



The President's Hiring Reform Initiative

Category Rating

Category Rating

- Mandatory use under the Presidential Memorandum issued on May 11, 2010
- Part of the competitive examining process
- A ranking and selection process
- Applies to all competitive positions
- Requires use by agencies with delegated examining authority under 5 USC 1104(a)(2) effective November 1, 2010

Category Rating - Purpose

- Increases the number of eligible candidates from which a selecting official can choose while preserving veterans' preference rights



Category Rating - Ranking


➤ Who?

- Applicants who meet basic qualification requirements established for the position *and* whose job-related competencies or Knowledge, Skills and Abilities (KSAs) have been assessed

➤ How?

- Eligible candidates are ranked by being placed in one of two or more pre-defined quality categories instead of being ranked by individual numeric score order

Category Rating - Selection


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- Names of **all** eligible candidates in the highest quality category are referred on the Certificate of Eligibles to the selecting official for consideration
 - Selecting official selects from among candidates in the highest quality category (without being limited to the top three eligible candidates)
 - Preference eligibles are listed ahead of non-preference eligibles within each quality category
 - Absolute veterans' preference is within each quality category

Category Rating – General Policy Requirements


Agency:

- Must have a category rating policy established before use
- Must establish a minimum of two quality categories
- Must define quality categories before announcing the job
- May not establish a “**not-qualified**” category

Category Rating - Agency Policy

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- Policy should identify requirements for implementing category rating in the agency, including such considerations as:
 - Coverage – all competitive positions
 - Identify and define each quality category
 - Identify type of assessment tool(s) used to evaluate candidates
 - Job opportunity announcement
 - Ranking and selection procedures
 - Conditions under which categories may be merged

Defining Quality Categories


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- Quality category definitions should be written to:
 - Reflect requirements to perform job successfully
 - Distinguish differences in quality of candidates' job-related competencies/KSAs

Defining Quality Categories (Cont'd)


- This chart illustrates examples of quality categories

Example 1	Example 2	Example 3
Highly Qualified	Well-Qualified	Highly-Qualified
Qualified	Qualified	Well-Qualified
		Qualified


Defining Quality Categories (Cont'd)

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- Some factors to consider when developing quality categories may include:
 - Breadth and scope of competencies/KSAs
 - Increased levels of difficulty or complexity of competencies/KSAs
 - Successful performance on the job
 - Level of the job

Defining Quality Categories (Cont'd)

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- Numerical scores may be used as part of the assessment of job-related criteria to place eligible candidates into quality categories; provided, the assessment:
 - assesses job-related competencies/KSAs, and
 - is consistent with the technical standards in the *Uniform Guidelines on Employee Selection Procedures* (see 29 CFR part 1607, section 14) with respect to the development of any applicant assessment procedure and comply with the laws, regulations, and policies of merit selection (see 5 U.S.C. 2301 and 5 U.S.C. 2302)

Defining Quality Categories (Cont'd)

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- When using numerical scores from the OPM-developed or agency-developed assessment for Administrative Careers With America (ACWA) positions, the agency should coordinate with its legal office on the implementation of the agency's category rating policy

Defining Quality Categories (Cont'd)

Example Using Two Quality Categories

Human Resources Specialist (Staffing), Series 201, Grade 14, position in agency headquarters policy office

Highly Qualified - Senior Human Resources Specialist in an agency headquarters office with experience writing regulations or agency policy, or providing guidance on staffing, downsizing, realignments, classification, or compensation

Qualified - Senior Human Resources Specialist with operations experience in staffing, downsizing, realignments, classification, or compensation

Defining Quality Categories (Cont'd)

Example Using More than Two Quality Categories

Accountant, Series 510, Grade 12

Step 1 These three competencies/KSAs were identified through the job analysis process to be job-related:

1. Oral Communication
2. Technical Knowledge
3. Project Management

Defining Quality Categories (Cont'd)

Example Using More than Two Quality Categories (Cont'd)

Accountant, Series 510, Grade 12

Step 2 Identify indicators of proficiency for each of the competencies/KSAs identified in Step 1

1. Oral Communication

- Makes presentations
- Answers technical questions

Defining Quality Categories (Cont'd)

Example Using More than Two Quality Categories (Cont'd)

Accountant, Series 510, Grade 12

Step 2 Identify indicators of proficiency for each of the competencies/KSAs identified in Step 1

2. Technical Knowledge

- Financial analysis
- Accounting

Defining Quality Categories (Cont'd)

Example Using More than Two Quality Categories (Cont'd)

Accountant, Series 510, Grade 12

Step 2 Identify indicators of proficiency for each of the competencies/KSAs identified in Step 1

3. Project Management

- Reviews budget cycles
- Uses project management software

Defining Quality Categories (Cont'd)

Example Using More than Two Quality Categories (Cont'd)

Accountant, Series 510, Grade 12

Step 3 Identify levels of proficiency required by the level of the position

- Based on *demonstrating possession only* of the competencies/KSAs (applicant's specific level of proficiency does not matter) *or*
- Based on *specific level of proficiency* for each competency/KSA (applicant's specific level of proficiency in each competency/KSA does matter)

Defining Quality Categories (Cont'd)

Example (Possession Only):

Accountant, Series 510, Grade 12

Categories	Required Competencies/KSAs
Highest-Qualified	Oral Communication Technical Knowledge Project Management
Well-Qualified	Oral Communication Technical Knowledge
Qualified	Technical Knowledge

Defining Quality Categories (Cont'd)

Example (Specific Level):

Accountant, Series 510, Grade 12

Oral Communication	
Proficiency Level	Proficiency Level Definition
5	Communicates or explains <i>complex</i> ideas or information clearly
3	Communicates or explains <i>moderately complex</i> ideas or information clearly
1	Communicates or explains <i>basic</i> ideas or information clearly

Defining Quality Categories (Cont'd)

Example (Specific Level) (Cont'd):

Accountant, Series 510, Grade 12


Category Definitions	
Highest-Qualified	Eligibles who have demonstrated a proficiency level of “5” in Technical Knowledge; “5” in Project Management; and a minimum of “3” in Oral Communication
Well-Qualified	Eligibles who have demonstrated a proficiency level of at least “3” in all three competencies/KSAs
Qualified	Eligibles who meet basic qualification requirements established for the position; but fail to meet the Well-Qualified Category definition

Defining Quality Categories (Cont'd)


Example of an Inappropriate Quality Category

- An agency is seeking to fill a job that requires an employee to lift 40 pounds. Candidate A can lift 70 pounds and Candidate B can lift 45 pounds.
- Because both candidates have the necessary strength to meet the lifting requirements of the job, they are indistinguishable with respect to this factor. Candidate A should not be put into a higher category than Candidate B just because Candidate A can lift more weight.

Job Announcement Requirement

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- Describe each quality category in the job announcement
 - Describe each category simply by name such as, “Highly Qualified and Qualified” or “Highest-Qualified, Well-Qualified, and Qualified”
 - Use the “How You Will Be Evaluated” section of the job announcement to communicate to applicants that category rating and selection procedures will be used


Job Announcement Requirement (Cont'd)

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- Do not disclose crediting plans and/or rating schedules with scoring keys or define the quality categories
 - Describe how veterans' preference is applied under category rating procedures


Ranking Eligibles

- All applicants who meet the basic qualification requirements established for the position are ranked by being assigned to the appropriate quality category based upon the job-related assessment tool(s)
- Names of eligible candidates may be listed in any order (for example, alphabetical order)

Applying Veterans' Preference

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- Identify preference eligibles
 - No veterans preference points (5 or 10 points) are added
 - Place qualified preference eligibles with their appropriate veterans' preference designation code shown on the certificate (i.e., CPS, CP, XP, and TP), above non-preference eligibles within their respective quality category (preserving veterans' preference rights)
 - List preference eligibles in any order, for example, alphabetically or by veterans' preference designation. Regardless how they are listed, the veterans' preference designation code for the preference eligible must be on the certificate.

Applying Veterans' Preference (Cont'd)

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- Qualified preference eligibles with a compensable service-connected disability of 30% or more (CPS) and those with a compensable service-connected disability of more than 10% but less than 30% (CP) are placed at the top of the highest quality category (except for scientific or professional positions at the GS-9 level or higher)

Applying Veterans' Preference (Cont'd)

Quick Reference

Placement of Preference Eligibles with a Compensable Service-Connected Disability of 10 % or More (CPS and CP)	
<p>For scientific and professional positions at the GS-9 or higher...</p>	<p>Place qualified CPS and CP preference eligibles above non-preference eligibles within the same quality category for which they are assessed (CPS and CP eligibles do not “float” to the highest quality category)</p>
<p>For all other positions (series) and grade levels...</p>	<p>Place qualified CPS and CP preference eligibles at the top of the highest quality category (CPS and CP eligibles “float” to the highest quality category)</p>

Example: HR Specialist, Series 201, Grade 11

- Three quality categories (Highest-Qualified, Well-Qualified, Qualified) were established for the position
- Applicants who meet basic qualification requirements established for the position *and* whose job-related competencies or Knowledge, Skills and Abilities (KSAs) have been assessed are ranked by being placed in one of the three quality categories

Applying Veterans' Preference (Cont'd)

Example: HR Specialist, Series 201, Grade 11 (Cont'd)


- A preference eligible with tentative preference (TP) who meets the requirements for the Well-Qualified category is identified and is placed at the top of the Well-Qualified category
- A preference eligible with a service-connected disability of 30% (CPS) who meets the requirements for the Qualified category is identified. Because of the series and grade in this example, the qualified preference eligible must be placed at the top of the Highest-Qualified category

Applying Veterans' Preference (Cont'd)

Example: HR Specialist, Series 201, Grade 11 (Cont'd)

Eligibles Ranked by Quality Category Based on Review of Qualifications & Assessment Tool(s)	Identify Preference Eligibles	Apply Veterans' Preference for Certificate of Eligibles
<u>Highest-Qualified</u> Ben Franklin Thomas Jefferson	<u>Highest-Qualified</u> Ben Franklin Thomas Jefferson	<u>Highest-Qualified</u> Cameron Rules (CPS) Ben Franklin Thomas Jefferson
<u>Well-Qualified</u> Joyce Rogers George Washington	<u>Well-Qualified</u> Joyce Rogers George Washington (TP)	<u>Well-Qualified</u> George Washington (TP) Joyce Rogers
<u>Qualified</u> Preston Foster Cameron Rules	<u>Qualified</u> Preston Foster Cameron Rules (CPS)	<u>Qualified</u> Preston Foster

Order of Certification


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- For most jobs and grade levels under category rating, the Certificate of Eligibles, or equivalent, certifies eligibles in the following order:
 1. Interagency Career Transition Assistance Program (ICTAP) eligibles on a separate sheet
 2. Eligibles who lost consideration due to erroneous certification
 3. Eligibles in the highest quality category




Names Referred to Selecting Official

- All eligible candidates in the highest quality category are referred/sent on the Certificate of Eligibles to the selecting official
- “Rule of Three” does not apply under category rating

Merging Categories

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- When there are fewer than three eligible candidates in the highest quality category
 - Combining (merging) the highest quality category with the next lower quality category and making selections from the newly merged category
 - Merging categories based on agency's category rating policy

Merging Categories - Options

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- The HR specialist, in conjunction with the selecting official, may decide to merge categories at two places in the hiring process:
 - Before certifying/issuing the Certificate of Eligibles *or*
 - Before selecting an eligible

 - The newly merged category is the new highest quality category

Merging Categories - Rules

- Preference eligibles must be listed ahead of non-preference eligibles in the newly merged category
- As long as a preference eligible remains in the merged category, the selecting official may not select a non-preference eligible unless the selecting official obtains approval to pass over the preference eligible in accordance with 5 U.S.C. 3318

Merging Before Issuing a Certificate

Highest-Qualified

James John (NV)

Peter Wolf (NV)

Well-Qualified

Lisa James (TP)

Harry Upton (NV)

Jackie Downs (NV)

Newly Merged –Highest Qualified

Lisa James (TP)

Jackie Downs (NV)

James John (NV)

Harry Upton (NV)

Peter Wolf (NV)

Note: Merging the highest quality category (Highest Qualified) with the next lower category (Well-Qualified) requires placing the qualified preference eligible at the top of the newly merged quality category

Merging Before Selecting an Eligibles

Highest Qualified Category

Michael (NV)

Peter (NV) *Selected*

Quince (NV)

Sam (NV) *Selected*

Troy (NV) *Selected*

Qualified Quality Category

Anne (TP)

David (TP)

Homer (NV)

Winston (NV)

Newly Merged Category

Highest Qualified Category

Anne (TP)

David (TP)


Homer (NV)

Michael (NV)

Quince (NV)


Winston (NV)

Selection Procedures - Rules

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- Selecting official may select from among the eligible candidates in:
 - Highest quality category *or*
 - Newly merged category comprised of the highest and the second-highest quality categories


Example: If there are 20 eligibles in the highest quality category (no preference eligibles), the selecting official may select any one among the 20 eligibles including the 20th eligible because they are all equal in the category.

Selection Procedures - Rules (Cont'd)

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- Selection rule: A selecting official may not pass over a preference eligible to select a non-preference eligible unless there are proper and adequate reasons for passing over the preference eligible and the selecting official obtains approval to pass over the preference eligible in accordance with 5 U.S.C. 3318

Example: If there are 20 eligibles in the highest quality category and five preference eligibles are at the top of the list, the selecting official must select from among the five preference eligibles. The selecting official may not select any non-preference eligible unless the selecting official obtains approval to pass over all (5) preference eligibles under 5 U.S.C. 3318.

Pass Over Procedures


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- Procedures to pass over a preference eligible under category rating are the same as those used in the traditional numeric rating, ranking and selection procedures
 - A non-preference eligible may not be selected over a preference eligible unless approval is received by OPM or an agency with delegated examining authority to pass over the preference eligible in accordance with 5 U.S.C. 3318

Pass Over Procedures (Cont'd)

- Specific steps for pass over procedures are outlined in the *Delegated Examining Operations Handbook*, Chapter 6, Section D, Object to Eligibles



Category Rating - Summary

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- President's Memo requires use effective November 1, 2010, for agencies with delegated examining authority under 5 USC 1104(a)(2) for all competitive examining positions
 - Establish an agency category rating policy before use
 - Identify and define two or more quality categories
 - Review applications for basic qualification requirements established for the position
 - Administer assessment tool(s) (e.g., written test, structured interview, etc.)

Category Rating - Summary

- Rank eligible candidates by placing in one of two or more pre-defined categories
- Apply veterans' preference by placing preference eligibles ahead of non-preference eligibles within same quality category in which they were placed (see exception for veterans with greater than 10% disability)
- Select from among all eligible candidates in the highest quality category; rule of 3 does not apply
- Select preference eligibles before non-preference eligibles within the same quality category
- Exception: Qualified CPS and CP eligibles “float” to top of highest quality category for positions other than scientific and professional at the GS-9 level and above

OPM Responsibility

➤ Under category rating OPM retains exclusive authority in the following two situations:

1. Make medical qualification determinations pertaining to preference eligibles:

- Submit a request to pass over a preference eligible, with supporting documentation (5 U.S.C. 3312(b)) to:

U.S. Office of Personnel Management
Associate Director
Employee Services
1900 E Street, NW., Room 7470
Washington, DC 20415

OPM Responsibility (Cont'd)

2. Grant or deny an agency's request to pass over a preference eligible with a compensable service-connected disability of 30% or more
 - Submit a request to pass over a preference eligible and supporting documentation (5 U.S.C. 3318(b)(2)), to:

U.S. Office of Personnel Management
Associate Director
Employee Services
1900 E Street, NW., Room 7470
Washington, DC 20415

Reporting Requirements

- Chief Human Capital Officers Act established special reporting requirements for category rating (codified in 5 USC 3319)
- Each agency that establishes a category rating system must submit a report to Congress in each of the 3 years following that establishment (5 U.S.C. 3319(d))
- Agencies must send their annual reports to the Speaker of the House and the President of the Senate

Reporting Requirements (Cont'd)


- The address for the Speaker of the House is:

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515

- The address for the President of the Senate is:

The Honorable Joseph R. Biden, Jr.
President of the Senate
Washington, DC 20510

Reporting Requirements (Cont'd)

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- In accordance with 5 U.S.C. 3319(d) the report must include the:
 - Number of employees hired under category rating
 - Impact category rating has had on the hiring of veterans and minorities, including those who are American Indian or Alaska Natives, Asian, Black or African American, and native Hawaiian or other Pacific Islanders
 - Way in which managers were trained in the administration of category rating

Reporting Requirements (Cont'd)

- OPM must receive a copy of the same report an agency submits to Congress (5 CFR 337.305)
- The report should be mailed to:

U.S. Office of Personnel Management
Associate Director
Employee Services
1900 E Street, NW., Room 7470
Washington, DC 20415

Category Rating - References

- 5 U.S.C. 3319
- 5 CFR part 337 subpart C
- *Delegated Examining Operations Handbook*, Chapter 5, Section B
- Category Rating web page (see http://www.opm.gov/employ/category_rating/index.asp)
- *Category Rating* (see <http://www.opm.gov/HiringReform/HiringReformRequirements/CategoryRating/index.aspx>)
- *The Presidential Memorandum – Improving the Federal Recruitment and Hiring Process* issued on May 11, 2010 (see <http://www.opm.gov/hiringreform/>)



Category Rating

Thank You

