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## OFFICE OF PERSONNEL MANAGEMENT

5 CFR Parts 230, 301, 316, 337, and 410

RIN 3206-AJ99

### Organization of the Government for Personnel Management, Overseas Employment, Temporary and Term Employment, Recruitment and Selection for Temporary and Term Appointments Outside the Register, Examining System, and Training

**AGENCY:** Office of Personnel Management.

**ACTION:** Final rule; correction.

**SUMMARY:** The Office of Personnel Management (OPM) is correcting the effective date of the final rule published on Tuesday, June 15, 2004, at 69 FR 33271. This final rule is effective on June 15, 2004, not on July 15, 2004, as published. In light of this correction, included below is supplementary information explaining the need for this effective date. This final rule revised regulations that provide agencies with: the ability to appoint qualified candidates for positions in the competitive service using direct-hire procedures; increased flexibility in assessing applicants using alternative (category-based) rating and selection procedures; the authority to pay or reimburse the costs of academic degree training from appropriated or other available funds under specified conditions; and increased flexibility to use academic degree training to address agency-specific human capital requirements and objectives. In addition, OPM is correcting the contact information by providing the correct email address for Mr. Larry Lorenz.

**EFFECTIVE DATE:** The effective date of the final rule published in the **Federal Register** on Tuesday, June 15, 2004, at 69 FR 33271, is corrected to read June 15, 2004.

**FOR FURTHER INFORMATION CONTACT:** On alternative rating and selection procedures, Ms. Linda Watson by telephone at (202) 606-0830, fax at (202) 606-2329 or by e-mail at [lmwatson@opm.gov](mailto:lmwatson@opm.gov). On direct-hire authority, emergency indefinite appointments, overseas employment, TAPER, and outside the register appointments, Mr. Larry Lorenz by telephone at (202) 606-0830, fax at (202) 606-2329 or by e-mail at [ltlorenz@opm.gov](mailto:ltlorenz@opm.gov). On academic degree training, Ms. LaVeen M. Ponds by telephone at (202) 606-1394, fax at (202) 606-2329 or by e-mail at [lpmonds@opm.gov](mailto:lpmonds@opm.gov). Ms. Watson, Mr. Lorenz, and Ms. Ponds may also be contacted by TTY at (202) 418-3134.

#### SUPPLEMENTARY INFORMATION:

##### Waiver of Delay of Effective Date

Pursuant to 5 U.S.C. 553(d)(3), I find that good cause exists to waive the delay in effective date and make these regulations effective in less than 30 days. The delay in the effective date is being waived because the program changes do not mandate but will give agencies needed flexibilities to recruit, hire and retain high quality candidates quickly and effectively to respond to changing and critical mission requirements. The General Accounting Office has designated strategic human capital management as a Governmentwide high-risk area citing serious human capital shortfalls that erode the ability of agencies to “economically, efficiently and effectively perform their missions.” The President’s Management Agenda calls for agencies to “flatten the Federal hierarchy, reduce the time to make decisions, and increase the number of employees that provide services to citizens. The reform also will pursue targeted civil service reforms, such as performance-based compensation and management flexibilities to recruit, retain, and reward a high-quality workforce.” With 50% of Federal employees eligible for retirement in the coming years, agencies must have contemporary, flexible tools for workforce management. Recent media articles have highlighted the public perception that getting a Federal job takes too long and is far too complicated. The Government needs the very best applicants; in turn applicants deserve a streamlined, understandable

application process. These changes will accommodate that need.

None of the three flexibilities proposed by these regulations is new or untried. In fact, category rating has been used successfully by some agencies for a decade or more under demonstration authority and enabling legislation. Studies of category rating as implemented by the Department of Agriculture indicate that employment of veterans increases and diversity is not reduced. Private-sector companies routinely use tuition payment as a strategy to attract and retain high quality employees.

These flexibilities were proposed after broad consultation with a variety of stakeholders including employees, managers and the human resources community. They long have been advocated by numerous public and private groups including the Merit Systems Protection Board and the Partnership for Public Service as forward thinking, solid human capital strategies that should be available Governmentwide rather than to a few select agencies.

Direct hire, in particular, is critical if agencies are to respond effectively to the needs of the Nation. With a nationwide shortage of nurses and other healthcare workers, the Government must be able to move quickly and efficiently to hire excellent candidates—direct hire would provide that flexibility. Without it, the staffing to provide care to veterans and others in Federal medical facilities is diminished. Similarly, the critical need to hire talented, highly skilled workers to respond to a national crisis including an environmental threat such a raging wildfire can not be left to traditional hiring methods designed decades ago.

The alternatives provided by these regulations are not mandatory, but may be used strategically by agencies to improve the management of human capital, to meet mission requirements and to respond to the President’s call for a Government that is citizen focus and results oriented. There is a compelling need to continue these flexibilities without delay.

Office of Personnel Management.

**Kay Coles James,**

*Director.*

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