



Department of Defense



***National Security
Personnel System***

NSPS in Transition:
NDAA 2008 and Beyond

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August 2008

- **NDAA 2008**
- **Revised Implementing Issuances**
- **Proposed Enabling Regulation**
- **HELP!!! What Do I Use When?**
- **Revised Performance Appraisal Form**
- **Enhanced Automated Tools**
- **Program Evaluation**
- **The Future of NSPS**

- **NDAAs 2008**
- **More than two years of experience under NSPS**
- **Continual improvement**
- **Increased uniformity and consistency while preserving flexibility**

■ Annual Pay Adjustment

- No less than 60 % of GS adjustment
(balance goes to pay-for-performance)
- At the same time as GS adjustment
- Employees with rating above unacceptable
- Employees without current rating for most recently completed appraisal period

■ Local Market Supplements (LMS)

- Same manner and extent as GS locality pay
- Employees with rating above unacceptable
- Employees without current rating for most recently completed appraisal period



- **Exempts Federal Wage System (FWS) employees**
- **Eliminates statutory collaboration process with unions**
 - Implementing Issuances are subject to bargaining
 - Rate of pay is not subject to bargaining
 - NSPS rules are treated as government-wide rules
- **Removes the following from NSPS regulations:**
 - Subpart F – Workforce Shaping (RIF, TOF, Furlough)
 - Subpart G – Adverse Actions
 - Subpart H – Appeals
 - Subpart I – Labor Management Relations
- **May have inadvertently impacted NSPS unique hiring and staffing authorities**



NDAA 2008 Driven Results

- **Government-wide Rules for**
 - Reduction in Force (including TOF and furlough)
 - Adverse Actions
 - Appeals
 - Labor Management Relations
- **Interim RIF Guidance – February 29, 2008**
- **Proposed Regulation – *Federal Register* – May 22, 2008**
- **Revised Implementing Issuances – June 10, 2008**
- **Draft NDAA 2009 Clarifying Language – July 2008**
- **Final Rule – *Federal Register* – date TBD**
- **Revised Implementing Issuances – date TBD**



Reduction-in-Force

- **NDAA removes authority for NSPS RIF regs**
 - Must operate under government-wide OPM regulations
 - No longer able to segment NSPS population into a separate competitive area
- **Biggest challenge**
 - Determining “equivalent” moves across broad pay bands (NSPS) and graded pay systems (GS and FWS)
 - ✓ Current RIF automation tools cannot be used
 - ✓ Large volume of RIFs scheduled through FY2009
- **OPM published draft rule permitting separate competitive areas for pay banded systems**
 - AFGE submitted comments opposing rule change
 - Sec 745 of FS&GG appropriations bill would preclude OPM from implementing



- **Interim Guidance released February 29, 2008, to Component Program Managers and HR practitioners with need-to-know**
- **Communicated major areas of change for RIF readiness**
 - **Redefine competitive areas - NSPS, GS, and FWS**
 - **Identify Tenure II employees**
 - **Establish competitive levels**
 - **Establish representative rates**
 - ✓ **Optional method/examples**
 - ✓ **Limited automation support**
 - **Determine standard credit for performance ratings**

- **NSPS Subpart G Never Implemented = N/C**
- **Chapter 75 for Conduct and Performance-based Actions**
 - Advance notice
 - Right to reply
 - Right to representation
 - Right to review material relied on
 - Written decision
 - Preponderance of the evidence
- **Breakout Session: LER/Legal Issues**

- **NSPS Subpart H Never Implemented = N/C**

- **Merit Systems Protection Board**
 - Agency Burden of Proof
 - Board Can Mitigate (Reduce) Penalty

- **Breakout Session: LER/Legal Issues**



- **NSPS Subpart I Never Implemented**
- **Continuing Collaboration Not a Requirement**
- **Chapter 71 Collective Bargaining is Required**
- **NSPS Limited to Non-bargaining Unit Employees**
- **Breakout Session: LER/Legal Issues**



- **NDA 2008 may have inadvertently repealed most NSPS unique hiring and staffing authorities**
- **May constrain ability to respond to mission needs**
 - Severe shortage/critical need hiring
 - NSPS unique internal placement and movement
- **May require review of actions taken since January 28, 2008**
- **May subject employees to overpayment claims**
- **Meetings with Congressional staff concerning intent**
 - Draft NDA 2009 clarifying language



Revised (06-10-08)

Implementing Issuances

- **Conform with NDAA 2008**
- **Adjust and clarify procedures regarding a variety of routine matters**



Revised (06-10-08)

Implementing Issuances *(continued)*

- **Full government-wide pay increase with no rating of record**
 - Provides a January base salary increase equivalent to the percent of the Government-wide general pay increase to employees not meeting the minimum rating period
- **No time limit for trainee/intern salary increases (ACDP)**
 - Removes 90-day salary increase waiting period for trainees/interns appointed or converted to NSPS
- **Modified pay setting rules**
 - Removes unintended losses or windfalls in salary due to anomalies in former (04-2006) pay setting rules



Revised (06-10-08)

Implementing Issuances *(continued)*

- **Pay reconstruction upon return from a non-NSPS temporary appointment**
 - Provides for reconstructing NSPS pay and performance payouts upon return of employees temporarily assigned outside of NSPS (*e.g.*, deployments, temp promotions)
- **Within-grade increase (WGI) buy-in**
 - Clarifies requirements for WGI buy-in each time employee is converted into NSPS
- **WGI buy-in equivalent**
 - Provides mandatory WGI buy-in equivalent for management-directed moves into NSPS and optional WGI buy-in equivalent for employee-initiated moves



Revised (06-10-08)

Implementing Issuances *(continued)*

■ Position classification appeals

- Requires written employee notification of right to appeal reclassification to lower pay band
- Clarifies classification appeal cancellation criteria

■ Definitions

- Revises definitions of promotion, reassignment, and reduction in band to apply to employees moving from a non-NSPS position to an NSPS position
- Clarifies meaning of terms “newly appointed” and “reappointed”

■ Approval level

- Requires higher level approval for promotion increases above 12 percent (vice 20 percent)



Revised (06-10-08)

Implementing Issuances *(continued)*

- **Compensatory time off for travel**
 - Provides authority for employees to retain and extend time limit for compensatory time off for travel

- **Pay pool share factor**
 - Specifies formula for calculating pay pool share factor

- **Pay pool payouts for employees on approved paid leave**
 - Provides for performance salary adjustments for employees who did not meet the minimum period of performance due to an approved paid leave status



Revised (06-10-08)

Implementing Issuances *(continued)*

■ Time-limited appointments

- Provides NSPS coverage of employees and positions subject to time-limited appointments of 90 days or less

■ Minimum statistical base for a modal rating

- Increases the minimum statistical group used in determining a modal rating from 3 to 5 pay pool members

■ Reduction in pay for unacceptable performance

- Clarifies that persons on retained pay may be subject to a reduction in salary due to unacceptable performance



Proposed Enabling Regulation

- **Published Jointly in the *Federal Register* – May 22, 2008**
 - **DoD and Office of Personnel Management (OPM)**
- **Government-wide Rule**
- **NDAA 2008 Driven**
 - **Deletes subparts E (Staffing and Employment), F (Workforce Shaping), G (Adverse Actions), H (Appeals), I (Labor Relations)**
 - **Removes coverage for Federal Wage System employees**
 - **Adds 60/40 percent rule for application of General Pay Increase**
- **Updates subparts A (General), B (Classification), C (Compensation), and D (Performance Management)**
- **Incorporates “Good Lessons Learned” Features from Implementing Issuances**



Proposed Regulation

- Incorporates changes resulting from NDAA 2008
- Covers employees appointed for less than 90 days
- Provides conversion/movement out process for employees moving to GS positions, to ensure consistent pay setting practices for NSPS employees
 - Conversion out = employee *and* position move out of NSPS
 - Movement out = employee *only* moves out of NSPS
- Specifies requirements/procedures for classification appeals process and classification determinations
- Adds / redefines / modifies / clarifies terms (*e.g.*, rate of pay, comparable pay band/comparable level of work, Component, appraisal period, basic pay, rating of record, promotion, reassignment, reduction in band, newly appointed, reappointed)



Proposed Regulation *(continued)*

- Adds information re transitioning (converting) positions into NSPS
- Adds information addressing control points (*e.g.*, part of pay system structure, lists factors to consider in establishing control points)
- De-links increases in the minimum rate of a pay band from across-the-board increases
- Permits Secretary authority to grant general salary increase to employees in designated occupational series to address labor market conditions, staffing difficulties, and mission priorities
- Provides formulas for share value and dollar value of payout
- Allows ACDP to be applied to PB-1 of technical/support pay schedules
- Eliminates 90-day waiting period for ACDP



Proposed Regulation *(continued)*

- Adds specific rules for pay retention entitlement and factors in terminating pay retention
- Provides detailed information re specially-situated employees, to include the use of modal ratings
- Defines roles and responsibilities of pay pool officials
- Adds requirement for higher level review of performance expectations
- Permits evaluation of employees on appointments of 90 days or less
- Adds requirement for at least one documented interim review if performance period exceeds 180 days
- Adds requirement to identify to employees specific performance expectations that must be improved



- **Emphasizes prohibition on forced distribution of ratings**
- **Specifies the *only* criteria that may be used in determining share assignment**
- **Clarifies that misconduct may impact the rating of record**
- **Provides that rating official will communicate rating of record and number of shares to the employee**
- **Allows employees to request reconsideration of an individual job objective rating**
- **More specifically governs how retained classification, compensation, and performance management flexibilities will be implemented**

- **Public Comment Period and Concurrent National Consultation**
 - More than 500 public comments received
 - Comments received from 9 of the 10 unions with National Consultation Rights
- **Detailed comments on each subpart with Subpart C getting the most**
- **Cross-cutting issues**
 - “Fairness” vis-à-vis GS
 - Administrative burden
 - Degree of specificity in the regs
 - When and how labor reps should have a say in shaping the system
- **126 Major; 240 Minor but all being closely reviewed**



Enabling Regulations Publication

2008												2009
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan



What Do I Use When?

	November 2005 Enabling Regulations	April 2006 Implementing Issuances	June 2008 Implementing Issuances	2008/2009 Enabling Regulations	2008/2009 Implementing Issuances
Beginning June 10, 2008 Revised Implementing Issuances	Use these (except for Subparts F, G, H, and I)	Use Appendices and SC1950	Use these (and Apr 06 SC 1950 and Apps)		
After 2008/2009 Enabling Regulations go through 801 Review Process			Use these	Use these	
After publication of 2008/2009 Implementing Issuances				Use these	Use these

NOTE: The above matrix applies to employees who are not represented by a union. For those represented by a union, continue to use all of the April 2006 Implementing Issuances until appropriate collective bargaining obligations have been satisfied.



Performance Appraisal Form





- **Cover Sheet – Privacy Act and Instructions**
- **Page 1**
 - **Part A – Administrative Data**
 - **Part B – Performance Appraisal Documentation (signatures and dates)**
- **Page 2**
 - **Part C – Performance Rating and Compensation Summary**
- **Page 3**
 - **Part D – Relevant Organizational Mission/Strategic Goals (limited to 1400 characters)**
 - **Part E – Performance Indicators (auto-populated)**
 - **Part F – Component Unique Information (≤ 4400)**
- **Page 4 (*Duplicate this page for each job objective*)**
 - **Part G – Job Objectives (≤ 1000) & Contributing Factors**
Objective Rating / Contributing Factor Impact / Adjusted Rating
Type of Assessment: Interim Review / Annual / Other
Employee Self-Assessment (≤ 2000) RO Assessment (≤ 2000)

- **Performance Appraisal Application (PAA)**
 - **Plenary Session: PAA v.3.0 Overview**

- **Compensation WorkBench (CWB) / Pay Pool Analysis Tool (PAT)**
 - **Breakout Sessions: CWB/PAT Demo**



Performance Appraisal Application (PAA) Enhancements for 2008

- A new look and feel – tabs that display key tasks in the order they are performed (*e.g.*, plan, interim review, appraisal)
- Assessment by job objective – allows employees and rating officials to enter up to 2000 characters for each assessment by job objective
- Improved copy and paste functionality – correctly converts most MS Word format characters such as carriage returns and quotes
- An improved character counter – provides a more accurate count of the number of characters entered or pasted
- An enhanced Email notification process – provides employees, rating officials, and higher level reviewers status info within the e-mail
- Easy and standardized approvals and acknowledgement processes for establishing plans and conducting interim reviews and appraisals
- The ability to copy plans from year to year
- A track progress page – lets users know where they are in the process
- PAA v.3.0 – August 2008



Compensation WorkBench Tool (CWB) Enhancements for 2008

- Read new import data elements (org code, occ cat code, and UIC/PAS)
- Provide improved capability to hide rows
- Use tabs for objectives to display 5 at a time on rating tab
- Redo status indicators to identify specially situated conditions
- Provide salary marker chart to show position in pay band
- Include rate range adjustment calculation to improve use of control points
- Display summary of carryover salary dollars to help explain overall payout percentages
- Include wildcard columns in export
- Provide copy and paste for charts
- Modify Addendum to 2906 (add PRA and RO names plus several other data elements)



Pay Pool Analysis Tool (PAT) Enhancements for 2008

- Read new data elements and CWB wildcard data
- Provide capability to remove names
- Provide improved capability to hide rows
- Add capability to sort and rename imported pay pools
- Allow user to select any wildcard column to use in wildcard displays
- Provide salary marker chart to show position in pay band
- Provide counts as well as percentages in tables

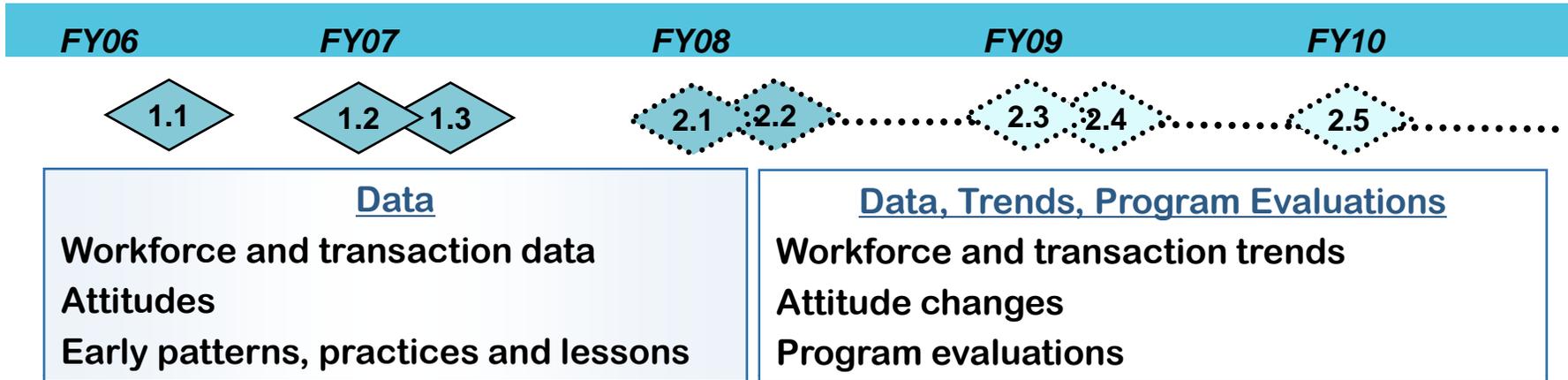
■ Who's



at NSPS?

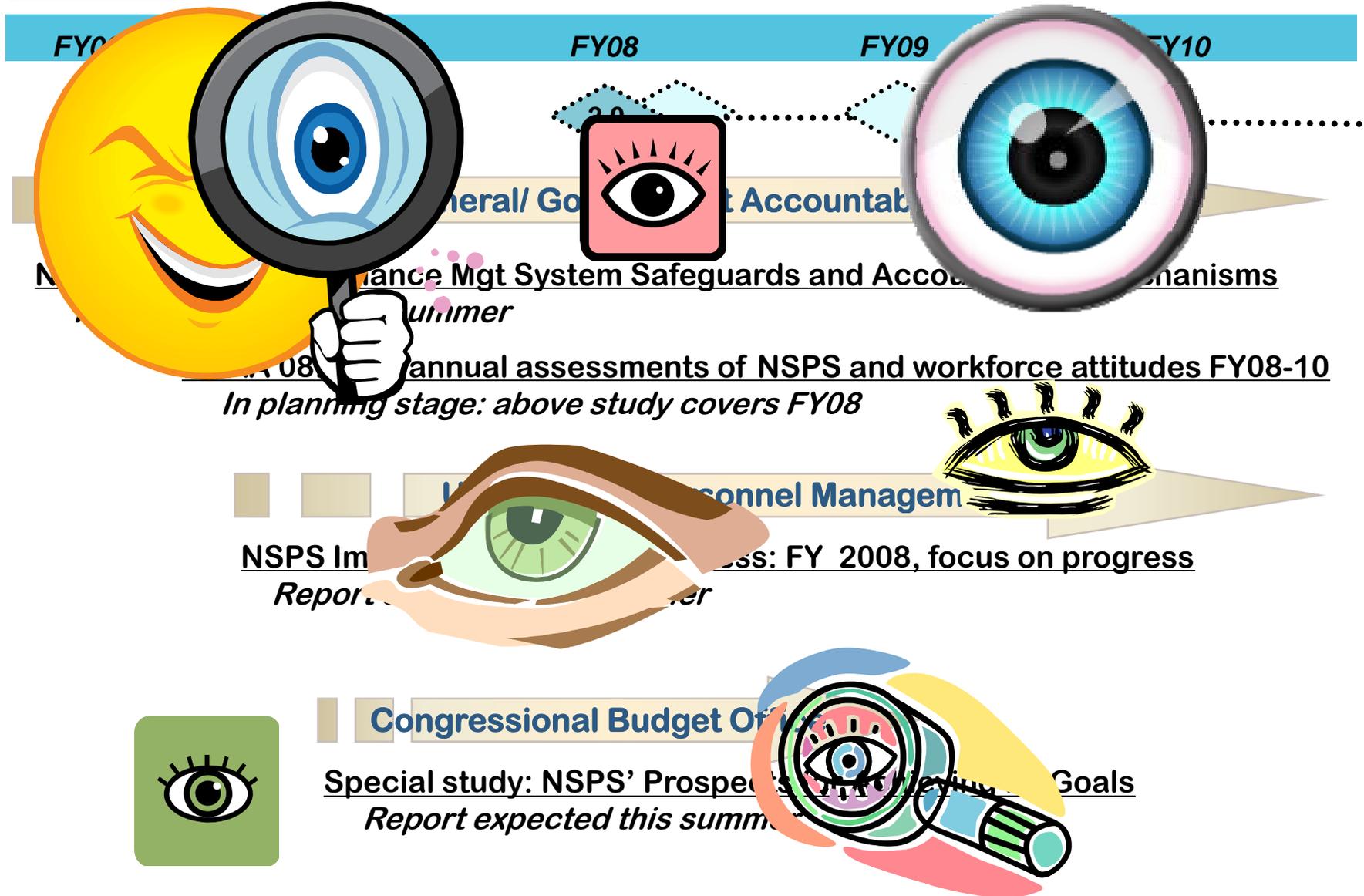


DoD-wide Evaluation Activities



Major Activities

- Annual Status of Forces Surveys of DoD Civilians, with Spiral sampling
 - ✓ 2006 and 2007 Tab Volumes: <http://www.dmdc.osd.mil>
(Select DoD Community, then General DoD Info, then Personnel Surveys)
 - ✓ 2008 survey closed end March
- Data mining from the Defense Civilian Personnel Data System
 - ✓ FY 2007 cycle pay pool ratings and payout data
 - ✓ Workforce and personnel action data
- Program evaluation: NSPS as implemented in Spiral One organizations
- Special analysis of 1,000 performance plans (OPM tool)

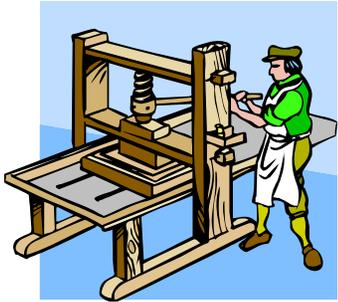




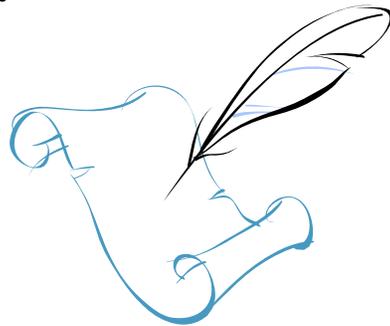
The Future of NSPS



What's next?



- ✓ Publish Final Regulation
- ✓ Revise Implementing Issuances



- Deployment
- Evaluation
- Adjustments
- Improvements
- Revisions
- Interest

- ✓ **NDAA 2008**
- ✓ **Revised Implementing Issuances**
- ✓ **Proposed Enabling Regulation**
- ✓ **What Do I Use When?**
- ✓ **Revised Performance Appraisal Form**
- ✓ **Enhanced Automated Tools**
- ✓ **Program Evaluation**
- ✓ **The Future of NSPS**