

**June 2003**

# **New Governmentwide Hiring Authorities**

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# News Release

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## OPM Director James Announces Release of New, Governmentwide Hiring Authorities

*OPM issues regulations to ease hiring, support academic achievement and help adjust federal work force*

**Washington, D.C.**— The U.S. Office of Personnel Management today issued interim regulations giving federal managers and hiring officials important, new flexibilities to expedite and improve the hiring of qualified applicants, based on merit, Veterans' Preference and staffing needs.

The flexibilities, representing some of the most important changes put forward in decades on federal hiring, advance the goals of President Bush's Management Agenda to attract and retain highly qualified people for the federal civil service.

"These regulations address key tenets of the President's Management Agenda and the Managerial Flexibility Act," said OPM Director Kay Coles James. "OPM is committed to knocking down barriers that limit the creativity and the flexibility of federal managers at every level, and providing them with the essential tools they need to attract, hire and retain for the federal civil service the best-qualified people to serve America."

The regulations also address agency reimbursement of educational expenses for employees who earn academic degrees, as well as the need of agencies to obtain early-out authority as a way to more quickly adjust their work forces in response to changing business demands.

Today's regulations on Category Rating, Direct-Hire Authority, Academic Degree Training and Voluntary Early Retirement Authority implement provisions of the Homeland Security Act of 2002, which was signed by President Bush last November.

Category Rating is an alternative ranking and selection procedure that expands the pool of qualified job candidates that gets brought to the attention of agency managers and selecting officials. Under this procedure, which has been used successfully by agencies in demonstration projects, candidates are assigned to quality categories--such as "best qualified," or "highly qualified"--following an assessment of their skills against job-related criteria.

"Category rating is another management tool in the arsenal of flexibilities which managers and HR officials can use to evaluate job candidates and fill positions with the people who are best prepared to get the job done for the American taxpayer," James stated.

James further stated: "Veterans' Preference still applies under Category Rating, with veterans automatically moving to the top of their appropriate category. Agencies must hire veterans, before all others, from the highest-rated category in which a candidate appears."

Use of Category Rating is voluntary, and agencies may opt to use it on a position-by-position basis. Category Rating is an alternative to the existing "Rule-of-Three" scoring procedure, which uses numerical ratings to rank candidates from high score to low score and limits agency hiring decisions to one of the three highest-scored candidates, constricting the field of eligibles.

"While limiting an agency's selection to the three highest scorers results in the hiring of a qualified person, we must be able to consider the fourth or fifth person on the list, who, because of a number of intangibles that don't show up in the numeric score, is even more qualified," said James.

OPM's regulations also provide agencies with an ability to build up operations facing major staffing shortages.

Agencies can obtain OPM's approval to use Direct Hire Authority, a tool that permits the hiring of qualified individuals quickly, such as when emergencies, environmental disasters or other unanticipated events create a critical hiring need. Direct Hire also can be used when a severe shortage of candidates exists for positions needed to meet mission requirements.

“Having Direct Hire Authority is a marvelous tool for agencies when, for example, there simply are more jobs available in a particular occupation than there are candidates to fill them, or when the well-being of America is at stake,” said James.

Agencies given Direct Hire Authority must limit its use to the specific occupations and/or grade levels approved by OPM.

A third regulatory change gives agencies more flexibility to reimburse employees for training or education that leads to an academic degree from an accredited college or university.

Regulations for the Academic Degree Training Authority require agencies to demonstrate that the training will help in the accomplishment of goals set forth in their strategic plans. The regulations remove a restriction that limited reimbursement to employees who occupy positions for which a shortage, or an expected shortage, of qualified individuals exists.

Agencies will fund their academic degree programs from existing appropriations or other available monies; beneficiaries of academic degree programs generally will be required to enter into a continued service agreement prior to attending classes.

The fourth and final regulation expands the conditions under which agencies can use the Voluntary Early Retirement Authority (VERA) to reduce their work forces. Previously, OPM, by law, could only approve requests for VERAs as a way for agencies to avoid costly and morale-damaging reductions-in-force (RIFs). Under the new regulations, OPM can also approve VERA requests from agencies needing to reshape their work forces or correct skills imbalances.

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*OPM oversees the federal work force and provides the American public with up-to-date employment information. OPM also supports U.S. agencies with personnel services and policy leadership including staffing tools, guidance on labor-management relations and programs to improve work force performance.*

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