employees regardless of pay level except temporaries, experts and consultants.

### Individual Work Plans

Prior to the start of the performance cycle, each supervisor must meet with his/her employees to discuss specific goals for the coming year. These goals are linked directly to working as a team to achieve the mission of the organization.

A simplified work plan, based upon objectives, tasks and accomplishments, must be developed for each employee that is consistent with the position description. The plan must be established within 30 days of the beginning of the performance period, or within 30 days from when an employee enters a new position. Employee involvement is a key factor in managing an effective appraisal system and employees will be given the opportunity to work with the supervisor to develop and discuss the plan which will then be signed by the employee and supervisor.

Employees will have five days to review the plan before signing it. Refusal to sign does not void the plan. In these cases, the supervisor will note "Employee refused to sign" where the employee's signature should be. Employees must receive a copy of the signed work plan.

The work plan will be reviewed by the supervisor periodically to determine if the objectives, tasks, and accomplishments are still valid. Modifications will be made when necessary. The plan may be reviewed at the initiative of either the supervisor or the employee.

### Performance Review

Although the Performance System is oriented to group or team accomplishments, the program includes elements of individual accountability. Individual performance goals are derived from organizational goals and position descriptions. In effect, we are holding each employee accountable for their contributions, within their control, for team performance. The following objectives will be considered:

1. the organization's critical goals during the performance cycle and how the employee helped the organization achieve these goals;
2. the employee's performance against critical tasks during the performance cycle; and
3. the employee's primary strengths during the performance cycle.

Appraisals will also suggest ways employees can improve individual and team performance in subsequent performance cycles.

Annual performance reviews are conducted by all supervisors. When measuring performance, the supervisor must first determine whether performance expectations have been met. After evaluating each employee's work plan against their performance during the performance cycle, a summary rating of successful or unsuccessful is assigned.

#### Unsuccessful Performance

Although the Corporation hires each employee with the expectation that the employee will be able to maintain an acceptable level of quality performance, there are times, for various reasons, when an employee's performance falls below the minimum acceptable levels and begins to have negative consequences on the team or organization. Notice to an employee of unsuccessful performance may be provided at any time by the employee's supervisor. The supervisor should not wait until the end of the performance cycle to notify the employee of an unsuccessful rating. At any time an employee is deemed to be performing unsuccessfully, the individual should be notified in writing within two weeks. At this time, the supervisor should prepare a new performance appraisal, indicating an Unsuccessful rating of record. The original appraisal should be forwarded to the Human Resources Office and a copy furnished to the employee.

An unsuccessful rating requires a written justification and is an indication that remedial action is necessary to improve performance. If an employee is given an unsuccessful rating, a reasonable period of time is provided to correct any performance deficiencies, normally 1-3 months. The performance deficiencies will be documented. A plan must be developed that includes specific and measurable goals for improvement and timeliness for accomplishment. Employees who continue to perform at an unsuccessful level after having had an opportunity to demonstrate successful performance will be reassigned, reduced in pay with a commensurate reduction in duties in the same or lower pay band or grade, or separated from the Corporation. Concurrence of the second level supervisor is

required for a separation. A separation for cause, reduction in pay, and any other adverse action normally subject to appellate review by the Merit Systems Protection Board (MSPB) may be appealed under the Corporation arbitration procedure if the employee is outside of the competitive service and does not have the right to appeal to the MSPB. This procedure requires that the employee give written notice to the Labor Relations Officer of intent to file for arbitration within 30 days of receiving the final decision notice. An independent arbitrator, chosen by the employee and the Corporation, will be appointed. Arbitration of a separation only covers employees on general or indefinite appointments. Bargaining unit employees have the additional option of appealing these actions under the negotiated grievance procedure and may choose either procedure but not both. Once a procedure is elected, the employee is precluded from appealing with another procedure.

### Feedback

Supervisors need to be aware of the importance of effective feedback. Ongoing feedback is a major developmental tool for employees. Positive feedback ensures that employees understand their responsibilities and work toward meeting their goals. Interim feedback sessions with employees also allows the supervisor to detect, at the earliest possible time, any performance deficiencies. It is expected that supervisors will conduct at least one progress review with each employee approximately midway into the appraisal period.

### Communication of Final Appraisal

Each supervisor is required to meet with their respective employees at the end of the performance cycle. The employee is given an opportunity to review his/her appraisal for five working days before signing it. Once the employee has signed the appraisal, the supervisor provides a copy to the employee and forwards the original to the Human Resources Office for retention.

### Performance Cycle

The performance cycle shall run from October 1 to September 30. Employees who enter new jobs during the cycle are normally rated based on the workplan at the end of the cycle unless they have not been in the new position for 90 days. In such cases, the cycle is extended for one time to allow the employee to work under a new workplan for 90 days before being rated.

### Optional Five-Level System

At times, employees may apply for positions that consider a performance rating in the selection process. Other Federal agencies may be under performance systems that give degrees of weight for various levels of performance when conducting a reduction-in-

force. Employees will be given the opportunity to receive from the immediate supervisor an optional rating that uses five summary rating levels under the following situations:

- 1) the employee is applying for a position at an organization which awards points in the ranking process for performance appraisals; or
- 2) the employee has been offered and has accepted a job with another Federal agency where reduction-in-force procedures take into consideration current performance ratings of record.

Forms for the five-level system will be available from the Human Resources Office.

## Awards Policy

Awards are granted to recognize accomplishments that improve service, foster teamwork, save money and improve morale. Awards will be budgeted by the Compensation Committee based on available funds and budgets will be targeted to promote and reward special accomplishments by groups and teams. Distribution of awards will reflect the full range of jobs in the Corporation and decisions to grant awards will be made free of discrimination.

Each fiscal year, available award funds will be budgeted between Group/Team Accomplishment Awards; Individual Accomplishment Awards; and On-the-Spot awards. The major portion of the awards budget will be earmarked for Group/Team Accomplishment awards and will be kept at a central level. Funds will be distributed to Department Heads for Individual Accomplishment Awards and On-the-Spot Awards.

No employee may receive more than three monetary awards within a 12-month period; and Contractors, consultants, detailees from other agencies, student aides, interns, employees on IPA agreements and Presidential appointees are not eligible to receive monetary awards. This policy applies to all employees except for temporaries, experts and consultants.

### Cash Awards

The main interest in this system is to foster, encourage, support and reward organizational performance and teamwork. Group/Team Accomplishment Awards will normally encompass 55 percent of available awards funds and recognize individuals and/or teams for group efforts that result in improved service or products or work that results in cost savings. Groups/teams are nominated by supervisors and such nominations will be forwarded to an awards committee which will make final recommendations to the CEO. These awards may range from \$250 to \$5,000 for each team member;

Individual Accomplishment Awards recognize exemplary individual achievements or performance over a sustained period of time. Employees are nominated by a supervisor and final decisions are made by a Department Head. These awards range from \$250 to \$1,000. At least 35 percent of the Corporation's budget for employee awards will be allocated for Individual Accomplishment Awards. Individual accomplishments may include but are not limited to:







- o employees who assume a significant increase in workload due to loss of office personnel;
- o employees who consistently volunteer and perform additional assignments and tasks which achieve the Corporation's mission; and
- o employees who develop innovative ways of doing business.

At the request of the employee, the supervisor will discuss the conditions and criteria by which the supervisor would recommend an employee for an Individual Achievement Award. These conditions and criteria must directly relate to achieving and surpassing the goals and mission of the organization;

On-the-Spot Awards recognize significant accomplishments at the workplace that allow quick recognition with authority to grant the award at lower levels. Employees in band NY-3 (or GS-13 equivalent) and below are eligible. Employees are nominated by a supervisor and approval by second line supervisor is required. On-the-spot awards are limited to no more than two in any 12-month period and range from \$50 to \$250 (Corporation pays all deductions).

#### Honor (non-monetary) Awards

Honorary (non-monetary) awards can be granted at the discretion of the approving manager at any time and include:

-  The **Chief Executive Officer's Award** is granted at the sole discretion of the CEO and recognizes extraordinary contributions to furthering the Corporation's purposes.
-  The **Willis Greene Community Service Award** is granted by the CEO to an employee who has made significant contributions to community service off the job.
-  Department Heads may issue certificates or plaques to employees for the following honorary awards at any time:
  -  **Achievement in Equal Opportunity** (recognizes individuals who have broken down barriers or reached better understanding between diverse groups in the community)
  -  **Excellence in Management** (recognizes unique abilities or initiatives which have made substantial contributions to the improvement of programs or objectives of the Corporation)
  -  **Superior Accomplishments** (recognizes special acts above and beyond an employee's normal job duties)

#### Time Off Awards



In lieu of monetary awards, an immediate supervisor may approve a time off award of up to one scheduled workday. A second level supervisor may approve a time off award of up to five scheduled workdays within a calendar year. These awards will be documented in the employee's Official Personnel Folder (OPF).

## HOURS OF WORK AND LEAVE

Consistent with the "family friendly" policies recommended by the President and the National Performance Review, the Corporation's hours of work policy will enable employees to vary their starting and quitting times, earn credit hours and use credit hours in lieu of leave. Employees are responsible for keeping their own timesheets at their work areas in a location known by and accessible to their supervisor and timekeeper. Each employee certifies a timesheet reflecting the number of hours worked, leave taken, and overtime, compensatory time, or credit hours earned. No work unit will keep sequential sign-in/sign-out sheets. All Corporation employees except for Presidential appointees are covered by this policy. SES and Band NX-2 employees are excluded from the credit hours and compressed schedule provisions. If this policy conflicts with the negotiated Corporation/AEU Agreement, the Agreement will apply for bargaining unit employees.

### Models

Two models of alternative work schedules are authorized under law. They may not overlap, i.e., employees cannot "mix and match" the features from each model.

-  Flexitime schedules allow for varying departure and arrival times and the earning of credit hours; and
-  Compressed schedules are fixed schedules that allow eight nine-hour days, and one eight-hour day with one regular day off. Earning credit hours is not allowed by law for employees on compressed schedules.

### Duty Hours

Employees will discuss a schedule with their supervisor within the Corporation's guidelines. The hours employees may schedule regular shifts are between 7:00 a.m. and 9:00 p.m., Monday through Friday. Core hours (hours that must be part of the daily schedule) are from 9:30 a.m. to 4:00 p.m. The midday flex band (when the workday can be expanded in connection with the lunch hour without formal supervisory approval) is from 11:00 a.m. to 2:00 p.m. and may be an exception to the core hours requirement. Public service hours are from 8:30 a.m. to 5:00 p.m., Monday through Friday (excluding Federal holidays);

If a serious inconvenience or hardship exists or develops for an employee regarding the requirement to be present between 3:30 and 4:00 p.m., a supervisor may allow the employee to modify his or her schedule to permit a deviation from these hours; and

Schedules may allow for different starting and ending times each day and more or less than eight hours of work each day. Schedules reflect the basic 80-hour requirement and do not reflect requests to earn or use credit hours or leave.



## Compressed Schedules

Compressed schedules allow employees to work a longer workday and obtain one day off without charge to leave during the pay period. With approval, an employee may work the 5-4-9 model of compressed work schedules. This model allows employees to work 8 nine-hour days, 1 eight hour day, and receive one workday off during the pay period. **Employees on compressed schedules are prohibited by law from earning credit hours.** When a scheduled day off falls on a holiday or paid non-workday, the employee is entitled to the following workday off. If the scheduled day off falls on a Friday, the employee is entitled to the previous workday off.

## Credit Hours

Credit hours are additional hours an employee elects to work with supervisory approval in order to take time off at a later date without charge to leave. Credit hours were created by law to allow employees a degree of flexibility in when their work is performed. Credit hours are earned in half hour units. Earning and use of credit hours requires advance supervisory approval. If an employee is ordered by management to work hours which are in excess of the scheduled requirement, such hours are overtime, not credit hours.

**When can they be earned?** Employees, with supervisory approval, may earn credit hours for work in addition to the normal daily schedule that falls between 7:00 a.m. and 9:00 p.m., Monday through Friday. Credit hours cannot be earned at any other time.

**Maximum Earning of Credit Hours.** Employees can carry over from one pay period to the next the maximum number of credit hours allowable by law (currently 24).

**Pre-Authorization:** Supervisors will inform employees if they must seek express supervisory permission to earn credit hours or if the employee is pre-authorized to earn a limited amount of credit hours without express approval. Supervisors may change this arrangement for good cause.

Employees may account for credit hours on a pay period, rather than daily, basis. Thus, it is possible, with supervisory approval, credit hours may be used first and then earned later in the same pay period.

## Relationship to Overtime and Compensatory Time

While credit hours represent work an employee chooses to perform with supervisory approval, overtime and compensatory time are hours in excess of the work schedule management orders an employee, in advance and in writing, to work. The approval of overtime and compensatory time can have significant budgetary ramifications which is covered in greater detail in the Compensation policy.

### Standard Workday

A standard workday is eight and one-half hours with a minimum 30 minute unpaid lunch break during the middle of the day. The minimum 30 minute unpaid break is mandatory for all workdays of six hours or more.

### Individual Time Certification

Employees are responsible for recording all time worked and leave taken and submitting the sheet to the designated timekeeper at the end of the pay period. No daily "time in - time out" entry is required but a written schedule must be approved in advance and approved by the supervisor.

Timekeepers review the ITCS for accuracy and conformance with policy and procedures. They may not be the timekeeper for their own ITCS. Timekeepers do not certify hours worked not approve leave, credit hours or overtime.




Supervisors, not timekeepers, certify the accuracy of the ITCS and approve the use of leave and the earning and use of credit hours.

### Approval of Compressed Schedules and Credit Hours.

All work schedules (scheduled arrival and departure times) must be discussed with and approved by the first level supervisor.

Supervisors may approve the earning and use of credit hours as well as the use of a 5-4-9 compressed work schedule. **Approval of compressed schedules requires the concurrence of the second level supervisor.** The most important consideration in the utilization of flexible and compressed work schedules is whether the office is being substantially disrupted in carrying out its functions or is incurring additional costs because of participation. When the request to earn credit hours or the use of a compressed schedule is denied, the supervisor will give the employee written reasons for the disapproval;

Supervisors may deny the use of compressed work schedules or deny the earning of credit hours if there is adverse impact on the Corporation. An adverse impact is defined as:

-  a reduction in productivity;
-  a significant reduction in the level of service to the public; or
-  an increase in the cost of Corporation operations (not to be construed as de minimis costs. Reasonable administrative costs cannot be singled out as the sole proof of adverse impact.).

In determining whether there would be an adverse impact, supervisors may take into consideration mission accomplishment, office coverage, customer service, costs, employee accountability, and ability to manage work. When considering coverage for state offices and other small work units, if full coverage is not reasonable, other methods, e.g., voice mail, answering machines, etc., may be used.

Schedule Adjustments

Employees are allowed to request a change in model or schedule every six months. Changes may also be requested at any time if an emergency or hardship warrants. Supervisors may adjust or change models or schedules at any time under the criteria delineated above. Supervisors may also restrict the earning of credit hours when there is evidence of abuse. Schedule changes and credit hour restrictions require written notice.

Annual Leave

Annual leave use requires advance supervisory approval which will be based on workload needs. Annual leave may be used for any purpose with supervisory approval. No more than 240 hours annual leave can be carried into a new leave year. Members of the Senior Executive Service (SES) are subject to different carryover limits. Annual leave may not be used at the end of employment with the Corporation to extend the separation date. The amount of annual leave accrued each pay period depends on the length of federal employment as follows:

<b>LENGTH OF FEDERAL SERVICE</b>	<b>ANNUAL LEAVE EARNED EACH PAY PERIOD</b>
<i>LESS THAN 3 YEARS</i>	<i>4 HOURS</i>
<i>3 YEARS OR MORE BUT FEWER THAN 15 YEARS</i>	<i>6 HOURS (AN ADDITIONAL 4 HOURS IS ACCRUED DURING THE LAST PAY PERIOD OF THE CALENDAR YEAR)</i>
<i>15 YEARS OR MORE</i>	<i>8 HOURS</i>

Annual leave may be used in half-hour units. Supervisors may require leave requests to be made on a Standard Form 71.

**Advance annual leave:** Annual leave may be advanced by the immediate supervisor up to the amount the employee is expected to earn for the remainder of the leave year.

**Emergency annual leave requests:** When an emergency occurs and an employee cannot request leave approval in advance, the employee is expected to call the supervisor within two hours from the start of the workday to request leave approval. Leaving a message with a

coworker is not sufficient unless a supervisor cannot be found. In those cases, the employee should leave a phone number the supervisor can call. The supervisor may require more information before approving leave.

### Restored Leave

Annual leave should be scheduled at the beginning of the year to avoid forfeiture. In certain circumstances, an employee may have forfeited annual leave restored if the leave was scheduled and approved in writing at least three pay periods prior to the end of the leave year and the leave was subsequently cancelled due to an exigency of Corporation business as certified by the employee's Department Head, sickness, or administrative error. Requests for restoration of forfeited leave must be submitted to the Human Resources staff after the beginning of the next leave year. If forfeited leave is restored, it must be used within two years (and following use of all annual leave earned in the current year) or it is permanently forfeited.

### Sick Leave

With advance supervisory approval, sick leave can be used for absences due to sickness or for time off to visit a physician, dentist or other health practitioner. Sick leave of three consecutive days or more may require submission of a Standard Form 71. When there is reasonable suspicion of abuse, the supervisor may require the employee to submit a physician's statement documenting the need for sick leave.

Sick leave may also be used to attend to certain family responsibilities such as caring for a sick family member or making arrangements for or attending a family member's funeral. Sick leave for these purposes is limited to five days in a leave year if the sick leave balance is below 80 hours and up to 13 days in a leave year as long as the employee maintains a balance of at least 80 hours of sick leave. A family member includes a relative, in-law, spouse of a family member or one who is related by blood or affinity whose close association with the employee is the equivalent of a family relationship. Sick leave may be used in connection with the adoption of a child without regard to the above limitations.

Sick leave may be used in half-hour units. Full time employees earn four hours sick leave each pay period regardless of years of service. There is no limit to how much sick leave can be carried over from year to year.

**Emergency sick leave requests:** Emergency sick leave requests require a call to the supervisor within the first two hours of the workday to request leave approval. Leaving a message with a coworker is not sufficient unless a supervisor cannot be found. In those cases, the employee should leave a phone number the supervisor can call.

**Advance sick leave:** In cases of serious illness or injury that requires an absence from work that will total more than 40 hours, up to 240 hours of sick leave may be advanced to employees who do not have enough available sick leave. The employee must submit a Standard Form 71 for the

length of sick leave requested together with a physician's statement that provides sufficient information for the leave approving official to make an informed decision on the request for advance sick leave and the length of the absence. Advance sick leave may be approved only by a Department Head unless this authority is redelegated.

#### Administrative Leave

Administrative leave is a "catch all" category whereby the immediate supervisor has limited discretion to excuse employees from work without charge to sick or annual leave for appropriate reasons. Administrative leave is normally granted for periods of less than one day. Examples of appropriate use of administrative leave may include an employee arriving late due to hazardous weather; occasional tardiness; time off to donate blood; a shutdown due to weather conditions; building evacuations; periods management determines it is in the interest of the Corporation for an employee to be away from the workplace; an employee receives a medical examination or treatment at the health unit; time off to vote; and other conditions as determined by management.

#### Military Leave

Full time employees are entitled to up to 15 calendar days of paid military leave in a fiscal year. The employee must furnish a copy of the orders calling him/her to duty prior to starting the leave.

#### Organ/Bone Marrow Donor Program

Employees are entitled to up to seven days of paid administrative leave in a calendar year to serve as an organ or bone marrow donor.

#### Court Leave

Court leave is excused time when an employee serves on a jury or serves as a witness on behalf of the United States, a state or local government. Court leave is not granted when the employee is testifying on behalf of a private party even when a subpoena has been issued. Court leave is not granted when the employee is a party in the proceeding. When an employee appears in court as a representative of the Corporation that is official time, not court leave. If a fee is paid for jury service, the employee must remit the fee check to the Corporation for each day court leave was granted. The employee is entitled to retain any reimbursement by the court for parking, mileage and other out-of-pocket expenses.

#### Leave Without Pay (LWOP)

Leave without pay (LWOP) is an approved leave status that requires the same supervisory approval as annual and sick leave. An employee is not automatically entitled to LWOP.

#### Family Medical Leave Act (FMLA)

Under the Act, an employee who has completed 12 months of Federal service in other than a temporary appointment may take up to 12 weeks of unpaid leave during any 12 month period for the birth of a child; the adoption or foster care of a child; or the serious health condition of the employee, spouse, child, or parent of the employee. An employee may substitute paid time off for any unpaid time taken under the FMLA. Employees must provide their supervisor with 30 days advance notice when the need for FMLA leave is foreseeable and may be required to furnish medical certification to support a request.

Absence Without Leave (AWOL). When an employee is absent from work without approval, the employee may be placed on an AWOL status. This status is recorded on the ITCS. While AWOL is a pay status and not discipline, it may form the basis for taking a disciplinary action.

#### Leave Transfer Program/Leave Bank

The Corporation's leave transfer program allows employees to contribute annual leave to fellow employees who must miss work due to illness or injury or to care for a family member with a medical emergency. Leave recipients apply for this program and must submit documentation of the medical condition from a physician. The application must be approved by the appropriate Department Head. If there is insufficient donated leave to cover the needed time off, donations from employees of other federal agencies that permit cross-agency donations will be accepted. A leave donor may donate no more than one half of a year's accrual of annual leave and may donate use-or-lose leave only to the extent that there is time left in the leave year to schedule use of that leave.

The Corporation will establish a leave bank that allows employees to contribute annual leave for the same purposes described in the leave transfer program. Leave donated to the bank will not have a specified recipient; rather, trustees appointed to administer the leave bank will consider applications from employee who face a loss of pay due to a medical emergency. The bank's trustees will decide how to distribute the leave and in what amounts.

#### Employee Volunteer Initiatives (EVI) Program

Employees may volunteer for a nonprofit service organization during work hours and the Corporation will match annual leave used in a volunteer capacity with up to four hours administrative leave during a four week period. Organizations must be of a service, not advocacy, nature and have no financial ties to the Corporation. Leave used for this program requires advance supervisory approval.

## **EMPLOYEE BENEFITS**

Federal government employees whose appointments are for more than one year are entitled to standard benefits for which the government contribution ranges from part of the cost to the entire cost. Brochures and information are available from the Human Resources Office. What follows is a summary of benefits that are available to all federal employees.

### **Retirement**

Employees appointed to positions that will last more than one year are covered by one of two federal retirement systems. Information on retirement benefits is available from the Human Resources Office.

Civil Service Retirement System (CSRS). This plan mainly covers employees who were hired by the Federal government before 1984 although it may cover an employee who was previously covered and returns to government after a break in service of less than one year. Employees who return to government after a break of greater than one year are covered by a plan called "Civil Service Offset" which is a combination of Civil Service Retirement and social security. Annuities are based on the average salary of the highest three years of earnings and length of service.

Federal Employees Retirement System (FERS). This plan generally covers all employees hired after 1984 and employees who elected to join FERS in 1987. Benefits are based on social security, highest three years of earnings combined with years of service and the Thrift Savings Plan (TSP) account.

### **FICA/HITS**

Employees covered by FERS and employees not covered by any retirement will have social security taxes (FICA) deducted from biweekly pay. The deduction is 6.2 percent and the Corporation contributes an equal amount to the government to pay for social security benefits. In addition, all employees pay 1.45 percent of salary for HITS, which pays for medicare coverage after age 65. These deductions are mandatory.

### **Thrift Savings Plan (TSP)**

TSP is a voluntary tax deferred savings plan similar to a private sector 401(k) plan. FERS employees receive an automatic one percent of their salary paid into a TSP account and their contributions to the plan are matched up to five percent of salary. They may contribute, by payroll deduction, up to 10 percent of salary, tax deferred. CSRS employees receive no government match and may contribute up to five percent of salary, tax deferred. Participants may designate where their money is invested from among three funds: A government securities fund; a stock market fund; and a bond market fund. Open seasons are held twice yearly for employees to enter the plan, change investment funds or raise their level of contributions.

## Health Benefits

The Federal Employees Health Benefits Program (FEHBP) is open to all non-temporary employees and temporaries after one year of continuous employment (allowing for a break in service of not more than five days). Employees may select from a wide range of participating plans which range from Health Maintenance Organizations (HMOs) to traditional fee-for-service plans. A biweekly premium is deducted depending on the plan elected and the level of coverage. The government pays the major share of the plan premium directly to the provider. An open season to enroll or change carriers is normally held annually from mid-November to early December. Other conditions that may permit a change in enrollment outside of open season is birth of a child, marriage, a spouse loses group coverage, or an employee in a plan covering a limited service area relocates to an area where the plan's services are not available. The Human Resources Office maintains copies of brochures from national plans.

## Temporary Continuation of Coverage (TCC)

Employees who separate from the government may extend their enrollment in the Federal Employees Health Benefits Program (FEHBP) for up to 18 months after separation. The Human Resources Office will provide employees a letter with rights and options upon separation from service. Employees may also elect TCC for up to three years for former spouses who lose eligibility under the employee's family coverage and children who lose coverage on their 22nd birthday. TCC requires that the subscriber pay the full cost of coverage (which includes what the government formerly contributed toward the premium) plus a two percent administrative fee. Upon expiration of TCC coverage, the plan will give the employee the option of subscribing to private nongroup coverage.

## Life Insurance

Federal Employee Group Life Insurance (FEGLI) coverage is optional when an employee is first hired in the Federal government. If coverage is waived, an employee can later elect coverage only by furnishing proof of insurability. Unlike the health benefits program, open seasons to elect coverage are rare and are not held at scheduled intervals. Different levels of coverage are available, with corresponding costs to the employee.

## Workers Compensation

Employees are covered by the Federal Employees Compensation Act which may compensate for medical expenses and time lost from a job related injury or illness. While the Human Resources staff is available to assist employees in filing claims, claims are adjudicated by the Department of Labor. Forms to report injuries and claim benefits are available in the Human Resources Office and in Field Service Centers.



### Employee Assistance Program (EAP)

The Corporation offers free and confidential counseling services to employees who have problems either on or off the job which may be affecting their performance or conduct at work. EAP services are provided by licensed professional counselors who are available through contracts covering all Corporation offices. For more information on the EAP or a phone number to arrange a meeting, call the Human Resources Office or the Service Center Director.

### Health Units

Many Corporation offices offer employee health units where employees can receive first aid or minor medical treatment. Health units normally offer screenings such as blood pressure checks and may offer diabetes and glaucoma screenings. Several of the larger units also offer physical exams.

## **Adverse Actions System**

The Corporation operates outside the jurisdiction of title 5 personnel laws for staffing, compensation, classification, and performance management. As such, it is exempt from jurisdiction of the Merit Systems Protection Board (MSPB) in several areas that give rise to appealable actions. This policy represents the exclusive procedure for taking and appealing adverse actions for excepted service employees under this system. Disciplinary and adverse actions should be commensurate to the misconduct, should, when possible, be progressive in nature, and should be used only when there is just cause.

### **Adverse Actions**

At times, action short of separation may be appropriate to address incidents of misconduct. Official reprimands, suspensions from pay and duty, and reductions in pay are actions that can be taken to address misconduct. For unsuccessful performance after completion of an opportunity period, reduction in pay and/or reassignment may be used as an alternative to removal. Reprimands and suspensions of 14 days or less may be appealed through the Corporation's Alternative Dispute Resolution process described in the General Information policy and are not submitted to outside arbitration. Separations, suspensions of more than 14 days, reductions in pay for cause are appealable through the Corporation's arbitration procedure.

Adverse actions short of separation that involve a loss of pay, including suspensions and reductions in pay, require the supervisor to issue a proposal notice to the employee no less than 15 days prior to the effective date of the action. The employee has the right to reply, orally and/or in writing, to the second level supervisor within the 15-day notice period. The second level supervisor will then issue a written decision.

### **Separations of Temporary and Probationary Employees**

The immediate supervisor has the authority to separate temporary or probationary employees from the Corporation with a written notice explaining the reasons for the separation. These actions are not appealable. Reasons for separation may include unsuccessful performance; misconduct; lack of available funds or work; or a work and skills imbalance in the organization. Expiration of a time limited appointment is not considered an adverse action and is not appealable.

### **Separations of Term, Indefinite and General Employees**

Employees serving under these appointments who have completed probationary periods may be separated for reasons of misconduct after receiving at least 30 days [Note: All days in this policy are calendar days unless otherwise noted.] advance written notice from an immediate supervisor with a right to reply to and final written decision from the second level supervisor. The reply to the second level supervisor may be oral and/or written and shall be completed within the 30-day

notice period. The 30-day notice requirement can be reduced or waived if, in the opinion of the second level supervisor, the employee's continued presence on Corporation premises would pose a threat to the safety and security of other employees or property. The second level supervisor, in such cases, may also decide to place the employee on administrative leave, with pay, for the duration of the notice period. Expiration of a time limited appointment is not considered an adverse action and is not appealable.

#### Arbitration Procedure

Term, indefinite or general employees (not serving a probationary period) receiving a notice of separation, suspension of more than 14 days, or a reduction in pay for cause may appeal the action through binding arbitration. The employee must notify the Labor Relations Officer in writing within 30 calendar days of receiving the decision notice that arbitration is requested. If the employee (or representative) and the Corporation do not agree on the selection of an arbitrator, a list of seven available arbitrators experienced in employment disputes will be requested from the Federal Mediation and Conciliation Service (FMCS) and one arbitrator will be chosen from the list. Selection will be accomplished by the striking of the names from the list of available arbitrators until only one name remains. The employee shall make the first strike. The Corporation will pay the costs of arbitration.

#### Reprimands

The immediate supervisor may issue a written reprimand which will remain in the employee's Official Personnel Folder (OPF) for a period of not more than one year. There is no notice or reply involved but the reprimand will not be filed in the OPF for at least five workdays after it is issued to allow the employee an opportunity to rebut its contents.

## **Reduction-in-Force and Furlough**

### **Introduction**

Reduction-in-Force (RIF) is a management tool used to reduce the size of the Corporation's workforce when it is determined that voluntary methods will not accomplish the needed reductions. A RIF may be necessary because of lack of funds; lack of work; reorganization; work and skills imbalances; or insufficient personnel ceiling levels. Employees in positions subject to RIF compete among other excepted service employees in the same pay band and competitive level. Employees with the lowest retention standing will then be separated from the Corporation. A separation action is appealable through the negotiated grievance procedure for bargaining unit employees and to the Merit Systems Protection Board (MSPB) for non-bargaining unit employees to the extent that the appeal alleges that procedures were not properly administered. The decision to order a RIF or identify a particular position for elimination is not subject to appeal. RIF actions are conducted under the authority of 5 CFR Part 351. Furlough involves a temporary forced non-pay and non-duty status that is not for cause. Reasons for a furlough could include a shortage of funds or a lapse in appropriations. This policy does not apply to competitive service employees.

### **Competitive Area**

The Competitive Area is the organizational and geographic component within which employees may compete with other employees during a RIF. The Competitive Area is determined at the time the need for the RIF is decided.

### **Competitive Level**

Competitive levels are groupings of similar positions in a competitive area which are in the same pay band, pay plan and occupational group and whose duties and qualifications are similar enough that the incumbent of one position could successfully perform the major duties of any other position within the same competitive level without any loss of productivity.

Competitive levels are further separated within a pay band according to the following categories: pay schedules (NX, NY), appointment authority (excepted vs. competitive), work schedule (full vs. part-time) and nonsupervisory or supervisory.

For example, a competitive level may consist of all NY-3 Headquarters Program Specialists and another may be all NY-2 Unit Leaders in San Diego.

### **Initial Round of Competition**

When a position is identified for elimination, all employees in the competitive level for the position will be ranked on a retention register according to tenure group standing, veterans' preference, length of federal service and performance appraisals. The top tenure group, Group I,

is for employees in general appointments who have completed probationary period requirements. The second group, Group II, is for employees in general appointments who have not completed their probationary period. Term appointees, indefinite appointees, as well as temporary appointees who have completed at least one year of continuous excepted service under a temporary appointment are classified in Group III. Other temporary appointees and discretionary appointees are not considered part of any tenure group and do not compete in a RIF. Within each tenure group, a subgroup standing is established based on veterans' preference for RIF. Veterans with at least 30 percent service connected compensable disabilities are placed in the highest subgroup, Subgroup AD. All other veterans are placed in Subgroup A. Nonveterans are all placed in Subgroup B. Length of federal service is determined by the Service Computation Date for RIF. Additional service credit for performance will be computed in accordance with 5 CFR §351.504. Employees whose last performance appraisal was Unsuccessful automatically drop to the bottom of the retention register. An employee with a performance related adverse action in progress does not compete in this process.

#### Release from Competitive Level

An employee who is lowest on the retention register of a position to be abolished is released from the competitive level and separated from employment. If the incumbent of the abolished position is not the lowest standing employee in the competitive level, he/she will be reassigned to another position within the competitive level and the lowest standing employee will then be released from the competitive level. The Corporation will notify the employee by issuing a Specific Notice of Reduction-in-Force at least 60 calendar days prior to the effective date of the separation. The Specific Notice will include the action to be taken and the effective date; the employee's competitive area; competitive level; subgroup; service computation date; where the employee can inspect the records and regulations pertinent to the separation action; reemployment rights; and appeal rights.

#### Use of Vacant Positions

When an employee is released from the competitive level, the Corporation, at its option, may use vacant positions to offer the affected employee an alternative to separation. When more than one employee affected by RIF meets all the basic requirements for a vacant position that will be offered, the offer will go to the qualified employee in the competitive area with the highest retention standing. Assignment to a vacancy without a reduction in pay or band level is not an appealable action.

#### Appeal Rights

An employee who is separated, or reduced in pay or band level due to RIF, may appeal the procedural aspects of the action. The decision to conduct a RIF or the identification of and numbers of positions to be eliminated is not appealable or subject to outside review. Bargaining unit employees may appeal through the negotiated grievance procedure of the

Corporation/CNCS Employees Union Agreement. All other employees may appeal a RIF action to the Merit Systems Protection Board (MSPB) within 20 days following the effective date of the RIF action being appealed. Affected employees will be informed of their appeal rights in the Specific Notice of RIF.

#### Severance Pay and Pay Retention

In accordance with provisions in the Compensation Section, employees may be eligible for severance pay for a defined period of time if separated, or pay retention if placed in a vacant position in a lower pay band than occupied prior to the RIF, provided the employee occupied a position with a general or indefinite appointment.

#### Reemployment Rights

Employees separated as a result of RIF are entitled to one year of priority consideration for equivalent or comparable positions from the position vacated provided that the Corporation is recruiting outside candidates and the Corporation's budget and personnel ceiling can accommodate an outside appointment.

#### Outplacement

Any available outplacement assistance will be provided to affected employees at the time of the RIF.

#### Furlough

Furloughs may be ordered, usually due to lack of funds or a lapse in appropriations. A furlough of 30 days or less will be effected by written notice to the employee from a Department Head is appealable through the adverse actions procedure. A furlough of more than 30 days can only be ordered using retention standing under RIF procedures and will also be effected by written notice to the employee from a Department Head. Furloughs of more than 30 days are appealable as reduction-in-force actions.

### APPEAL RIGHTS UNDER CORPORATION PERSONNEL PROCEDURES

Nature of Action	Excepted Service	Competitive Service	Bargaining Unit
Reprimand	ADR	ADR	Grievance Procedure
Suspensions of 14 days or less	ADR	ADR	Grievance Procedure
Suspensions of more than 14 days	Arbitration Procedure	MSPB	Grievance Procedure <b>or</b> MSPB (either but not both)
Reduction in Pay/Band/Grade	Arbitration Procedure	MSPB	Grievance Procedure <b>or</b> MSPB (either but not both)
Separation for Performance or Misconduct	Arbitration Procedure	MSPB	Grievance Procedure <b>or</b> MSPB (either but not both)
Furlough of less than 30 days	Arbitration Procedure	MSPB	Grievance Procedure <b>or</b> MSPB (either but not both)
Classification Appeals	ADR	ADR	ADR
Separation or Furlough due to Reduction-in-Force (RIF)	MSPB	MSPB	Grievance Procedure

Legend

**ADR** = Corporation's Alternative Dispute Resolution process described in General Information

**Grievance Procedure** = Negotiated grievance procedure limited to bargaining unit employees described in Corporation/CNCS Employees Union labor agreement

**MSPB** = Appeal to the Merit Systems Protection Board, an independent Federal appeals agency

**Arbitration Procedure** = Corporation's internal appeals procedure for employees without appeal rights to the MSPB, described in the Adverse Actions policy





**CORPORATION FOR NATIONAL AND COMMUNITY SERVICE  
PAY BANDS AND SALARY RANGES  
(Effective January 2003)**

PAY BANDS	BASE SALARY RANGES*
NY-01	\$14,917 - \$38,499 (Midpoint \$26,708)
NY-02	\$29,037 - \$51,874 (Midpoint \$40,456)
NY-03	\$42,976 - \$81,214 (Midpoint \$62,095)
NY-04 & NX-01	\$72,381 - \$110,682 (Midpoint \$91,533)
NX-02	\$110,682 - \$134,000** (Midpoint \$122,341)

\*Base salaries (do not include locality)

\*\*Statutory cap/Level IV equivalent

Source: CNCS Office of Human Resources, March, 2003

## COMPARISON OF PERSONNEL SYSTEMS

<b>Function or Feature</b>	<b>Corporation's Personnel System</b>	<b>General Schedule System</b>
Appointing Authorities	Predominantly Term appointments, renewable at discretion of manager; Some general appointments (no time limit)	Career/permanent civil service
Pay Structure	Pay Bands (5) defined by Corporation	Grade Levels (1 – 15) + SES defined by regulation
Pay Determination	Manager has flexibility in setting pay and subsequent increases under Corporation policy	Movement within and between grades constrained by time-in-grade, classification and other requirements
Locality and public law (comparison to private sector) pay adjustments	Authorized at the discretion of the Corporation	Authorized by Executive Order
Classification Authority	Determination based on banding criteria defined by the Corporation	Determination based on government-wide standards
Promotions	Manager's determination through 3 <sup>rd</sup> pay band with competition optional; competition required for upper bands	Competition required; traditional merit promotion procedures are followed
Probationary Period	Two years when first hired in most cases, + two years for new managers	One year when first hired + one year for new managers
Reduction in force	One round of competition in competitive level – no “bump and retreat” rights	Initial competition in competitive level; employees released from competitive level may displace other employees in the competitive service through “bump and retreat” rights
Retirement, leave, benefits, crediting federal service time	Same under both systems	Same under both systems
Equal opportunity, merit system principles	Same under both systems	Same under both systems
New hires	Expands applicant pool; selection process is flexible and grants greater discretion to manager; independent authority to hire	Substantially limits applicant pool; selection process is inflexible as defined by regulation; requires external involvement

Source: CNCS Office of Human Resources, 01/30/03

NATIONAL AND COMMUNITY SERVICE TRUST ACT OF

1993

AUGUST 5, 1993-Ordered to be printed

Mr. FORD of Michigan; from the committee of conference, submitted the following

**CONFERENCE REPORT**

[To accompany H.R. 2010]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.P. 2010) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *SECTION 1. SHORT TITLE; TABLE OF CONTENTS.*

(a) *SHORT TITLE.*-This Act may be cited as the "National and Community Service" Trust Act of 1993".

(b) *TABLE OF CONTENTS.*-The table of contents is as follows:

Sec. 1 *Short title; table of contents*

Sec. 2. *Findings and purpose*

*TITLE I—PROGRAMS AND RELATED PROVISIONS*

*Subtitle A-Programs*

Sec. 101. *Federal investment in support of national service.*

Sec. 102. *National Service Trust and provision of national service educational awards.*

Sec. 103. *School-based and community-based service-learning programs.*

Sec. 104 *Quality and innovation activities.*

Sec. 105. *Public Lands Corps.*

poration- to determine the responsibilities of the directors and the authorities of the divisions.

The House bill makes the Inspector General subject to agency appointment while the Senate bill makes the Inspector General subject to Presidential appointment and Senate confirmation; The House recedes.

The Senate bill, but not the House bill, amends the Inspector General Act; The House recedes.

The Senate bill, but not the House bill specifies the access of the Chief Financial Officer to information available within the Corporation. The House recedes.

The House bill and the Senate bill contain different provisions concerning personnel, in particular with regard to the transfer of employees from the ACTION agency. The Senate recedes. It is the intent and expectation of the Committee that the bargaining unit shall be transferred substantially intact to the Corporation. It is also the Conferees' intent that these transferred employees be considered an appropriate unit for the purpose of collective bargaining. It is further the intent of the Conferees that none of the authorities conferred upon the Chief Executive Officer by this Act, be used in a manner that would adversely affect the bargaining rights of any employee transferred to the Corporation who, on the date of enactment, is covered by a collective bargaining agreement in a bargaining unit.

The Senate bill, but not the House bill, exempts the Corporation representative in each State from the provisions of title V of the United States- Code. The Conference Report provides that individuals reported as Corporation representatives appointed under the Corporation's alternative personnel system not be paid more than the equivalent rate under GS-13. Individuals appointed under standard civil service rules will have their pay governed by the civil service classification system.

The Senate bill, but not the House bill, includes certain provisions governing the use of volunteers by the Corporation. The House recedes.

The Senate, but not the House, specifies that appropriate OMB Circulars apply to the Corporation. The House recedes. It is the intent of the Conference that this applies specifically to the Single Audit Act Circulars, and that the Corporation determine which OMB circulars are appropriate.

The House bill, but not the Senate bill, requires that the Corporation receive concurrence in certain building activities from certain congressional committees. The Senate recedes.

The Senate bill, but not the House bill, requires the Corporation to submit a business plan to Congress prior to the issue of any grants. The House recedes with minor amendments.

### **TITLE III-REAUTHORIZATION**

The House bill, but not the Senate bill, specifies that authorizations are subject to the availability of appropriations. The Senate recedes.

The Senate bill authorizes \$300 million in fiscal year 1994, \$500 million in fiscal year 1995, and \$700 million in fiscal year 1996. The House bill authorizes \$394 million in fiscal year 1994 and such sums in fiscal years 1995 and 1996. The House recedes.

The Senate bill authorizes for administration 15 percent of appropriations for subtitles B, C, D, and H in the first year and 10 percent in subsequent years, with 50 percent of such funds for the Corporation and 50 percent for State Commissions. The House bill authorizes such sums for administration, with a limit of \$17.5 million for State Commissions (in section 126). The House recedes, with an amendment

authorizing for administration \$40 million in 1994, \$60 million in 1995, and \$70 million in 1996, stating that not more than 50 percent of funds may be made available to the Corporation, with the remainder of State Commissions.

The House bill, but not the Senate bill, specifies that the authorizations of appropriations come under budget function 500 as used by the Office of Management and Budget to cover education, training, employment and social services. The Senate recedes. The Conferees note that since the initial submission of the Administration's budget request for a national service initiative, funding for the programs authorized by this bill have been classified by the Office of Management and Budget as being displayed within budget function 500-Education, Training, Employment and Social Services. The Conferees further note that the Committees on Appropriations determined that the appropriate jurisdiction for National Service Trust programs would be the VA/HUD Subcommittee, and that this controlling decision is, unaffected by this amendment. The Conferees note that the ACTION programs are under the jurisdiction of the Labor/HHS Subcommittee.

The House bill, but not the Senate bill, has a provision in section 321A that requires the Assistant Director of VISTA have authority to administer the VISTA provision. The Senate recedes.

The House bill, but not the Senate bill; retains a volunteer placement office for VISTA. The Senate recedes, with an amendment requiring that upon integration of ACTION into the Corporation, any placement office shall be merged into the Corporation.

The House bill, but not the Senate bill, maintains the minimum funding set-aside, of 1.5% for recruitment. The Senate, recedes.

The House bill, but not the senate bill, requires publicity about education awards. The Senate recedes. The Senate bill, but not the House bill, requires that service opportunities be provided for returned Peace Corps volunteers. The Senate recedes.

The House bill mandates a minimum monthly post-service stipend of \$100 for VISTA volunteers and a maximum of \$200 for VISTA leaders; the Senate provides for a minimum of \$125 for volunteers and \$200 for volunteer leaders. The Senate recedes, with an amendment allowing for a minimum stipend of \$125 for volunteers assuming the availability of funds to accomplish the increase.

Both the House bill and. the Senate bill reduce the minimum age to 55. The House Bill requires a priority in the Retired Senior Volunteer Program for individuals 60 years of age and older. The Senate recedes.

The Senate bill, but not the House bill, deletes a State Agency review provision. The Senate recedes.

COMPARISON OF APPOINTING AUTHORITIES

<u>Date</u>	<u>Competitive Service</u> <u>Number/Percentage (%)</u>		<u>Alternative System<sup>1</sup></u> <u>Number/Percentage (%)</u>		<u>Total<sup>2</sup></u> <u>Number/Percentage(%)</u>	
10/01/93	413	98.6	6	1.4	419	100
04/03/94	400	83.5	79	16.5	479	100
01/20/95	368	64.3	204	35.7	572	100
05/15/95	297	54.9	244	45.1	541	100
08/29/95	282	51.8	262	48.2	544	100
11/01/95	266	48.2	286	51.8	552	100
05/28/97	213	41.6	299	58.4	512	100
07/14/98	173	33.7	341	66.3	514	100
10/13/98	170	32.0	361	68.0	531	100
02/23/99	165	28.8	407	71.2	572	100
07/31/99	159	26.8	434	73.2	593	100
08/24/99	157	26.7	430	73.3	587	100
08/28/00	147	24.1	464	75.9	611	100
11/08/00	142	23.2	470	76.8	612	100
06/14/01	132	23.0	441	77.0	573	100
10/17/01	125	21.7	452	78.3	577	100
11/26/01	125	21.6	454	78.4	579	100
07/09/02	120	20.4	468	79.6	588	100
10/09/02	118	19.8	479	80.2	597	100

Source: CNCS Office of Human Resources, January, 2003

<sup>1</sup>Includes all former appointments under Schedule A, B, and C authorities and Administratively Determined authorities which were converted to the Alternative Personnel System effective 10/01/95.

<sup>2</sup>Totals exclude Presidential Appointees, Senior Executives, expert and temporary appointments.

TITLE 42--THE PUBLIC HEALTH AND WELFARE

CHAPTER 129--NATIONAL AND COMMUNITY SERVICE

SUBCHAPTER I--NATIONAL AND COMMUNITY SERVICE STATE GRANT PROGRAM

Division G--Corporation for National and Community Service

Sec. 12651. Corporation for National and Community Service

There is established a Corporation for National and Community Service that shall administer the programs established under the national service laws. The Corporation shall be a Government corporation, as defined in section 103 of title 5.

(Pub. L. 101-610, title I, Sec. 191, as added and amended Pub. L. 103-82, title II, Secs. 202(a), 203(a)(1)(B), Sept. 21, 1993, 107 Stat. 873, 891.)

Prior Provisions

A prior section 12651, Pub. L. 101-610, title I, Sec. 190, Nov. 16, 1990, 104 Stat. 3168; Pub. L. 102-10, Sec. 9, Mar. 12, 1991, 105 Stat. 31; Pub. L. 102-384, Secs. 4, 10, Oct. 5, 1992, 106 Stat. 1455, 1456, provided for establishment of Commission on National and Community Service, prior to the general amendment of subtitle G of title I of Pub. L. 101-610 [former part G of this subchapter] by Pub. L. 103-82, Sec. 202(a).

Amendments

1993--Pub. L. 103-82, Sec. 203(a)(1)(B), which directed amendment of section 191 of subtitle I of the National and Community Service Act of 1990 by substituting "the national service laws" for "this chapter", was executed to this section, which is section 191 of subtitle G of title I of the National Community Service Act of 1990, to reflect the probable intent of Congress.

Effective Date of 1993 Amendment

Section 203(d) of Pub. L. 103-82 provided that:

"(1) In general.--Except as provided in paragraph (2), this section [amending this section and sections 12639, 12651b to 12651d, 12651f, and 12651g of this title, repealing sections 5041 and 5042 of this title, and enacting provisions set out below], and the amendments made by this section, shall take effect--

"(A) 18 months after the date of enactment of this Act [Sept. 21, 1993]; or

“(B) on such earlier date as the President shall determine to be appropriate and announce by proclamation published in the Federal Register.

“(2) Transition.--Subsection (c)(10) [set out below] shall take effect on the date of enactment of this Act [Sept. 21, 1993].” [Section 203, and the amendments made by section 203, of Pub. L. 103-82 became effective Apr. 4, 1994, pursuant to Proc. No. 6662, Apr. 4, 1994, 59 F.R. 16507, set out below.]

#### Effective Date

Section 202(i) of Pub. L. 103-82 provided that:

“(1) In general.--Except as provided in paragraph (2), or paragraph (2) or (3) of subsection (g) [amending sections 8F and 9 of the Inspector General Act of 1978, Pub. L. 95-452, set out in the Appendix to Title 5, Government Organization and Employees, and enacting provisions set out as notes under sections 8F and 9 of such act], the amendments made by this section [enacting this division and section 8E of the Inspector General Act of 1978, Pub. L. 95-452, set out in the Appendix to Title 5, amending section 5041 of this title, sections 4, 8F, 8G, 9, and 11 of the Inspector General Act of 1978, Pub. L. 95-452, set out in the Appendix to Title 5, sections 9101 and 9105 of Title 31, Money and Finance, section 410 of Title 39, Postal Service, and section 484 of Title 40, Public Buildings, Property, and Works] shall take effect on October 1, 1993.

“(2) Establishment and appointment authorities.--Sections 191, 192, and 193 of the National and Community Service Act of 1990 [42 U.S.C. 12651, 12651a, 12651c], as added by subsection (a), shall take effect on the date of enactment of this Act [Sept. 21, 1993].”

#### Transfer of Functions of Commission on National and Community Service

Section 202(c) of Pub. L. 103-82 provided that:

“(1) Definitions.--For purposes of this subsection, unless otherwise provided or indicated by the context, each term specified in section 203(c)(1) [set out below] shall have the meaning given the term in such section.

“(2) Transfer of functions.--There are transferred to the Corporation the functions that the Board of Directors or Executive Director of the Commission on National and Community Service exercised before the effective date of this subsection (including all related functions of any officer or employee of the Commission).

“(3) Application.--The provisions of paragraphs (3) through (10) of section 203(c) [set out below] shall apply with respect to the transfer described in paragraph (2), except that-

“(A) for purposes of such application, references to the term ‘ACTION Agency’ shall be deemed to be references to the Commission on National and Community Service; and

“(B) paragraph (10) of such section shall not preclude the transfer of the members of the Board of Directors of the Commission to the Corporation if, on the effective date of this subsection, the Board of Directors of the Corporation has not been confirmed.”



## Transfer of Functions From ACTION Agency

Section 203(c) of Pub. L. 103-82 provided that:

“(1) Definitions.--For purposes of this subsection, unless otherwise provided or indicated by the context--

“(A) the term ‘Chief Executive Officer’ means the Chief Executive Officer of the Corporation;

“(B) the term ‘Corporation’ means the Corporation for National and Community Service, established under section 191 of the National and Community Service Act of 1990 [42 U.S.C. 12651];

“(C) the term ‘Federal agency’ has the meaning given to the term ‘agency’ by section 551(1) of title 5, United States Code;

“(D) the term ‘function’ means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

“(E) the term ‘office’ includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

“(2) Transfer of functions.--There are transferred to the Corporation the functions that the Director of the ACTION Agency exercised before the effective date of this subsection [see Effective Date of 1993 Amendment note above] (including all related functions of any officer or employee of the ACTION Agency).

“(3) Determinations of certain functions by the office of management and budget.--If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under paragraph (2).

“(4) Reorganization.--The Chief Executive Officer is authorized to allocate or reallocate any function transferred under paragraph (2) among the officers of the Corporation.

“(5) Transfer and allocations of appropriations and personnel.--Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this subsection, subject to section 1531 of title 31, United States Code, shall be transferred to the Corporation. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

“(6) Incidental transfer.--The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this subsection, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subsection. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subsection and for such further measures and dispositions as may be

necessary to effectuate the purposes of this subsection.

((7) Effect on personnel.--

((A) In general.--Except as otherwise provided by this subsection, the transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall be to positions in the

Corporation subject to section 195(a) of the National and Community Service Act of 1990 [42 U.S.C. 12651f(a)], as added by section 202(a) of this Act, and shall not cause any such employee to be separated or reduced in grade or compensation, or to have the benefits of the employee reduced, for 1 year after the date of transfer of such employee under this subsection, and such transfer shall be deemed to be a transfer of functions for purposes of section 3503 of title 5, United States Code.

((B) Executive schedule positions.--Except as otherwise provided in this subsection, any person who, on the day preceding the effective date of this subsection [see Effective Date of 1993 Amendment note above], held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Corporation to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

((C) Termination of certain positions.--Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this subsection, shall terminate on the effective date of this subsection.

((8) Savings provisions.--

((A) Continuing effect of legal documents.--All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions--

((i) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under this subsection; and

((ii) that are in effect at the time this subsection takes effect [see Effective Date of 1993 Amendment note above], or were final before the effective date of this subsection, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Chief Executive Officer, or other authorized official, a court of competent jurisdiction, or by operation of law.

((B) Proceedings not affected.--The provisions of this subsection shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the ACTION Agency at the time this subsection takes effect, with respect to functions transferred by this subsection. Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subsection had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or

evoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subparagraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subsection had not been enacted.

“(C) Suits not affected.--The provisions of this subsection shall not affect suits commenced before the effective date of this subsection, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

“(D) Nonabatement of actions.--No suit, action, or other proceeding commenced by or against the ACTION Agency, or by or against any individual in the official capacity of such individual as an officer of the ACTION Agency, shall abate by reason of the enactment of this subsection.

“(E) Administrative actions relating to promulgation of regulations.--Any administrative action relating to the preparation or promulgation of a regulation by the ACTION Agency relating to a function transferred under this subsection may be continued by the Corporation with the same effect as if this subsection had not been enacted.

“(9) Severability.--If a provision of this subsection or its application to any person or circumstance is held invalid, neither the remainder of this subsection nor the application of the provision to other persons or circumstances shall be affected.

“(10) Transition.--Prior to, or after, any transfer of a function under this subsection, the Chief Executive Officer is authorized to utilize--

“(A) the services of such officers, employees, and other personnel of the ACTION Agency with respect to functions that will be or have been transferred to the Corporation by this subsection; and

“(B) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this subsection.”

#### Continuing Performance of Certain Functions by Commission on National and Community Service

Section 202(d) of Pub. L. 103-82 provided that: “The individuals who, on the day before the date of enactment of this Act [Sept. 21, 1993], are performing any of the functions required by section 190 of the National and Community Service Act of 1990 (42 U.S.C. 12651), as in effect on such date, to be performed by the members of the Board of Directors of the Commission on National and Community Service may, subject to section 193A of the National and Community Service Act of 1990 [42 U.S.C. 12651d], as added by subsection (a) of this section, continue to perform such functions until the date on which the Board of Directors of the Corporation for National and Community Service conducts the first meeting of the Board. The service of such individuals as members of the Board of Directors of such Commission, and the employment of such individuals as special Government employees, shall terminate on such date.”

## Business Plan for Corporation for National and Community Service

Section 204 of Pub. L. 103-82 provided that:

“(a) Business Plan Required.--

“(1) In general.--The Corporation for National and Community Service (referred to in this section as the ‘Corporation’) shall prepare and submit to Congress a business plan. The Corporation may not provide assistance under section 121 of the National and Community Service Act of 1990 [42 U.S.C. 12571] before the twentieth day of continuous session of Congress after the date on which the Corporation submits the business plan to Congress.

“(2) Computation.--For purposes of the computation of the 20-day period referred to in paragraph (1), continuity of a session of the Congress shall be considered to be broken only by--

“(A) an adjournment of the Congress sine die; and

“(B) the days on which either House is not in session because of an adjournment of more than 3 days to a date certain.

“(b) Required Elements of Business Plan.--

“(1) Allocation of funds.--The business plan shall contain--

“(A) a description of the manner in which the Corporation will allocate funds for programs carried out by the Corporation after October 1, 1993;

“(B) information on the principal offices and officers of the Corporation that will allocate such funds; and

“(C) information that indicates how accountability for such funds can be determined, in terms of the office or officer responsible for such funds.

“(2) Investigative and audit functions.--The business plan shall include a description of the plans of the Corporation--

“(A) to ensure continuity, during the transition period, and after the transition period, in the investigative and audit functions carried out by the Inspector General of ACTION prior to such period, consistent with the Inspector General Act of 1978 (5 U.S.C. App.); and

“(B) to carry out investigative and audit functions and implement financial management controls regarding programs carried out by the Corporation after October 1, 1993, consistent with the Inspector General Act of 1978, including a specific description of--

“(i) the manner in which the Office of Inspector General shall be established in the Corporation, in accordance with section 194(b) of the National Community Service Act of 1990 [42 U.S.C. 12651e(b)], as added by section 202 of this Act; and

“(ii) the manner in which grants made by the Corporation shall be audited by such Office and the financial management controls that shall apply with regard to such grants and programs.

“(3) Accountability measures.--The business plan shall include a detailed description of the accountability measures to be established by the Corporation to ensure effective control of all funds for programs carried out by the Corporation after October 1, 1993.

“(4) Information resources.--The business plan shall include a description of an information resource management program that will support the program and financial management needs of the Corporation.

“(5) Corporation staffing and integration of action.--

“(A) Transfers.--The business plan shall include a report on the progress and plans of the President for transferring the functions, programs, and related personnel of ACTION to the Corporation, and shall include a timetable for the transfer.

“(B) Details and assignments.--The report shall specify the number of ACTION employees detailed or assigned to the Corporation, and describe the hiring activity of the Corporation, during the transition period.

“(C) Structure.--The business plan shall include a description of the organizational structure of the Corporation during the transition period.

“(D) Staffing.--The business plan shall include a description of--

“(i) measures to ensure adequate staffing during the transition period with respect to programs carried out by the Corporation after October 1, 1993; and

“(ii) the responsibilities and authorities of the Managing Directors and other key personnel of the Corporation.

“(E) Senior executive service.--The business plan shall include--

“(i) an explanation of the number of the employees of the Corporation who will be paid at or above the rate of pay for level 1 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code; and

“(ii) information justifying such pay for such employees.

“(6) Duplication of functions.--The business plan shall include a description of the measures that the Corporation is taking or will take to minimize duplication of functions in the Corporation caused by the transfer of the functions of the Commission on National and Community Service, and the transfer of the functions of ACTION, to the Corporation. This description shall address functions at both the national and State levels.

“(c) Definition.--The term ‘transition period’ means the period beginning on October 1, 1993 and ending on the day before the effective date of section 203(c)(2) [see Effective Date of 1993 Amendment note above].”

#### Proc. No. 6662. Transfer of Functions of ACTION Agency to Corporation for National and Community Service

Proc. No. 6662, Apr. 4, 1994, 59 F.R. 16507, provided:

On September 21, 1993, I had the honor of signing into law the National and Community Service Trust Act of 1993 [Pub. L. 103-82, see Tables for classification], which created the Corporation for National and Community Service. The Corporation was designed to involve Americans of all ages and backgrounds in community projects to address many of our Nation's most important needs--from educating our children to ensuring public safety to protecting our environment. It was chartered to foster civic responsibility, strengthening the ties that bind us together as a people, while providing educational opportunity for those who make the commitment to serve. In the few short months since the Corporation's establishment, enormous progress has been made toward the achievement of these invaluable goals. Final regulations have been published governing the Corporation's new grant programs, grant application packages have been

developed, and a national recruitment effort has begun. As a result of intensive outreach efforts, most states have already established State Commissions on National and Community Service, and many local programs, national nonprofit organizations, institutions of higher education, and Federal agencies are eager to participate. Grant competitions have begun for a summer program that will focus on our Nation's public safety concerns, and all community service grant competitions will be completed by this summer. Finally, the Corporation has established the National Civilian Community Corps, which will take advantage of closed and down-sized military bases to launch environmental clean-up and preservation efforts.

The ACTION Agency, provided for by the Domestic Volunteer Service Act of 1973 [42 U.S.C. 4950 et seq.], has worked closely with the Corporation, sharing its many years of experience in engaging Americans in service to their communities. Because the Corporation's initiatives and those programs operated by the ACTION Agency involve similar goals, the National and Community Service Trust Act calls for the merger of ACTION with the Corporation no later than March 22, 1995. To build upon the tremendous accomplishments already achieved by the Corporation, and to facilitate the further development of community service programs across the country, I am pleased to order that the functions of the Director of the ACTION Agency be transferred to the Corporation for National and Community Service.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to sections 203(c)(2) and (d)(1)(B) of the National and Community Service Trust Act of 1993 [set out above], proclaim that all functions of the Director of the ACTION Agency are hereby transferred to the Corporation for National and Community Service, effective April 4, 1994.

IN WITNESS WHEREOF, I have hereunto set my hand this fourth day of April, in the year of our Lord nineteen hundred and ninety-four, and of the Independence of the United States of America the two hundred and eighteenth.

William J. Clinton.

Ex. Ord. No. 12819. Establishing Presidential Youth Award for Community Service

Ex. Ord. No. 12819, Oct. 28, 1992, 57 F.R. 49369, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 12651 of title 42 of the United States Code [see 42 U.S.C. 12653b], it is hereby ordered as follows:

Section 1. A youth award for community service is hereby established. The award shall recognize outstanding voluntary community service contributions made by individuals between the ages of 5 and 22.

Sec. 2. The Director of the White House Office of National Service shall establish the criteria for the award. The criteria shall be based upon participation in voluntary community service activity. The award may be bestowed upon any eligible individual who meets the established criteria.

Sec. 3. The selection process for the award shall be administered by the Commission on National and Community Service and the White House Office of National Service. Such other individuals and entities as the Director of the White House Office of National Service deems appropriate may participate in the selection process.

Sec. 4. The award shall be presented by the President, his designee or designees, or individuals designated by the Director of the White House Office of National Service.

Sec. 5. The name and design of the award shall be approved by the President upon the recommendation of the Director of the White House Office of National Service.

George Bush.

#### Section Referred to in Other Sections

This section is referred to in sections 5061, 12511 of this title.

## LEGISLATIVE HISTORY AND BACKGROUND OF THE APS SYSTEM (Prepared by Deloitte & Touche, February, 2003)

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Created under the *National and Community Service Trust Act of 1993*, the Corporation for National and Community Service (Corporation) was established under a framework designed to stand out from traditional government organizations. This was engendered in part by the then current Administration's approach of "reinventing" government and the related activities of its National Performance Review. The Corporation was featured as a model of a new approach to structuring federal organizations to accomplish public goals, emphasizing the performance metrics more common in the private sector, and achieving these structural and managerial reforms through an agency whose mission and programs linked the Nation's capital with cities and communities around the country.

In establishing the agency as "Corporation", the Administration and Congress chose a private sector model with adjustments reflecting the government context it would operate within. Thus, the Corporation was legislatively created to include a Board of Directors, a Chairman of the Board (appointed by the President and confirmed by the Senate), along with a Chief Executive Officer, a Chief Financial Officer, managing directors, and required business<sup>1</sup> and strategic<sup>2</sup> planning on both an initial and ongoing basis.

The Congress recognized that the new Corporation would include, particularly at the outset, a large number of existing federal workers who were employed through both competitive service positions under traditional Title 5 laws<sup>3</sup>, and many covered by union agreements.<sup>4</sup> Congress explicitly authorized Chief Executive Officer (CEO) to create a new "Alternative Personnel System" (APS) and provided the CEO with broad authority and discretion over appointments and compensation, while stating that "it is also the Conferees intent that none of the authorities conferred upon the Chief Executive Officer by this Act be used in a manner that would adversely affect the bargaining rights of any employee transferred to the Corporation who, on the date of enactment, is covered by a collective bargaining agreement in a bargaining unit."<sup>5</sup>

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<sup>1</sup> 42 U.S.C. 129, Section 12651 Corporation for National and Community Service. See page 5 of attached U.S. Code. "Section 204 of Public Law 103-82 (a) Business Plan Required ----

<sup>2</sup> 42 U.S.C. 129, Section 12651d Corporation for National and Community Service, Authorities and Duties of the Chief Executive Officer, (b) In addition to the duties conferred on the Chief Executive Officer under any other provisions of the national service laws, the Chief Executive Officer shall – (1) prepare and submit to the Board a strategic plan every 3 years, and annual updates of the plan, for the Corporation with respect to the major functions and operations of the Corporation. See page 15 of attached U.S. Code.

<sup>3</sup> These ranged in longevity from ACTION which was created in 1973 under the Domestic Volunteer Service Act, the Commission on National and Community Service established in 1990, to the National Civilian Community Corps which was enacted as part of the 1993 Defense Authorization Act. At the time of inception of the Corporation on October 1, 1993, the majority of employees came from ACTION and while not yet technically transferred to the Corporation reflected a Corporation workforce that was 98.6% GS. When ACTION officially merged with the Corporation on April 3, 1994, it reflected the decrease in ACTION employees and the gradual reduction of GS employees to 83.5%. By November 15, 1995, one month after implementation of the APS, the only 48% of the workforce were GS. At the end of 2002, the GS workforce totaled less than 20% of the employee population. See, "Comparison of Appointing Authorities," Office of Human Resources.

<sup>4</sup> National and Community Service Trust Act of 1993. Conference Report. H. Rpt. 103-219. p. 158. August 5, 1993.

<sup>5</sup> Ibid.



However, both the emphasis and authority related to the APS that Congress placed in the law reflects the intent of the APS becoming the Corporation's personnel system, and that by using this system the Corporation would be able to meet organizational objectives and management needs often associated with the private sector. These included an emphasis on employee performance and organizational outcomes, managerial flexibility related to pay and positions, and the ability to more easily redirect and redeploy the Corporation workforce in response to changing demands on the programs and mission of the Corporation. As a reflection of the governmental environment that the Corporation was operating within, Congress also required that the Corporation utilize a competitive process and observe traditional merit principles in selecting employees hired within the (APS).<sup>6</sup>

Although the Congress specifically delegated the creation of the APS as well as a "scheme" related to classification and compensation to the CEO to plan with approval from the Office of Personnel Management, legislative history, which is often written in a language where less means more, set forth that: The Corporation is authorized to establish an alternative personnel system which may be used at the Corporation's discretion in filling vacancies... Appointments may be made either for a specific term or for an unlimited term".<sup>7</sup>

In general, the enacted law<sup>8</sup> grants the CEO broad authority through the APS:

"[T]he Chief Executive Officer shall, in accordance with applicable provisions of Title 5, appoint and determine the compensation of such employees as the Chief Executive Officer determines to be necessary to carry out the duties of the Corporation.

Addressed under the provisions governing "Alternative personnel system" the law states:

"The Chief Executive Officer may designate positions in the Corporation as positions to which the Chief Executive Officer may make appointments, and for which the Chief Executive Officer may determine compensation, *without regard to the provisions of Title 5 governing appointments in the competitive service, and without regard to the provisions of chapter 512 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates*, to the extent the Chief Executive Officer determines that such a designation is appropriate and desirable to further the effective operation of the Corporation. The Chief Executive may provide for appointments to such positions to be made on a limited term basis."

Establishing the alternative personnel system required of the CEO:

"The Chief Executive Officer, after obtaining the approval of the Director of the Office of Personnel Management, shall issue regulations establishing a selection and compensation system for employees of the Corporation appointed under paragraph (1). In issuing such regulations, the Chief Executive Officer shall take into consideration the need for flexibility in such a system."

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<sup>6</sup> National Service Trust Act of 1993. H. Report 103-155. Section 195. page 122 June 24, 1993. "The personnel system will be a competitive merit selection system, based on job requirements and applicant qualifications"

<sup>7</sup> Id at 121.

<sup>8</sup> 42 U.S.C. 129, Sec. 12651f.

The law further states with regard to compensation that it will be:

- *determined in part on the basis of the job performance of the employee*
- *in a manner consistent with the principles described in section 5301 of Title 5*

On October 12, 1994, then Corporation CEO Eli Segal transmitted to OPM Director James King, “the policies we have developed for our alternative personnel system.” Discussion and dialogue proceeded on a number of key features of the policies and plans. On June 15, 1995, OPM Director King issued approval for the Corporation’s APS. The Corporation’s Office of General Counsel concluded that Federal Register notice and publication of the approved APS was not required.

### **APS Plan Background**

It is historically important to recognize that because Congress granted responsibility for the establishment and design for the APS to the first CEO of the Corporation with approval from OPM, that many of the details of the APS reflected the decision makers involved at the inception of the Corporation.

The process by which the plan was formulated involved the CEO and leadership team of the newly established Corporation. The Corporation was significantly aided in the plan development by the participation of OPM expertise including a specialist detailed to the Corporation for the duration of the plan development period. This resulted in an in-depth analysis and consideration of many of the issues involved in establishing the APS, as well as related issues on the merging and status of employees coming from GS positions. In many instances, from term appointments to pay and performance, government itself provided the models for the APS plan, particularly from the successful experiences of other federal agencies and in particular successful federal Demonstration Projects.

The following examples of several major components of the plan are provided as illustrations, not as complete explanations. Detailed working papers related to the development of the plan are attached.

**Term Appointments.** The use of appointments was visible in the congressional intent, as well as the specific authority of the CEO. The law also instructs the CEO in establishing the APS that they “shall take into consideration the need for flexibility in such a system.”<sup>9</sup> However, the type and specificity of terms was left to the CEO. The government model that was most familiar and favorable to the early leadership of the Corporation was the use of term appointments in the Peace Corps. The idea of capping the Corporation term appointment at five years was a decision of the CEO.

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<sup>9</sup> 42 U.S.C. 129, Sec. 1265f. Employees, consultants, and other personnel. See (b)(1) and (b)(3)(A).

**Compensation.** The options for a developing compensation “scheme” included Standard Job Evaluation Methods; Pure Market-Based Comparisons; Skill-Based Pay; Broad-banding Pay Levels; and Simplified Pay-Grade Structure.<sup>10</sup> The selection of Broad-banding resulted in part from the successful implementation of such plans in the China Lake Demonstration Project, and at the National Institutes for Standards and Technology (NIST).

**Compensation Committee.** Consistent with the successful operation of Broad-banding in federal programs, it was observed that a compensation committee was particularly important as a high level internal control system, particularly because Broad-banding can result in performance increases in pay. Again, the concept of a compensation committee was drawn from an OPM approved Demonstration Project, in this case the Defense Nuclear Facilities Safety Board.

Such committees were believed to function well in small organizations with understanding that this committee would constitute an executive committee familiar with the mission and strategic goals of the organization, capable of understanding and balancing the financial management and needs across the entire organization, and recognizing the need for internal equities within a Broad-banded pay system.

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<sup>10</sup> See, “Compensation Approaches”, undated. Office of Human Resources. The memorandum reflects that variable pay, including lump-sum bonuses or awards, required a separate discussion.

## NATIONAL SERVICE TRUST ACT OF 1993

JUNE 24, 1993.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FORD of Michigan, from the Committee on Education and Labor, submitted the following

### REPORT

together with

### MINORITY, ADDITIONAL MINORITY, AND ADDITIONAL VIEWS

[To accompany H.R. 2010]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and Labor, to whom was referred the bill (H.R. 2010) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Service Trust Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

- Sec. 1. Short title; table of contents.  
Sec. 2. Findings and purpose.

#### TITLE I—PROGRAMS AND RELATED PROVISIONS

##### Subtitle A—Programs

- Sec. 101. Federal investment in support of national service.  
Sec. 102. National Service Trust and provision of national service educational awards.  
Sec. 103. School-based and community-based service-learning programs.

## *Section 194A. Corporation State offices*

The Chairperson will establish and maintain a decentralized field structure of Corporation offices in or near each State. State offices may be directed by the Corporation representative in each State.

State offices will (1) provide assistance to the State Commissions; (2) provide technical assistance to community-based and other entities wishing to apply for assistance; (3) provide the State Commission with support in recruiting and placing volunteers; (4) monitor the performance of all programs and projects receiving assistance under the national service laws; and (5) perform other duties designated by the Chairperson.

Currently, the ACTION agency has 46 offices serving one or more states. The Committee has found that these offices are instrumental in coordinating efforts at the State and local level. In the Committee's view, continuation of this vital link is critical to the success of national service activities in the State. The legislation therefore requires the retention of a state office structure under the new Corporation. Corporation State Offices are intended to function in a manner similar to the current ACTION State Offices. In particular, these offices are expected to administer the grant programs with respect to VISTA and the National Senior Volunteer Corps, programs currently authorized and funded under the Domestic Volunteer Service Act. To the greatest degree possible, existing state ACTION offices and personnel should be maintained.

Wherever possible, the State Corporation Offices and State Commissions should coordinate technical assistance, provision of child care, recruitment and placement of participants, dissemination of information, and training and development of materials. State Commissions and State Corporation Offices are encouraged to coordinate the development of projects. For example, a VISTA volunteer or National Senior Volunteer Corps member could work with a youth corps, or a youth corps could assist a VISTA project.

Additionally, efforts should be made so that the Corporation Representative in each State and the Director of the State Corporation Office are the same individual. This will enhance cooperation between the State and Federal levels and encourage integration of the established Federal programs with newer national service initiatives.

## *Section 195. Employees, consultants, and other personnel*

The Corporation is authorized to establish an alternative personnel system which may be used at the Corporation's discretion in filling vacancies. The personnel system will be a competitive merit selection system, based on job requirements and applicant qualifications. Appointments may be made either for a specific term or for an unlimited term. Employees will be covered by civil service health and life insurance, retirement, and related benefit programs. Employees who transfer or separate after working at the Corporation will be eligible for appointment in the competitive service. Service with the Corporation under the new personnel system may be treated as a period of service for personnel seeking employment in the competitive service under conditions prescribed by the Office of Personnel Management (OPM).

After appropriate consultation with OPM, the Corporation will establish a compensation system, which will include pay-for-performance compensation and an upper limit on salaries of Executive Level IV.

The Chairperson may also establish advisory committees to assist in developing quality criteria for programs, outreach programs, or other key elements of the initiative. Members of advisory committees may have only their travel expenses reimbursed.

### *Section 196. Administration*

The Corporation may solicit and accept voluntary services and donations, consistent with reasonable conflict of interest rules which the Corporation must establish in writing. Such contributions shall be considered gifts to, or for the use of, the United States. The Corporation may also enter into contracts to carry out this Act.

The functions of the Commission on National and Community Service are transferred to the Corporation on October 1, 1993. The Board of the Commission will continue to serve until such time as the Board of the Corporation is formed.

### *Section 203. Final authorities of the corporation*

During a transitional period not to exceed 18 months after the date of enactment, the Corporation, together with the Office of Management and Budget, will organize an orderly transfer of certain functions from ACTION to the Corporation. Personnel transferred will retain their rights under the competitive civil service system. No employee transferred to the Corporation may be separated or reduced in grade or compensation for one year after the date of transfer.

It is the intent and expectation of the Committee that the bargaining unit shall be transferred substantially intact to the operating division of the Corporation. It is the Committee's further intent that the operating division be considered an appropriate unit for purpose of collective bargaining.

## *Title III—Reauthorization*

### *Subtitle A—National and Community Service Act of 1990*

#### *Section 301. Authorization of appropriations*

Section 501 of the NCSA is amended to authorize appropriations as follows:

To provide financial assistance under title I, subtitle B, \$45,000,000 are authorized in fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

To provide financial assistance under title I, subtitles C, D and H, \$389,000,000 are authorized for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

To carry out the provisions of title I, such sums as may be necessary are authorized for each of the fiscal years 1994 through 1996.

Honorable Eli J. Segal  
Chief Executive Officer  
Corporation for National Service  
1100 Vermont Avenue, N.W.  
Washington, D.C. 20525

Dear Mr. Segal:

I have approved the Corporation's alternative plan for selection, compensation, and classification. The plan, as represented in the enclosed, provides a framework for developing an alternative personnel system consistent with merit system principles. Allow me to extend my congratulations, and offer our assistance as you implement your new system.

The National and Community Service Trust Act of 1993 authorizes the establishment of alternative systems for the Corporation contingent upon the approval of the Director of the Office of Personnel Management (OPM). Should the Corporation desire to make revisions to its plan, they will also need to be approved by the Director of OPM. In addition, changes to law and administrative and judicial decisions could affect the coverage of the plan. We will inform you if this occurs.

The Act also permits the conversion to competitive status, of Corporation employees appointed under the alternative system who are separated for reasons other than cause. Such conversions require the approval of the Director of OPM, and must meet the conditions prescribed by the Director. To simplify this process, a conversion agreement (as referenced in the Corporation's alternative plan) will be concurred to in which the conditions for conversions are spelled out. I have asked the Associate Director for Employment Service, Leonard Klein, to contact the Corporation's Personnel Director, Phyllis Beaulieu, in drafting this agreement.

In closing, I would like to note that the Act only requires OPM's approval of the plan for the alternative system, but you are still responsible for your operating instructions. We recommend that you develop simple, straightforward instructions to document personnel actions and that these be accessible to all employees. In addition, we recommend that you regularly review the operation of the alternative personnel system to assure consistency with merit system principles.

Again, congratulations and best wishes for the future.

Sincerely,

James B. King  
Director