Office of Merit Systems Oversight and Effectiveness  
*Digest of Significant Classification Decisions and Opinions*  
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**Standard:**  [General Schedule Supervisory Guide](#) (April 1993)  
**Factor:**  N/A  
**Issue:**  Interpreting the alternative definition of "agency"

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**Identification of the Classification Issue**

This issue arose in the reconsideration of a classification appeal decision. The appellant directed the work of an organization responsible for providing complex professional, technical, and administrative services for a major component of a bureau-level organization. The appellant argued that higher credit should be given under Factors 1 and 4 because the bureau in which his position was located met the alternative definition of "agency," as outlined on pages 3 and 4 of the General Schedule Supervisory Guide.

**Resolution**

When five or more of the conditions listed on page 3 of the General Schedule Supervisory Guide apply, an activity next below department level may be considered equivalent to an agency. The Classification Appeals Office determined that the bureau in question did not meet three of the required seven conditions and thus could not be considered an agency. Specifically, organizational information showed that items (1), (3), and (4) were not creditable. However, the intent of items (4) and (7) was not clear. Thus, the Classification Appeals Office sought interpretive guidance from the Office of Classification regarding the overall intent of the alternative definition and the specific intent of items (4) and (7).

The Office of Classification advised:

> The alternative definition of "agency" was intended to apply to bureaus and bureau-equivalent organizations which, if removed from their location within
departments and viewed as separate entities, would be comparable to independent agencies and some cabinet-level departments. Such organizations have staff, budget, worldwide installations and missions, and similar characteristics that clearly equal or surpass those of some cabinet-level departments and most independent agencies. Examples of organizations that merit treatment as agencies for the purpose of applying the General Schedule Supervisory Guide are the Social Security Administration and the Internal Revenue Service. Only a handful of other organizations would merit such exceptional treatment.

The Office of Classification offered further clarifying guidance on the fourth and seventh items of the definition:

Item (4) mentions dealing directly with Congress on major budgetary, program, or legislative matters affecting large segments of the population or the Nation's businesses. While many organizations at the bureau level have direct contacts with interested members of Congress and their staffs concerning their programs, the General Schedule Supervisory Guide seeks a higher, extraordinary level of contact. There must be direct and continuing contact outside of the normal departmental processes, and the matters must be pervasive enough to affect large segments of the U.S. populace or a large block of U.S. businesses. Further, because of the importance of the issues to so many of their constituents, the interest of the Congress as a whole must be engaged in dealing with the organization's programs.

Item (7) is similar in the level and intensity envisioned by the General Schedule Supervisory Guide. It refers to directly-delegated or statutorily assigned programs with a Governmentwide or economywide impact and that receive frequent, intensive congressional and media scrutiny. Occasionally, Congress, wishing to exercise direct control and oversight of programs it deems of major importance, uses direct statutory authority to underscore the importance it attaches to a program. Such a program must be at a level which has a magnitude that stretches across the economy as a whole, or at least across all areas of Government. Programs such as this are highly visible and are under ongoing examination by the media because of their scope and impact.