The criteria in section 412.103 are designed to enable agencies to run strong supervisory, managerial and executive development programs to provide a corporate perspective in the context of their succession planning systems. This assures that there are enough prepared and qualified employees as candidates for SES positions. This section requires agencies to provide initial and continuing training and development to their management corps. Formal SES candidate development programs are one option, but not the only one for assuring that agencies have enough candidates for the SES.

SES Candidate Development Programs (CDP)

If an agency desires graduates of its SES candidate development program to receive Qualifications Review Board certification, the program must meet the minimum standards in § 412.104. OPM will review all programs prior to announcement for the first time under these regulations regardless of whether they have been approved under the previous regulations. After the initial announcement, OPM will only review programs if there is a significant change in the program.

The standards meet statutory requirements and support the National Performance Review recommendation for promoting a corporate culture in the SES. During the time the candidates are in the program, they must attend at least 80 hours of formal interagency training programs; have developmental assignments totalling 4 months; and have a mentor. If an agency wishes to deviate from these minimum requirements, it must obtain an exception from OPM before the candidate starts the program.

OPM believes that even individuals who are well qualified for an SES appointment can benefit from this minimum training and development. It is not our intention to grant exceptions to the minimum requirements based on the fact that the candidate is already well qualified to enter the SES. OPM does not support the use of the formal SES candidate development program as a mechanism for "precertifying" fully qualified individuals for the SES.

These standards differ from the existing regulations in the following ways. Agencies can choose, under the standards, the formal interagency executive level training experience rather than be limited to OPM approved programs. An agency may substitute a work experience, longer than 80 hours, that involves multiple agencies for formal training; but this substitution

does not eliminate the requirement for a developmental assignment. The length of the developmental work assignments has been specified to eliminate confusion about what cases will be presented to the QRB.

One way to promote a corporate perspective in the SES is to encourage the selection of qualified applicants from outside the agency. The law, in 5 U.S.C. 3393(a), supports this goal by requiring at least governmentwide competition for initial appointment to the SES. While the proposed regulations on recruitment for SES CDP are consistent with this statutory requirement, they provide flexibility for those agencies which have demonstrated support for an SES corporate perspective.

Specifically, the exception from Governmentwide competition in the current regulations for agencies with 150 or fewer allocated SES positions for their candidate development programs has been changed in two ways. First, the exception is available to agencies which can show OPM that in the 5 years prior to announcing a CDP, at least 15% of the career SES members appointed come from outside the agency. An agency may be able to conduct one offering of a CDP under this exception but not another because the agency does not meet the criterion at that time. Second, when there has only been agencywide competition for the CDP, the graduates of these programs are required to compete Governmentwide for entry to the SES.

The regulations on "status" and "nonstatus" SES candidate development programs currently in subpart E have been rewritten in a new subpart B to eliminate redundancy. There is no change in the nature of the programs.

Regulatory Flexibility Act

I certify that these regulations will not have significant economic impact on a substantial number of small entities because they affect only Federal employees and agencies.

List of Subjects in 5 CFR Parts 317 and 412

Government employees.

Office of Personnel Management. James B. King,

Director.

Accordingly, the Office of Personnel Management proposes to amend 5 CFR parts 317 and 412 as follows:

PART 317—EMPLOYMENT IN THE SENIOR EXECUTIVE SERVICE

1. The authority citation for part 317 continues to read as follows:

Authority: 5 U.S.C. 3392, 3393, 3393a, 3395, 3397, 3593, and 3595.

2. In section 317.501, paragraph (c)(5) is revised to read as follows:

§ 317.501 Recruitment and selection for initial SES career appointment.

(c) * * * * * *

(5) Provide that the ERB make written recommendations to the appointing authority on the eligible candidates and identify the best qualified candidates. If there are less than 10 eligible candidates, the ERB may refer to the appointing authority all candidates as "best qualified." Rating sheets may be used to satisfy the written

recommendations requirement for individual candidates, but the ERB must certify in writing the list of candidates to the appointing authority.

3. In section 317.502, paragraph (c) is revised to read as follows:

§ 317.502 Qualifications Review Board certification.

* * * * *

(c) Qualifications Review Board certification of executive qualifications must be based on demonstrated executive experience; successful completion of an OPM-approved candidate development program; or possession of special or unique qualities that indicate a likelihood of executive success. Any existing time limit on a previously approved certification is removed.

PART 412—EXECUTIVE, MANAGEMENT, AND SUPERVISORY DEVELOPMENT

3. Part 412 is revised to read as follows:

PART 412—EXECUTIVE, MANAGEMENT, AND SUPERVISORY DEVELOPMENT

Subpart A—General Provisions

Sec.

412.101 Coverage.

412.102 Purpose.

- 412.103 Criteria for programs for the systematic training and development of executives, managers, supervisors, and candidates.
- 412.104 Formal candidate development programs for Senior Executive Service positions.

Subpart B—Senior Executive Service Status and Nonstatus Candidate Development Programs

412.201 Purpose.

412.202 "Status" programs.

412.203 "Non-status" programs.