

For: FFAS Employees

Using Category Rating for Job Applicant Assessments

Approved by: Deputy Administrator, Management



1 Overview

A Background

On June 15, 2004, OPM published final regulations that:

- permit Federal Departments and agencies to develop and use a category-based rating method as an alternative method to assess applicants for positions filled through delegated examining
- direct Departments and Agencies to establish their own policies to use category rating.

On May 11, 2010, the President issued a memorandum to Heads of Executive Departments and Agencies, directing them to use the category rating, rather than the “rule of three” approach for Federal hiring, no later than November 1, 2010.

The category rating will increase the number of high quality applicants that are provided to selecting officials. Rather than the traditional process of assigning applicants a numerical score and limiting selection consideration to the top 3 candidates, category rating assesses applicants by placing them into 2 or more pre-defined quality categories. Applicants with similar levels of job-related competencies are placed into the appropriate quality categories, and selection is made from the highest quality category.

B Purpose

This notice:

- establishes the FFAS interim policy for using Category Rating, a method of evaluating applicants under our existing Delegated Examining authority when posting job announcements for outside competitive hires
- establishes a framework and overall FFAS policy for using category rating

Disposal Date	Distribution
January 1, 2012	All FFAS employees; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose (Continued)

- applies to recruitment actions processed under delegated examining procedures
- the use of category rating becomes effective on November 1, 2010.

Note: This does not affect internal merit promotion announcements or selections. 3-PM will be updated for permanent policy after the Department issues regulations and using the interim policy in 2011.

C Authorities and References

The following references provide the authorities for use of category rating:

- Chief Human Capital Officers Act of 2002 (Title XIII of the Homeland Security Act)
- Title 5, United States Code, Parts 3317, 3318 and 3319
- Title 5, Code of Federal Regulations, Part 337, Subpart C
- Federal Register (FR), Vol. 69, No. 114, pages 33271 to 33277, dated June 15, 2004
- FR, Vol. 68, No. 114, pages 35265 to 35270, dated June 13, 2003
- Delegated Examining Operations Handbook, Chapter 5, Section B
- Delegated Examining Operations Handbook, Chapter 6
- Uniform Guidelines on Employee Selection Procedures, Title 29, Code of Federal Regulations, Part 1607 and Title 5, CFR Part 300
- Presidential Memorandum dated May 11, 2010, "Improving the Federal Recruitment and Hiring Process".

2 Responsibilities and Definitions

A HRD Responsibilities

HRD is responsible for:

- complying with this policy and all OPM rules, regulations, and policies governing category rating
- implementing this policy in FFAS
- ensuring that applicable selecting officials are adequately trained on using this policy.

Note: HRD will be developing training and will ensure that selecting officials are provided access to training before making selections from certificates using category rating.

B Definitions

Category rating is a ranking and selection procedure used to assess applicants for positions filled through the delegated examining process. Under category rating, applicants are evaluated based on job-related criteria and placed into predefined quality categories with individuals who possess similar levels of job related competencies. Category rating is synonymous with alternative rating as described in 5 U.S.C. §3319.

Delegated examining is the process used to recruit, assess, rank, and select individuals for positions in the competitive (civil) service. The delegated examining process allows all qualified U. S. citizens to compete for a position, including current Federal employees.

Mission area is a major USDA component or group of components with related functions that report to the same Under Secretary or Assistant Secretary, the FFAS mission area includes FSA, FAS, and RMA.

Preference eligible applies to a qualified applicant who is entitled to veteran's preference in the hiring process.

Quality categories are groupings of candidates with similar levels of job-related competencies.

3 Policy

A Compliance

FFAS complies with all applicable laws, rules and regulations and OPM policies governing category rating and will use category rating on all applicable open competitive job announcements to facilitate and streamline the assessment, referral, and selection of candidates for positions filled through the delegated examining process.

B Using Category Rating

Category rating may be used to fill permanent, term, and temporary positions in the federal competitive service under delegated examining procedures. Using category rating was optional until November 1, 2010, but required for all selections on or after that date, unless there is an authorized exception.

C Quality Categories

A minimum of 2 quality categories must be used to assess applicants under category rating. Quality categories are:

- defined through a job analysis process consistent with the Uniform Guidelines on Employee Selection Procedures
- written to reflect the competencies that are needed to perform the job successfully and to distinguish differences in the quality of candidates' job-related competencies
- defined before issuing the job announcement.

Exhibit 1 provides examples of quality categories and assessment methods. HRD may develop and use other appropriate methods for assessing candidates using category rating, provided that at least 2 pre-defined quality categories are used. "Not Qualified" may not be one of the quality categories.

Exception: When using OPM's Standing Registers, HRD must follow OPM's established quality categories for each register.

3 Policy (Continued)

D Job Announcement Requirements

Job announcements must include the following information for positions filled under category rating procedures.

- A statement describing that category rating procedures will be used to rank and select eligible candidates. This statement must be included in the “How You Will Be Evaluated” or “Basis of Rating” section of the announcement.
- A statement describing the quality categories. This statement may be as simple as identifying the categories, such as “Best Qualified, Well Qualified, and Qualified” or “Best Qualified and Qualified.”
- A statement to describe how veterans’ preference is applied.

E Ranking Applicants and Applying Veterans’ Preference

Assessed applicants will be placed in the appropriate quality category and ranked according to veteran’s preference eligibility and non-preference eligibility. Within each category, all qualified preference eligibles are placed ahead of non-preference eligibles. Preference eligibles do not receive additional points under category rating procedures.

- Within each quality category, first list qualified preference eligibles in alphabetical order by preference type:
 - compensable disability of 30 percent or more (CPS)
 - compensable disability of at least 10 percent, but less than 30 percent (CP)
 - compensable disability of less than 10 percent, derived preference; and other “10 point” preference eligibles (XP)
 - other preference eligibles not listed above (TP).
- Then, list non-preference eligible in alphabetical order.
- For positions other than professional and scientific at the GS-9 level or higher, qualified CPS and CP preference eligibles are placed **at the top of the highest quality category**.
- For professional and scientific positions at the GS-9 level or higher, qualified CPS and CP preference eligibles are placed **at the top of the appropriate quality category for which rated**.

3 Policy (Continued)

F Referral and Selection of Candidates

Under category rating, eligible candidates are referred in the following order.

- Agency Career Transition Assistant Program (CTAP) and Interagency Career Transition Assistance Program (ICTAP) eligibles.

Note: The FFAS Career Transition Assistance Plan allows for these candidates to be referred and consider concurrently with other candidates.

- Eligible candidates who lost consideration because of erroneous certification.
- Eligible candidates in the highest quality category, listed in alphabetical order, with preference eligibles listed ahead of non-preference eligibles or only preference eligibles in the highest category when the number of preference eligibles equals or exceeds the number of positions to be filled.

Note: If there are fewer than 3 candidates in the highest quality category, applicants from the next lower category may be combined with those in the highest category.

- Selections must be made from the highest quality category.
- Any preference eligible in the highest quality category may be selected regardless of the type of preference to which he/she is entitled.
- The Selecting Official cannot pass over a preference eligible to select a non-preference eligible unless a written objection is submitted to and sustained in accordance with 5 U.S.C. 3318. Objections to preference eligibles shall be submitted to serving staffing specialist in HRD. This includes request to pass over:
 - preference eligibles with a 30 percent or more compensable disability (CPS)
 - any preference eligible if the pass over request is based on a medical reason.

HRD will process objections to pass over a preference eligible in accordance with the procedures outlined within Chapter 6 of OPM's Delegated Examining Operations Handbook and with Departmental Regulations.

Note: FFAS requests must be submitted to OPM through USDA OHRM, Policy Division for review and concurrence.

3 Policy (Continued)

G Merging Quality Categories

If there are fewer than 3 candidates in the highest quality category, the 2 highest categories **may** be merged into 1 category. The newly merged category becomes the new highest quality category from which selection can be made. All preference eligibles in the merged category must be placed ahead of non-preference eligibles.

Merging is optional and can only be done when there are fewer than 3 candidates in the highest quality category. There is no limit to the number of times categories can be merged. The human resources specialist, in conjunction with the selecting official, may decide to merge categories at either of the following steps in the hiring process:

- before certifying/issuing the Certificate of Eligibles
- before making a selection if there are fewer than 3 candidates remaining in the highest quality category.

4 Additional Information

A Reporting Requirements

HRD shall submit the following information to the OHRM, on an annual basis, for 3 years following establishment of the category rating policy:

- number of employees hired under category rating
- the impact of category rating on the hiring of veterans and minorities, including members of the following groups:
 - American Indian or Alaska Natives
 - Asian
 - Black or African American
 - native Hawaiian or other Pacific Islanders
- the way in which managers were trained in the administration of category rating.

Unless notified by USDA, OHRM, annual reports will be submitted to OHRM, Policy Division according to this table.

Reporting Period	Due Date
November 1, 2010, through October 31, 2011	November 30, 2011
November 1, 2011, through October 31, 2012	November 30, 2012
November 1, 2012, through October 31, 2013	November 22, 2013

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4 Additional Information (Continued)

B Contacts

Question on category rating should be directed according to the following.

IF...	THEN contact...
HRD servicing office or DEU specialist	HRD, Policy and Accountability Branch.
FFAS hiring official	your HRD servicing staffing specialist.

Guide on Sample Assessment Methods Under Category Rating

Several assessment methods may be used under category rating. The following are **examples** and may be used at the discretion of HRD. HRD may also develop and use other appropriate methods for assessing candidates using category rating, provided at least two pre-defined quality categories are used.

(The following examples use three quality categories, but can be modified to use two quality categories.)

A. Total Score Method

Place eligible applicants into quality categories based on the numerical scores obtained through an applicant self-assessment system (e.g., Hiring Management or USA Staffing), or based on the rating received for each Competency and transmuting the raw score to a score that ranges from 70 to 100 points. The applicant’s total score used **shall not** include additional points for veterans’ preference.¹ For example:

- **Best Qualified** – Applicants who have a score between 95 and 100.²
- **Well Qualified** – Applicants who have a score between 85 and 94.
- **Qualified** – Applicants who have a score between 70 and 84.

B. Proficiency Level of Competencies - Option 1

Eligible applicants are placed into quality categories based on their scores in **specific** Competencies.

For example: Applicants for a Human Resources Specialist job announcement will be rated on three competencies identified through the job analysis process: (a) Oral Communication; (b) Written Communication, and (c) Technical Knowledge. Using a rating schedule developed for the position, assign a rating for each /competency at a High level (5 points); Medium Level (3 points); or Low level (1 point).

Place eligible applicants into Quality categories that were pre-defined specifically for this job announcement as follows:

Quality Categories Human Resources Specialist, GS-201-12	
Best Qualified	Applicant received a rating of “5” level in both Technical Knowledge and Written Communication; and a rating of at least “3” in Oral Communication.
Well- Qualified	Applicant received a rating of “5” level in Technical Knowledge; and at least a rating of “3” in both Written Communication and Oral Communication.
Qualified	Applicant met the basic eligibility and minimum qualifications requirements, but did not meet the definition of Well-Qualified or Best-Qualified described above.

Guide on Sample Assessment Methods Under Category Rating (Continued)

C. Proficiency Level of Competencies – Option 2

Using a rating schedule developed for the position, rate each competency at a High level, Medium Level, or Low level. Competencies were determined to be of comparable importance.

Place eligible applicants into quality categories based on the **number** of Competencies rated at each level, as follows.

Quality Categories	
Best Qualified	Number of competencies rated at the “High” level is greater than, or equal to, the number rated at “Medium” level, with none rated at the “Low” level.
Well- Qualified	Number of competencies rated at the “Medium” level exceeds the number rated at the “High Level”, with none rated at the “Low” level.
Qualified	All other combinations.

D. Possession Only of Competencies – Option 1

Use the job analysis process to (1) identify the competencies needed for successful job performance; and (2) identify indicators that show possession of each competency. In this option (and in Option E below), applicants are assessed *only* on possession of the competencies; their degree of proficiency is not rated.

For example: Applicants for a Human Resources Specialist job announcement will be assessed on three Competencies identified through the job analysis process: (a) Oral Communication; (b) Written Communication, and (c) Technical Knowledge. Based on the relative importance of the competencies for successful job performance, quality categories were defined for this position as follows.

Quality Categories	
Best Qualified	Applicant demonstrates possession of all Competencies identified as important for successful job performance, i.e., Oral Communication, Written Communication, and Technical Knowledge.
Well- Qualified	Applicant demonstrates possession of Technical Knowledge and Oral Communication.
Qualified	Applicant meets the basic eligibility and minimum qualification requirements, but does not meet the definition of well-qualified or best-qualified described above.

Guide on Sample Assessment Methods Under Category Rating (Continued)

E. Possession Only of Competencies – Option 2

In this option, all of the Competencies were determined to be of comparable importance. Place applicants into quality categories based on the number of Competencies they possess. For example:

Quality Categories	
Best Qualified	Applicant possesses all of the Competencies identified as important for successful job performance.
Well-Qualified	Applicant possesses a majority (i.e., more than half) of the Competencies needed for successful job performance.
Qualified	Applicant meets the basic eligibility and minimum qualification requirements, but does not meet the definition of well-qualified or best-qualified described above.

¹ *The numerical score of a preference eligible would not be augmented with additional points for veterans' preference. Instead, preference eligibles are referred ahead of non-preference eligibles when placed into the appropriate quality category.*

² *The cut-off scores for quality categories may be raised or lowered, as appropriate to show distinguishable differences in applicant quality levels. In addition, numerical cut-offs must be identified prior to issuing the job announcement. The minimum score for the "Qualified" category should be 70, which is consistent with traditional delegated examining procedures.*