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**The Senior Executive Service**

at the

**National Aeronautics and Space Administration**

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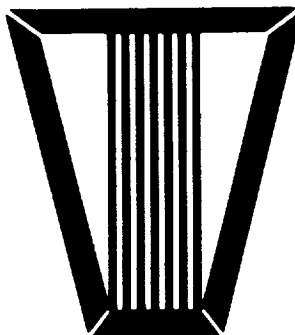
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***A Handbook for NASA Senior Executives***

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## **PREFACE**

A major innovation of the Civil Service Reform Act of 1978 was the creation of a Senior Executive Service (SES). The purpose of the SES is both simple and bold: to attract executives of the highest quality into Federal service and to retain them by providing outstanding opportunities for career growth and reward.

The SES is intended to:

- provide greater authority in managing executive resources;
- attract and retain highly competent executives, and assign them where they will effectively accomplish their missions and best use their talents;
- provide for systematic development of executives;
- hold executives accountable for individual and organizational performance;
- reward outstanding performers and remove poor performers; and
- provide for an executive merit system free of inappropriate personnel practices and arbitrary actions.

The Federal Government is by far the largest employer in the United States. Because of this size and complexity, our Nation needs Federal executives with the same levels of intelligence, skills, drive, and integrity as the best executives in private industry.

Members of the SES provide senior management talent to Federal agencies of the United States, serving immediately below those officials appointed by the President to non-career Executive Level positions (such as agency and department heads). As an SES executive at the National Aeronautics and Space Administration, you play an important role in our nation's scientific and technological future. You share responsibility for implementing the space programs and policies directed by the President of the United States. You participate in national and international efforts to understand our global environment and the universe around us. You also help to shape the vision and aspirations of a new generation of young people.

This Handbook summarizes the key features of the SES at NASA. It is intended as a special welcome to new appointees and also as a general reference document. It contains an overview of SES management at NASA, including the Executive Resources Board and the Performance Review Board, which are mandated by law to carry out key SES functions. In addition, assistance is provided by a Senior Executive Committee in certain reviews and decisions and by Executive Position Managers in day-to-day administration and oversight.

SES selection, appointment, and ethics are also discussed. NASA's activities have high visibility among the public, which has a strong interest in the space program. We must

conduct our mission with integrity to be worthy of the public trust. In addition, this Handbook discusses salary and benefits, performance appraisal, promotion, awards, and Presidential Ranks. These features set the SES apart from the General Schedule personnel system, in which salary and career status are determined by the position grade held. In the ungraded SES system, salary and career status depend upon the individual performance of the executive, as well as the nature of the position. Finally, executive development, now more necessary than ever to help SES members improve their skills, is addressed, and changes in service are discussed.

The Senior Executive Service is the Administrator's personal link with the broader NASA organization and a vital force for accomplishment of the NASA mission. I look to each of you for leadership and support of our common endeavor.

The SES is regulated by Federal law and is subject to guidelines published by the Office of Personnel Management (OPM). A detailed description of the SES is in the Federal Personnel Manual Supplement 920-1, "Operations Handbook for the Senior Executive Service." NASA management of the SES is described in NASA Management Instruction 3100.3, "Management of the Senior Executive Service." The contents of this SES Handbook are subordinate to these Federal regulations, OPM guidelines, and NASA's management instructions.

This Handbook is issued in loose-leaf form and will be revised by page changes.

A handwritten signature in black ink, appearing to read "Daniel Stebbins". The signature is fluid and cursive, with the first name "Daniel" and last name "Stebbins" clearly distinguishable.

Administrator

Distribution:  
SDL 1 (SIQ)

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## **CHAPTER 1. OVERVIEW OF SES MANAGEMENT AT NASA**

### **A. THE SENIOR EXECUTIVE SERVICE AT NASA**

The role of the SES at NASA may be simply stated:

*To provide the Administrator a senior management resource to execute the mission of NASA.*

Responsibility for the SES personnel system at NASA and the authority to affect SES actions rest entirely with the Administrator.

SES executives serve under the President's top appointed officials, such as heads of departments and agencies, who occupy Executive Levels I through V. At NASA, the President appoints the Administrator and Deputy Administrator to Executive Level positions II and III, respectively. Senior Executive Service incumbents are appointed by the Administrator and are above GS/GM-15 positions. There are six rates of basic pay for the SES set by the President and designated as ES levels, ES-1 (lowest) through ES-6 (highest). No basic rate of pay for the SES can exceed level IV of the Executive Schedule.

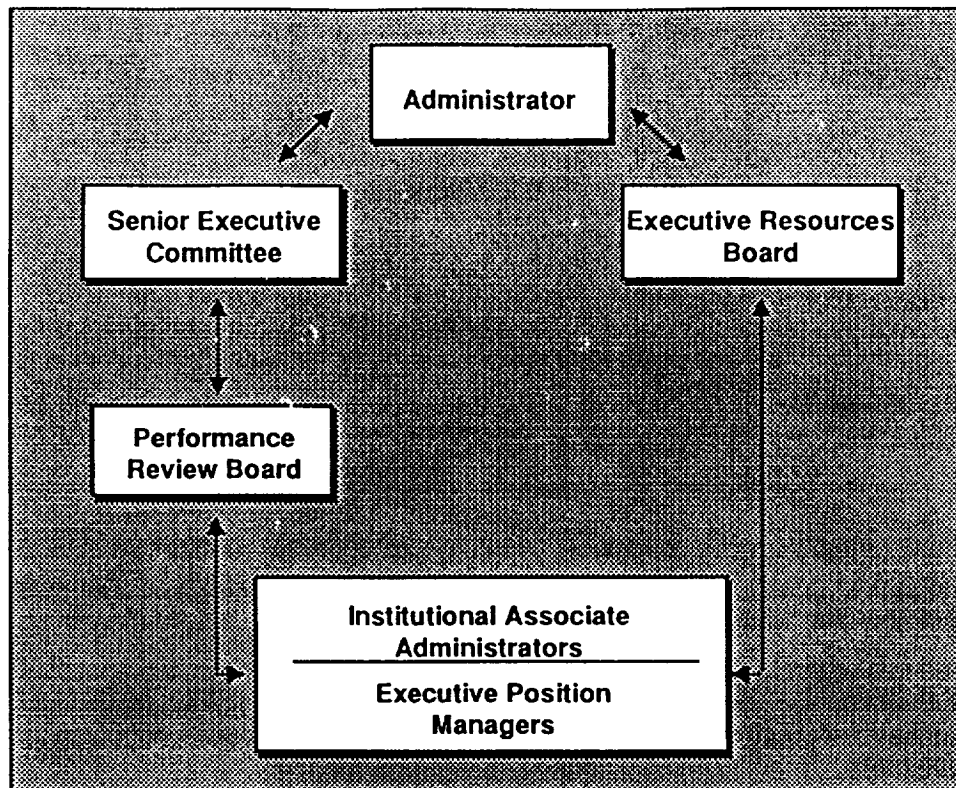
While there is no statutory numerical limitation on the total number of SES positions in the Federal Government, they are centrally controlled by the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM). Each agency reviews its executive personnel needs every 2 years and requests an SES position allocation from OPM. After consultations with OMB, OPM allocates a certain number of SES positions to an agency on the basis of such factors as agency mission, program needs, and budget. OPM may increase or reduce this allocation during any 2-year period.

Once NASA has received its SES position allocation, it may establish SES positions without further approval, provided (1) the agency remains within the allocation and (2) the positions meet the SES functional and grade-level criteria established by OPM. NASA may also abolish lower priority SES positions and use the spaces to meet greater needs elsewhere within the Agency. NASA has over 550 SES executives, ranking among the highest of all Federal agencies in total number of SES members.

The majority of senior NASA officials are members of the SES. Besides the Executive Level positions, the remainder of NASA's executive cadre comprises individuals in Senior Level (formerly GS-16 through GS-18) positions or those hired through special statutory authorities such as the NASA Excepted and Senior Science and Technology positions. This Handbook covers only the SES in NASA.

## B. SES MANAGEMENT STRUCTURE

This section describes the functions of the key elements in NASA's SES management structure. An overview of the management structure is shown in Figure 1-1.



**Figure 1-1. Management Structure of NASA's SES**

The *Administrator* is directly and personally responsible for the overall management of the Senior Executive Service at NASA and retains authority for SES actions not explicitly delegated to other NASA officials, including (but not limited to) those shown in Table 1-1. The Administrator has delegated to the Chief of Staff authority to appoint the membership of the Executive Resources Board, the Senior Executive Committee and the Performance Review Board. Appendix B lists the SES management activities delegated to positions and groups in NASA.



#### **Authority Retained by the Administrator**

- *Approval for SES recertification decisions.*
- *Approval of all Presidential Rank Awards nominations and bonuses for current-year Presidential Rank award winners.*
- *Approval of Incentive Awards, and Performance Awards (bonuses) .*
- *New Appointments to the SES.*

#### **Authority Delegated to the Chief of Staff**

- *Appointments to the Executive Resources Board, the Performance Review Board, and the Senior Executive Committee.*
- *Creation of new SES positions.*
- *Assignment of SES personnel to newly created positions.*
- *Personnel actions affecting Executive Position Managers (EPM's) and their full deputies.*
- *Multiple-level increases in pay.*
- *Increase in pay to level ES-5 and ES-6.*
- *Approval of decreases in pay level.*
- *Approval of adverse actions.*
- *Reassignments of executive personnel between EPM's.*
- *Reassignments involving a permanent change of station.*
- *Detail, Intergovernmental Personnel Act (IPA), or developmental assignment for more than 120 days.*

**Table 1-1. Authority Retained by the Administrator,  
Delegated to the Chief of Staff**

The ***Executive Resources Board (ERB)***, mandated by law, provides policy advice and management support with regard to all aspects of executive personnel in NASA. It reviews and advises on present and proposed Agency policy and processes for executive personnel planning, use of executive resources, executive development, and evaluation of executive personnel programs. It may establish standing and/or ad hoc subpanels to assist in these responsibilities. The ERB conducts the merit staffing process for career entry into the SES. The Associate Administrator for Human Resources and Education is designated as the Chairperson.

The ***Senior Executive Committee (SEC)***, created by the Administrator, recommends to the Administrator final SES recertification, performance ratings, awards (bonuses), nominations for Presidential Ranks, and guidelines for distribution and use of SES bonuses to enhance the effectiveness of the SES. The SEC also serves as the performance review board for those executives who are members of the PRB, are in the Offices of the Administrator and Inspector General, or report directly to the Administrator. The Chief of Staff is designated as the Chairperson of the SEC.

The ***Performance Review Board (PRB)***, mandated by law, ensures consistency, stability, and objectivity in Agency SES performance appraisals. It also makes recommendations for SES recertifications, performance ratings, and awards for most SES members. The PRB reviews initial performance appraisals and recommends final performance ratings and awards. At NASA, the PRB reviews all SES executives except those who are members of the PRB, who are in the Offices of the Administrator and Inspector General, or who report directly to the Administrator. The PRB is chaired by a Program Associate Administrator on a rotational basis. The Chair also serves as a member of the SEC during his or her rotation.

In addition to chairing the ERB, the ***Associate Administrator for Human Resources and Education*** serves on the SEC, advises the Administrator on overall management of the SES, and oversees and coordinates SES systems covering recruitment, appointment, retention, position allocation and management, executive development, performance appraisal, and compensation. The ***Director, Personnel Division***, serves as the Executive Secretary of the ERB, the PRB, and the SEC.

The ***Institutional Associate Administrators (IAA's)*** are the Associate Administrators for Space Flight, for Aeronautics and Space Technology, and for Space Science and Applications. The IAA's oversee management of the SES within the Field Installations reporting to them. Each year, the Chief of Staff allocates a fixed number of 5 percent bonuses to the Institutional Associate Administrators, the Associate Administrator for Space Systems Development, one senior manager representing the other Headquarters offices, and the Inspector General for award to SES members in their organizations. The IAA's suballocate an appropriate number of bonuses for award by their respective Field Installations.

The ***Executive Position Managers (EPM's)*** are officials who have been designated to manage SES positions within their NASA organizational jurisdictions. They are the Administrator, the Deputy Administrator, the Chief of Staff, Officials-in-Charge of Headquarters Offices (regardless of title), and all Directors of NASA Field Installations. The EPM's:

- implement NASA policy with respect to SES members;
- recommend the appropriate ES level for SES executives reporting to them;
- recommend a candidate for selection for each vacant senior executive position through their Institutional Associate Administrator and the Associate Administrator for Human Resources and Education to the Administrator for approval;
- conduct an annual review of each senior executive's performance and career planning and review both with their Institutional Associate Administrator;

- conduct organizational reviews of senior executive succession and development planning (including identification of high-potential employees for SES candidate development programs) with their Institutional Associate Administrator;
- recommend to their Institutional Associate Administrator the initial performance appraisal and performance awards (including Presidential Rank nominations) for senior executives reporting to them; and
- recommend for each eligible career SES appointee recertification as a senior executive based on performance over a 3-year period.

The Administrator delegates to the EPM's, without possibility of further delegation, authority to approve and carry out the following actions within their organizational jurisdictions (excluding the EPM's and their deputies) after 15 days advance notice to the Chief of Staff:

- reassignments, title changes, and single-level increases in pay for Career Senior Executives in existing approved positions through the ES-4 level; and
- advertisement of existing approved vacant SES positions.



## CHAPTER 2. STAFFING AND APPOINTMENT

Every Federal Agency is required by Federal law to have a Senior Executive Service merit staffing system. This chapter summarizes NASA's system.

NASA's merit staffing system is designed to enable the Agency to recruit and select the best qualified executives possible from the widest practical sources for SES career appointments, including appropriate sources of minority and female candidates. The extent of the recruitment area depends on the individual position in question and potential sources of candidates for the position.

NASA's merit staffing system specifies the responsibilities of the major participants in the staffing process and describes procedures covering (1) qualification standards development; (2) recruitment; (3) vacancy announcement preparation; (4) screening and evaluation of candidates; (5) selection; and (6) documentation of recommendations and actions.

At NASA as at other agencies, the Executive Resources Board is responsible for the design and implementation of this system. Under the ERB, Executive Position Managers have primary responsibility for merit staffing of the SES career positions which they manage. Staffing actions which the Administrator has delegated to EPM's are listed in Appendix B. The EPM's establish Executive Resource Panels (ERP), which serve as extensions of the ERB, to conduct their merit SES staffing activities.

Typically, an ERP consists of three or more career employees. ERP's identify qualified candidates for vacant SES career positions when recruiting outside the SES. The ERP may be appointed to serve a fixed term or to assist the EPM with a specific staffing action. The ERP may include or be composed of employees outside of the EPM's organization, including members from other agencies. A majority of the ERP members must be career SES employees.

The ERP's: (1) develop qualification standards for the position to be filled; (2) assist in preparation of the vacancy announcement; (3) screen and evaluate candidates; (4) discuss possible conflict of interest issues with SES candidates; (5) recommend highly qualified candidates to the EPM; and (6) document evaluation results for submission to the EPM.

NASA strives to complete its SES merit staffing process within 180 days after a vacancy is announced. The following lists the major events in the process and their target durations.

<u>Event</u>	<u>Duration</u>
Vacancy Open	15-30 days
ERP and EPM Screen, Select, and Document	30-90 days
Senior Management Review and Approval	20-45 days
OPM Qualifications Review Board Approval	5-15 days

## **A. QUALIFICATION STANDARDS**

Like other Federal agencies, NASA is responsible for establishing the qualifications for its SES positions. Standards are based on essential job elements including: (1) basic duties and responsibilities; (2) executive and technical knowledge; (3) skills and abilities required to perform; and (4) factors or criteria important in evaluating candidates. OPM regulations mandate that managerial qualifications for SES positions be defined in terms of competence to assume leadership responsibilities in the following areas:

- Integration of internal and external program/policy issues;
- Organizational representation and liaison;
- Direction and guidance of programs, projects, or policy development;
- Financial and material resources acquisition and administration;
- Utilization of human resources; and
- Analysis and review of implementation and results.

In addition to these mandatory managerial qualifications, the ERP supports the responsible supervisor in developing specific technical standards for each position.

## **B. RECRUITMENT**

SES positions may be filled noncompetitively through: (1) reassignment within NASA; (2) transfer from another Federal agency; and (3) reinstatement of an individual who has previously served in an SES career appointment. If an EPM elects to fill a position noncompetitively, he/she must obtain the concurrence of the responsible IAA, if applicable, and the Chairperson of the ERB. The Administrator's approval is also required.

When a vacancy announcement is used to recruit applicants for an SES position, the area of consideration must at least include all groups of qualified individuals within the Federal civil service. Recruitment sources will include: (1) qualified employees throughout NASA; (2) recommendations from appropriate NASA managers; and (3) other Federal Government agencies which may have highly qualified candidates in their work force. If the recruiting area is expanded to include sources outside the Federal Government, highly qualified candidates will be sought from among: (1) selected entities in private industry, (2) academia, (3) state and local governments, and (4) selected professional associations. Regardless of the recruitment source, managers should achieve a diverse work force by seeking qualified minority, female, and handicapped candidates.

If an EPM desires to fill an existing SES position, a 15-day advance notice of intent and proposed vacancy announcement must be submitted through the IAA, if applicable, to the Associate Administrator for Human Resources and Education. When the EPM desires to establish a new SES position, a request must be submitted through the IAA, if applicable, to the Associate Administrator for Human Resources and Education for authorization to initiate the appropriate recruitment activity. The request must describe the manner by which the position will be filled, identify the members of the ERP, and include a copy of the proposed vacancy announcement.

#### C. VACANCY ANNOUNCEMENTS

After the qualification standards for a position are approved by the EPM, they are included in an SES vacancy announcement. The merit staffing system requires that an open competition be held before initial career appointment to the SES. As an agency of the Federal Government, NASA is required, as a minimum, to advertise SES vacancies throughout the Government. This is done through OPM's consolidated SES Vacancy Announcement List which is published biweekly and distributed to personnel offices throughout the Federal Government. Publication of NASA vacancies is coordinated by the Agency Executive Personnel Branch at NASA Headquarters.

The OPM list and copies of the more detailed SES vacancy announcements are available at the personnel offices of all NASA Installations. SES vacancy announcements typically remain open rather briefly—often for only the required minimum of 15 calendar days. Candidates must apply directly to the agency announcing the SES vacancy.

When recruiting from outside the Government, NASA also sends vacancy announcements to non-Federal organizations such as universities, research firms, and state and local governments.

#### D. SELECTION

The selection phase of NASA's merit staffing process begins with receipt of applications after publication of the SES vacancy announcement. The responsible ERP evaluates the applications and identifies candidates by broad categories (i.e., highly qualified, qualified, and minimally qualified). Experience is evaluated on the basis of demonstrated competence (or evidence predicting competence) to assume responsibility for leadership in a variety of essential management areas such as integration of internal and external issues, program direction, resource acquisition, and use of human resources. The ERP prepares a written recommendation based on the results of its evaluation and forwards it to the responsible EPM for interviews and selection recommendation. The EPM forwards a recommendation through the Institutional Associate Administrator, if applicable, and the ERB Chairperson to the Administrator for approval. Final documentation, based on the original documentation and additions made during the review process, is submitted through the Office of Human Resources and Education to the Administrator for approval prior to forwarding to OPM.

Before an initial SES career appointment can be made, the managerial qualifications of the candidate must be certified by OPM's Qualifications Review Board. The Qualifications Review Board may certify a candidate on the basis of one of the following factors:

- Demonstrated executive experience;
- Successful participation in an SES candidate development program approved by OPM; or
- Special or unique qualities that indicate a likelihood of executive success.

#### E. SES APPOINTMENTS AND POSITIONS

As shown in Figure 2-1, there are four types of appointments to the Senior Executive Service: career, non-career, limited emergency, and limited term. The selection and review process described above applies only to candidates for career appointments, which comprise the overwhelming majority of all SES appointments Governmentwide. This pattern is particularly characteristic of NASA, where 99 percent of SES members are career appointees. (Different selection and review procedures—not discussed here—are followed for the remaining three types of SES appointments.)

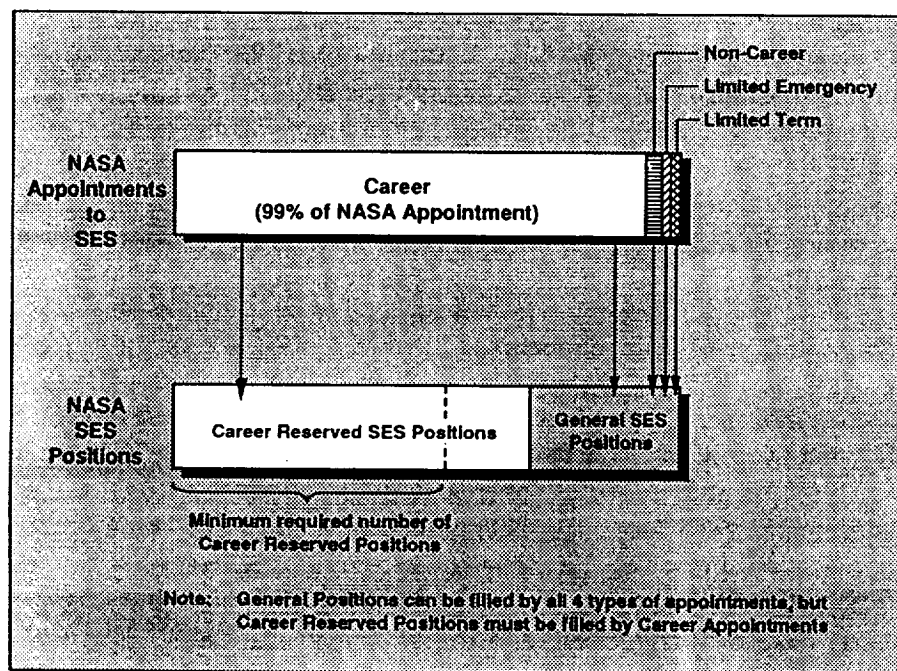


Figure 2-1. SES Appointments and Positions



There are, in addition, two types of SES positions—Career Reserved and General. Career Reserved positions must be filled by career appointees in order to preserve the public's confidence in the impartiality of government (e.g., positions in law enforcement, taxation, and contract administration). OPM allocates a minimum number of Career Reserved positions to be established by each agency. NASA's minimum number of such positions is 330.

General SES positions may be filled through any one of the four types of appointments. At NASA, they are nearly all filled through career appointments. It should be pointed out that non-career and limited-appointment executives may be removed from the SES or from the Federal service at any time. In addition, former SES career employees serving in non-career SES appointments have no retention rights.

#### **F. PROBATIONARY PERIOD**

The law specifies that each new career appointee must serve a 1-year probationary period before obtaining tenure. Job performance during the probationary period is the primary criterion for determining whether the employee continues as a career appointee or is removed from the SES. A career appointee who was appointed from a civil service position held under a career or a career-conditional appointment (or an appointment of equivalent tenure such as some NASA Excepted appointments) is entitled to be placed in a non-SES civil service position if he/she is removed from the SES during probation for less than fully successful executive performance.

At least one performance progress review must be conducted no later than mid-term during the probationary period. However, progress reviews may be initiated at any time if either the supervising official or the senior executive desire. Such reviews are conducted as part of and documented through each executive's performance plan. An executive who successfully completes the probationary period is recommended for a final career appointment as documented on NASA's SES Probationary Review form.

If performance is unacceptable at the executive level, the executive will be recommended for removal from the SES. The executive will be notified of such recommendation prior to the end of the probationary period. The recommendation for removal must include supporting justification, as well as any response from the employee. This action is initiated by the immediate supervisor and reviewed by the Institutional Associate Administrator (if applicable) and by the Chairperson of the ERB. The ERB Chair recommends a course of action to the Chief of Staff, who makes the final decision. In cases of removal, the EPM will take final action to remove the employee from the SES prior to the end of the probationary period.



## CHAPTER 3. SALARY AND BENEFITS

The SES compensation system is designed to attract and retain the Nation's best senior executives to Federal service. This chapter addresses SES salary and benefits. Promotion and awards are discussed in Chapter 5.

### A. SALARY

#### *(1) SES Salaries In The Federal Government*

The law creating the SES envisioned it as a "gradeless" system in which salary and career status would be personal, rather than dependent upon the position. The increased flexibility provided by the SES—e.g., ease of executive reassignment—is indeed believed to have brought substantial benefits to the Government. While the law provides for a minimum of five salary levels for the SES, salaries are set by the President by Executive Order, usually, within the same time frame as pay adjustments for the General Schedule (GS).

Currently, there are six basic salary levels beginning at the lowest salary, designated as ES-1, and ending with ES-6. Unlike the GS, which provides for a range of pay within a GS or GM level, each SES pay level has a single, fixed salary. By law, pay for ES-1 may not be less than 120 percent of GS-15, step 1. Pay rates at the high end of the ES scale cannot exceed the salary designated for political appointees Executive Schedule (EX) Level IV.

#### *(2) SES Salaries at NASA*

As in other Federal agencies, in NASA the full performance or maximum ES pay level is highly correlated with the authority, responsibility, visibility, and demands of the position. The Administrator determines the initial rate of pay for each new NASA senior executive after considering the recommendation of the ERB and the responsible Executive Position Manager.

Initial SES pay levels depend upon a number of factors, including qualifications, expected impact on the organization, current employment status and salary, scope of responsibilities, and compensation for comparable positions in the non-Federal sector. The Administrator's decision is strongly influenced by the position the executive holds (or will hold) in the NASA organization, as described in the *NASA Pay Schematic Guidelines* as shown in Table 3-1. Reference to these guidelines shows that ES levels are highly correlated with authority levels A, B, and C of the NASA organization.

## NASA PAY SCHEMATIC GUIDELINES

Level	Field Installations	Headquarters	Pay Level
A	• Center Directors	<ul style="list-style-type: none"> <li>• Chief of Staff</li> <li>• Associate Administrators</li> <li>• Assistant Administrators</li> <li>• Comptroller</li> <li>• General Counsel</li> </ul>	ES-1 through ES-6
	Deputy Center Directors	<ul style="list-style-type: none"> <li>• Deputy Associate Administrators (Full)</li> <li>• Deputy Assistant Administrators</li> <li>• Deputy Chief Financial Officer</li> <li>• Deputy Comptroller</li> <li>• Deputy General Counsel</li> </ul>	
B	• First-level Directors of	<ul style="list-style-type: none"> <li>• Associate General Counsels</li> <li>• Assistant Associate Administrators</li> <li>• Deputy Associate Administrator for a portion of office function</li> <li>• Directors of major first-level technical divisions and offices</li> <li>• Directors of major functional offices with Agencywide responsibility</li> </ul>	ES-1 through ES-5
	• Managers of major technical project offices reporting to Center Directors		
C	<ul style="list-style-type: none"> <li>• Major line functions reporting to Directors of</li> <li>• Second-level Directors</li> <li>• Chiefs of major technical divisions and offices</li> <li>• Deputies to "Level B" Directors of</li> </ul>	• Deputies to "Level B" Directors	ES-1 through ES-4
	<ul style="list-style-type: none"> <li>• Positions which exceed GS-15 but do not meet requirements for higher level. However, these positions should report, as a minimum, directly to "Level B" Directors of</li> </ul>	<ul style="list-style-type: none"> <li>• Positions which exceed GS-15, but do not meet requirements for higher level, i.e., heads of functional and technical offices and divisions not meeting requirements for higher levels. However, these positions should report, as a minimum, directly to "Level B" Directors</li> </ul>	

**Table 3-1. NASA Pay Schematic Guidelines**

New SES appointees will normally begin at the ES-1 pay level. The Administrator may grant exceptions on a rare basis for entering SES members with unique experience, but ES-1 is almost always recommended to allow room for growth.

SES members retain their pay levels, regardless of reassignments or SES pay-schedule adjustments, except as the result of performance-based evaluations; e.g., performance appraisals or the SES recertification reviews. In the event of poor performance, a senior executive's pay level may be decreased by only one level in any 12-month period and must be preceded by 15 days advance written notice.

## **B. BENEFITS<sup>1</sup>**

### ***(1) Relocation Expenses***

All SES appointees new to the Federal Government will be offered reimbursement from NASA for moving expenses for a maximum of 18,000 pounds of household goods (with up to 180 days of temporary storage). Reasonable transportation and per diem expenses are included for the appointee only.

All current Federal employees who transfer to NASA or to a different location within NASA will be directly reimbursed within guidelines for certain costs incurred in the purchase and sale of a residence. Additionally, NASA offers the use of a third party contractor for home sales in lieu of direct reimbursement. Employees may also receive reimbursement for a maximum of 180 days temporary quarters, expenses incurred in the movement of household goods (maximum of 18,000 pounds) with storage of up to 180 days, one house hunting trip, per diem and transportation for the transferee and family.

"Last move home" benefits are available to eligible SES members who are relocated within 5 years of retirement. The Government will pay limited relocation allowances for eligible executives to the place where they will reside upon separation from Federal service for retirement. The conditions for "last move home" benefits are specified in General Services Administration regulations.

### ***(2) Annual Leave***

Senior executives may accumulate annual leave without limit while they remain SES members. Unused annual leave has a cash value equal to the executive's hourly rate paid at the time of the executive's departure from Federal service.

### ***(3) Sick Leave***

Sick leave may be used for absences due to illness, visits to a doctor, or for other health-related reasons. Full-time employees earn sick leave at the rate of 4 hours for each biweekly pay period. Unused sick leave is accumulated without limit and provides protection against prolonged periods of illness. Unused sick leave may be added to an employee's length of service for annuity computation purposes under the Civil Service Retirement System but not under the Federal Employees Retirement System.

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<sup>1</sup>Many of the benefits described in this section can be complicated and are subject to special circumstances and change. For detailed information, contact your local Human Resources Office.

#### ***(4) Health Insurance and Medical Services***

As Federal employees, senior executives may choose from a number of medical and hospitalization plans which comprise the Federal Employees Health Benefits (FEHB) Program. The cost of health benefits is shared by the employee and the Government. Participation in the FEHB Program is voluntary and is available to any permanent employee who chooses to enroll. New executives have 31 days from the date of their appointment to enroll. Any employee who chooses not to enroll at the first opportunity or who wishes to change coverage, may do so during the annual open season period, normally held annually in November-December.

There are two basic types of plans available under FEHB: Fee-for-Service Plans and Prepaid Plans. Fee-for-Service Plans reimburse employees or the health care provider for covered services. If an employee enrolls in one of these plans, the employee may choose his/her own physician, hospital, and other health care providers. Prepaid Plans are Comprehensive Medical Plans/Health Maintenance Organizations that provide or arrange for health care by designated plan physicians, hospitals, and other providers in particular locations. Each plan has two types of enrollment: self only and self and family. Depending on the plan and type of enrollment selected, costs to the employee range from \$10 to \$200 per pay period. Descriptions of specific plans under FEHB are available from the local Human Resources Office.

In addition to health insurance coverage, physicians and medical support personnel are available to provide services to employees at NASA Installations during regular work hours. Services provided include first aid and emergency treatment, health monitoring, voluntary periodic physical examinations, medical counseling, and supervised physical-fitness programs.

#### ***(5) Life and Accident Insurance***

Term life insurance is available through the Federal Employees Group Life Insurance (FEGLI) program in an amount determined by the executive's salary; cost is shared by the executive and the Government. Each employee is automatically covered by basic life unless coverage is waived. Coverage is equal to the employee's annual basic pay (rounded to the next \$1,000), plus \$2,000. An extra benefit automatically doubles the amount of life insurance payable if an employee is 35 or younger. Beginning on an employee's 36th birthday, the extra benefit decreases 10 percent each year until, at age 45, there is no extra benefit. Cost for basic life coverage is 16.5 cents biweekly for each \$1,000 of coverage. The basic policy may be supplemented with three different options, with costs borne by the employee.

**Option A - Standard** provides an employee with the opportunity to purchase an additional \$10,000 of coverage. Accidental death and dismemberment coverage is included. The employee pays the full cost of this insurance. Under **Option B - Additional**, an employee may purchase additional life insurance coverage equal to one, two, three, four, or five times annual basic pay. Additional death and dismemberment coverage is not included with this option. **Option C - Family** provides the opportunity to purchase family insurance protection which covers a spouse in the amount of \$5,000 and each eligible child in the amount of \$2,500. The cost of each option depends upon an employee's age as shown in Table 3-2.

Age Group	Option A (per \$10,000)	Option B (per \$1,000)	Option C (Family)
Under age 35	\$ .40	\$ .04	\$ .30
35 through 39	.50	.05	.31
40 through 44	.70	.07	.52
45 through 49	1.10	.11	.70
50 through 54	1.80	.18	1.00
55 through 59	3.00	.30	1.50
60 and over	7.00	.70	2.60

**Table 3-2. Biweekly Withholding Rates for FEGLI Options**

Additional term insurance for NASA employees and their dependents may be purchased from the NASA Employees Benefit Association (NEBA). Employees may enroll for NEBA at any time providing the employee passes a medical examination (new employees are not required to pass a medical examination). The amount of basic coverage is based on an employee's annual earnings with the cost based on age and amount of insurance. Accidental death and dismemberment coverage is provided with the basic coverage. Available options under NEBA include additional coverage for the employee, travel accident coverage for all types of travel, and coverage for family members.

**(6) Retirement and Survivor Annuity**

Federal employees being promoted into the SES from GS/GM ranks continue under their current retirement plan. New inductees into the Senior Executive Service after December 31, 1986, are covered by the Federal Employees Retirement System (FERS) and regularly contribute 7 percent of their salaries to a fund used to pay retirement and survivor benefits. Those individuals returning to public employment who have had 5 or more years of previous Civil Service or Senior Executive Service are covered by the Civil Service Retirement System (CSRS) but may elect to join FERS within 6 months of date of reentry.

Executives under CSRS may choose to retire at these combinations of age and years of Federal service: (1) age 62 with 5 years service; (2) age 60 with 20 years service; or (3) age 55 with 30 years service. Under FERS, an individual may retire at 55 with as little as 10 years service. Survivor benefits are payable to a spouse and/or children upon the death of an employee, provided the employee has completed at least 18 months of civilian Federal service.

**(7) *Thrift Savings Plan***

Executives have the opportunity to join the Thrift Savings Plan, a retirement savings plan similar to an IRA 401-K account. Employees covered by the CSRS retirement system may contribute up to 5 percent of basic salary without government matching those funds. Employees covered by FERS may contribute up to 10 percent of basic salary with the Government matching up to 5 percent. The Government automatically contributes 1 percent of salary for all FERS employees.

**(8) *Executive Development***

Senior executives are encouraged to take advantage of opportunities offered by NASA's executive development programs. These include formal educational programs and work-related mobility assignments; special assignments to committees and projects; and work experiences outside of NASA such as sabbaticals. For further detail, see Chapter 6, Executive Development.

**(9) *Career Executive Reinstatement Eligibility***

Career executives retain their career status during periods of assignment to other top Government positions. For example, a career executive with earned reinstatement eligibility may leave the SES to accept a Presidential appointment as high as Cabinet level and later return to the SES.



## **CHAPTER 4. PERFORMANCE APPRAISAL**

NASA senior executives play an important role in the nation's scientific and technological future, sharing responsibility for implementing programs and policy directed by the President. They participate in an international effort to understand the global environment and the universe. They are the Administrator's personal link with the broader NASA organization.

Continuous improvement demands the active participation and commitment of all. The status quo is never accepted as the standard of success but may always be improved upon. This is the philosophy of NASA performance evaluation and the goal to which all of NASA aspires.

This chapter reviews the NASA performance appraisal system, including the Performance Review Board's functions, performance planning, progress reviews, performance assessments, provisions and safeguards, and recertification. Executives rated fully successful or better during the performance appraisal process are also considered for possible performance awards (bonuses). Awards are discussed more fully in Chapter 5, Promotions, Awards, and Presidential Rank.

### **A. PERFORMANCE APPRAISAL SYSTEM**

Federal law requires that each agency develop an SES performance appraisal system. Although this system can be tailored to accommodate both the unique requirements of the organization and any unique characteristics of its SES positions, in general it must:

- Permit the accurate evaluation of performance on the basis of specific "critical elements" related to the position;
- Encourage excellence in performance;
- Provide for the systematic appraisal of performance; and
- Furnish a basis for determination of eligibility for performance awards and retention in the SES.

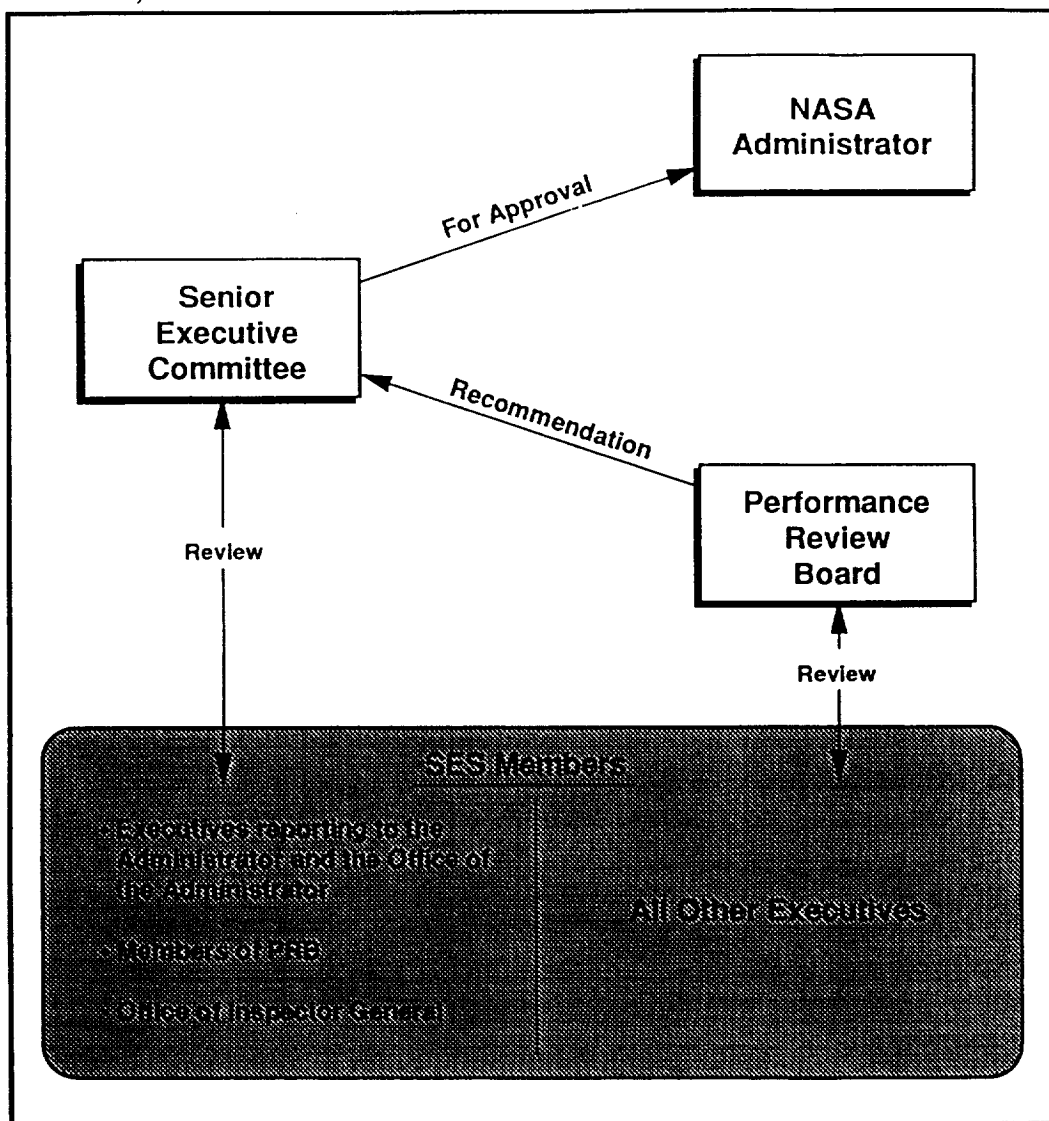
The SES performance appraisal system at NASA is designed to: (1) improve communications and clarify individual and organizational goals; (2) stress results; (3) conform to existing management style and processes; (4) minimize the number of formal guidelines; and (5) delegate authority and responsibility to the Executive Position Managers (EPM's). The NASA performance appraisal system provides for participative performance planning, periodic reviews to assess achievements, and annual appraisals to provide a basis for compensation, performance awards, and other personnel decisions.

An integral part of each agency's performance appraisal system is its Performance Review Board (PRB). At NASA, the PRB's membership includes 14 senior executives, representing both Headquarters and the Field Installations, most of whom serve overlapping

rotating terms to ensure continuity. A Program Associate Administrator serves as the Chairperson of the PRB. One non-NASA member serves for an indefinite term. The Chief of Staff appoints the PRB members and the Chairperson.

The PRB makes written recommendations to the Chairperson of NASA's Senior Executive Committee (SEC) relating to the performance of all NASA senior executives except those who (1) are members of the PRB itself, (2) are in the Offices of the Administrator and the Inspector General, or (3) report directly to the Administrator.

As indicated in Figure 4-1, the Board's recommendations are reviewed by the SEC before being transmitted to the Administrator for approval; however, for those executives identified above, the SEC itself carries out the functions of the PRB.



**Figure 4-1. The NASA Performance Appraisal System**

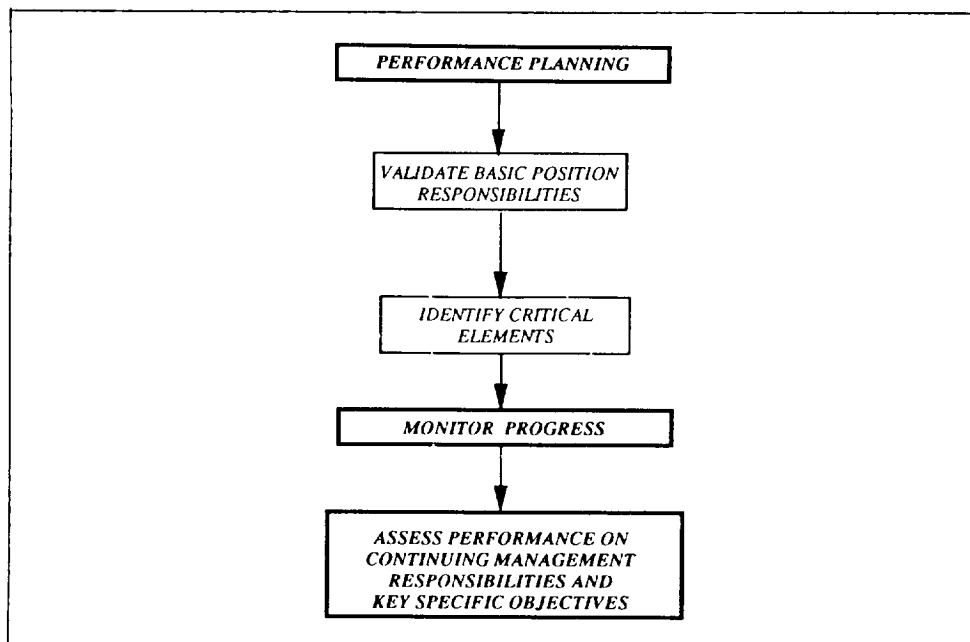
In the course of its ratings determinations, the PRB (or SEC) reviews initial ratings, together with alterations or comments by NASA officials in the reporting chain; considers written responses by the senior executives under review; and conducts such further review as it finds necessary. The PRB (or SEC) also:

- Recommends guidelines for the distribution and use of performance awards ("bonuses") to enhance the effectiveness of all senior executives;
- Recommends performance awards ("bonuses") for those senior executives with a "Fully Successful" performance rating or above; and
- Recommends nominations for the Presidential Ranks of Meritorious Executive and Distinguished Executive.

In addition, the PRB annually evaluates the procedures and effectiveness of the NASA performance appraisal system, reporting its findings and recommendations to the Administrator and senior NASA management.

#### **B. PERFORMANCE APPRAISAL PROCESS**

Active participation of the SES member in the performance appraisal process is essential. Experience has shown that a higher level of understanding and acceptance is achieved when Performance Plans are developed jointly. Therefore, the NASA system provides that performance requirements be established in consultation with the executive. Each phase of the appraisal process requires specific actions of both the supervising official and the subordinate senior executive, which must be conscientiously carried out if optimum results are to be achieved. An overview of the process is depicted in Figure 4-2.



**Figure 4-2. Performance Appraisal Process**

The **standard appraisal period** does not exceed 1 year. In NASA, that **period begins July 1 and ends on June 30**. The minimum time that a senior executive in NASA can be subject to a performance plan and be rated is 120 days. In individual cases, certain conditions justify terminating early or extending the standard appraisal period; e.g., performance problems and employees appointed to the Senior Executive Service in NASA within 120 days of June 30.

**(1) Performance Planning (Phase 1)**

Performance planning is the process of defining total performance expectations for the appraisal period. The focus of this activity is to: (1) review the critical job elements and performance standards that are prerequisites to fully successful performance, (2) identify any job elements that will be emphasized during the performance period, and (3) to review specific accomplishments expected during the performance period that will demonstrate fully successful or better performance.

The **Performance Plan** is developed through consultation between the supervisor and the executive and identifies: (1) critical elements of the position, (2) significant noncritical elements, and (3) performance standards.

- (a) The **management critical job element** focuses on the basic management factors normally present in executive positions on a continuing basis when successfully administering programs, projects or organizations; i.e., planning, organizing, directing, managing human resources, and controlling. A critical element is defined as any requirement of the job that is of sufficient importance that performance below the "fully successful" level in any one of them creates a condition of less than successful overall performance in the position. By law, Performance Plans must include at least one critical element. Designation of a critical element is a crucial step in the planning process. The overall summary rating cannot be higher than the lowest rating given to any one critical element. The section of the Performance Plan used to document the performance standards, rating and narrative assessment for the **management critical element is shown in Figure 4-3**. Additional job elements, whether critical or noncritical, are documented as shown in Figure 4-4.
- (b) In addition to the management critical element, four critical additional job elements (major work objectives for the appraisal period) are required for each NASA executive.

## PERFORMANCE STANDARDS FOR MANAGEMENT CRITICAL JOB ELEMENT

### PLANNING:

- Strategic Planning - Goals and objectives are clearly defined. Priorities are clear. Major milestones are identified. Organization plans are consistent with the NASA Strategic Plan.
- Developing Programs - Programs are developed so that financial and technical plans reflect realistic, attainable goals consistent with the Strategic Plan. Schedules and budgets are realistic and attainable. Detail is sufficient to provide for successful monitoring and control of activities.
- Developing Policies and Procedures - Policies are appropriate, responsive to management guidelines, and are interpreted consistently. They are defined in writing and adhered to.
- Advising/Consulting - Technical information, advice, and guidance are provided to others, including other organizations, for developing policies and new programs, and to improve the ongoing work.

### CONTROLLING:

- Developing Performance Standards - Organization objectives and standards are current, understood, and clearly define expected levels of performance.
- Evaluating Work Progress - Periodic reviews are conducted to ensure that organizational performance is consistent with planned progress and results. These reviews include input from the customer. Prompt actions are taken to correct all exceptions from planned performance and prevent recurrences.
- Cost Effectiveness - Work performance is cost-effective; cost efficiency is evaluated prior to determining techniques to be used or proposals to be selected.
- Health and Safety - Work environment is in compliance with health and safety regulations. Hazards are promptly diagnosed and remedied. Periodic safety inspections are conducted. Action is taken to minimize instances of personal injury and unsafe use of material resources.

### ORGANIZING:

- Developing Organizational Structures - Structure is flexible and balanced, consistent with organization objectives, personnel capabilities and available resources. Relationships are well-defined. Organization is frequently reviewed and changed when necessary to accommodate changing priorities and external realities.
- Organizing Work - Priorities are clear and well-understood by employees, and work is organized accordingly. Schedules and deadlines are communicated and met, consistent with providing a cost effective, quality product. Adaptions to changing requirements are made expeditiously.
- Delegating - Responsibility and authority are delegated to the lowest practical level. Accountability is retained and recognized.

### HUMAN RESOURCES MANAGEMENT:

- Equal Opportunity - Equity and fairness are demonstrated in all personnel actions and in treatment of employees directly and indirectly supervised. Leadership by example is evident in all actions, consistent with NASA's social and economic EO goals.
- Staff Utilization - Assignments are made on the basis of skills and experience of individuals, balanced with the need of the organization. Personnel assignments are modified to reflect changing workloads. Duplication of effort is avoided. Employees are provided the opportunity to perform and achieve at their full potential and are recognized individually or in teams for continuous efforts.
- Selecting and Developing People - Regulations are followed in all personnel sections. Sound judgment is exercised in hiring, placement, training, and development of employees. Performance evaluations are periodically conducted. Performance standards and evaluations are clear. Employees with performance problems are afforded the opportunity and necessary assistance to improve performance problems are dealt with in a timely manner. Significant attention is given to career development for all employees.
- Motivating - Work is designed to be challenging and satisfying. Employees views and attitudes are regularly solicited; suggestions are encouraged and mechanisms are in place for timely feedback. Accomplishments of individuals and work teams are recognized and rewarded promptly.

### DIRECTING:

- Decision-Making - Decisions are sound, timely, well-understood, and are reached through a logical process which involves those who will be responsible for implementation. Responsibilities are well-defined. Decisions made are in keeping with overall organization objectives.
- Communications - Methods of communication emphasize openness, honesty, candor, and timeliness, and ensure that management, peers, and subordinates are kept informed of all developments affecting them or their responsibilities. Documentation is promptly disseminated. NASA - wide perspective is maintained.
- Cooperation - Mutual trust and cooperation within and between organizations is enhanced. Good working relationships are maintained with other Installations, agencies and organizations.
- Improving Products and Services - Increasing productivity, and advancing the state-of-the-art are continuously emphasized. Customers are identified and their input and feedback are systematically sought and incorporated in all aspects of the organization's effort. Innovation on the part of all employees is encouraged. Problems are identified and plans for resolution are established and implemented.

MANAGEMENT CRITICAL JOB ELEMENT RATING FOR \_\_\_\_\_

FROM: JULY 1, 19\_\_

TO: JUNE 30, 19\_\_

(NAME)

☐

OUTSTANDING

☐

HIGHLY  
SUCCESSFUL

☐

FULLY  
SUCCESSFUL

☐

MINIMALLY  
SATISFACTORY

☐

UNSATISFACTORY

PERFORMANCE ASSESSMENT COMMENTS (Continue on reverse if more space is needed)

Figure 4-3. Management Critical Job Element

- (c) Significant *noncritical elements*, if identified, do not meet the definition of a critical element, but are of such importance to warrant written appraisal. Use of noncritical elements is optional and at management's discretion. They may be used as a basis for distinguishing between and in determining the overall rating provided more consideration/weight is given to critical elements.

Incumbent Executive \_\_\_\_\_ From \_\_\_\_\_ To \_\_\_\_\_



Senior Executive Service Performance Planning and Appraisal

### ADDITIONAL JOB ELEMENTS

Additional Job Elements are major work objectives for the appraisal period which are not specifically detailed in the Management Critical Job Element. They may be determined by management to be critical.

ADDITIONAL JOB ELEMENT    If critical, check here <input type="checkbox"/>
PERFORMANCE STANDARD
JOB ELEMENT RATING <input type="checkbox"/> OUTSTANDING <input type="checkbox"/> HIGHLY SUCCESSFUL <input type="checkbox"/> FULLY SUCCESSFUL <input type="checkbox"/> MINIMALLY SATISFACTORY <input type="checkbox"/> UNSATISFACTORY
PERFORMANCE ASSESSMENT COMMENTS

ADDITIONAL JOB ELEMENT    If critical, check here <input type="checkbox"/>
PERFORMANCE STANDARD
JOB ELEMENT RATING <input type="checkbox"/> OUTSTANDING <input type="checkbox"/> HIGHLY SUCCESSFUL <input type="checkbox"/> FULLY SUCCESSFUL <input type="checkbox"/> MINIMALLY SATISFACTORY <input type="checkbox"/> UNSATISFACTORY
PERFORMANCE ASSESSMENT COMMENTS

NASA FORM 1636 (TEMPORARY REVISION JUNE 1982)  
APPENDIX B

**Figure 4-4. Additional Job Element (Critical or Noncritical)**

- (d) The *performance standards* for each critical and noncritical element should express the measurement necessary for the fully successful level of performance, including but not limited to such factors as quality, quantity, timeliness and manner of performance. Performance standards may range from specific and quantifiable (e.g., cost reduction) to reasonably nonspecific (e.g., research efforts); however, they should be as specific as possible since they provide the yardstick for performance assessment.

In preparing the performance plan documentation, there is usually no need to elaborate on the components or performance standards for the management critical job element beyond those provided on the NASA SES Performance Appraisal Form. Completed plans should be as concise as possible and recorded on the official NASA appraisal form within 10-calendar days after the beginning of the appraisal period. The plan should be signed and dated by the supervisor and the executive.

### **(2) *Progress Reviews (Phase II)***

Progress reviews may be initiated at any time by either the supervisor or the executive. At a minimum, one progress review must be conducted within 30 days of December 31, mid-way through the appraisal period. After the review is held, it should be noted by the participants' signatures and dates on the Performance Plan. The primary purposes of the review (or reviews) are to:

- Examine the current level of performance, give feedback to the executive, and, if appropriate, explore ways to bring about improvement; and
- Identify and resolve problems (e.g., resource constraints) that constitute obstacles to organizational or individual performance beyond the executive's control.

A Performance Plan may need to be revised to reflect new requirements or changes in program emphasis, to establish new objectives for the appraisal period that were not known at the initial performance planning session, or to delete objectives that are no longer appropriate. If the Performance Plan is changed and agreement is reached on revisions, it must be formally recorded as a revised Plan.

### **(3) *Performance Assessment (Phase III)***

Performance assessment usually occurs at the end of each appraisal period. However, an executive's appraisal period may be terminated at any time after the executive has served the minimum 120 days under a Performance Plan, if the executive is not performing

satisfactorily and an adequate basis exists on which to rate the executive's performance. Performance is assessed by comparing the executive's actual performance with the performance standards specified in his/her Performance Plan. The supervisor assigns one of the ratings listed below to each critical and noncritical job element:

- Outstanding;
- Highly Successful;
- Fully Successful;
- Minimally Satisfactory; or
- Unsatisfactory.

An overall (initial) rating (see page 1 of NASA Form 1636, SES Performance Plan), is recommended for the executive's total performance, supported by a narrative summary that provides a rationale for this initial rating.

Performance assessment follows a well-defined pattern. First, the supervisor and the executive discuss actual achievements during the appraisal period. The supervisor next provides an initial overall performance rating and discusses it in detail with the executive. The executive, in turn, is given the opportunity to submit a written response to the initial rating and/or to request a review by a higher NASA official.

Successive reviews are then conducted by higher-level officials in the management hierarchy. If any higher-level official has alterations or comments concerning the recommended initial or summary rating, these differences should be resolved, if possible, within the management chain (rating officials, Executive Position Managers, Institutional Associate Administrators). If for some reason the differences cannot be resolved, written copies of those alterations or comments should be provided to each principal (the senior executive, rating official, EPM, IAA). The initial rating and any additional written statements should be forwarded to the PRB by July 31.

The PRB will consider the initial rating, any comments or alterations by higher-level officials and if not previously resolved, any written response by the senior executive. (The PRB may conduct further reviews before determining a recommendation.) The PRB will then recommend a written summary performance rating to the Senior Executive Committee Chairperson who considers the PRB's recommendation before submitting a recommendation to the NASA Administrator who determines the final written performance rating.

All essential records of this process are documented. In particular, the executive will be given copies of the following when they are prepared: (1) the initial written rating; (2) written notification of the right to request a higher-level review; (3) any written comments or alterations by a higher-level official; and (4) the final written rating. In addition, essential performance-related records are maintained in NASA's Employee Performance File for later reference.



During the performance assessment conference, or as an outgrowth of it, performance planning for the next appraisal period begins. A revised Performance Plan is provided to the senior executive within 30 calendar days after the beginning of the new appraisal period, and Phase I of the new cycle begins.

#### **C. PROVISIONS AND SAFEGUARDS**

##### ***(1) Changes of Assignment or Duty***

If an executive has served 120 days or more in a position and then changes positions during the appraisal cycle, an overall summary performance rating for that assignment must be prepared. This summary rating is provided to the executive's new supervisor who must consider it during his/her appraisal of the executive.

Another exception to the usual appraisal process arises if an executive is temporarily reassigned within NASA—or detailed either within NASA or elsewhere—and such duty is expected to last 120 days or longer. In this case, written critical elements and performance requirements must be provided to the executive no later than 30 calendar days after the beginning of such reassignment or detail. These critical elements and performance requirements must be considered in deriving the next recommended initial rating.

##### ***(2) Unfavorable Ratings***

A senior executive who receives an overall rating of less than "Fully Successful" must be placed under a plan designed to assist in performance improvement, which may include formal training, on-the-job training, counseling, closer supervision, or other remedies.

A senior executive who receives a rating of "Unsatisfactory" must be reassigned within the SES or removed. An executive who receives two overall ratings of "Unsatisfactory" during any 5-year period or two overall ratings of less than "Fully Successful" during any 3-year period must be removed from the Senior Executive Service.

##### ***(3) Safeguards***

A career senior executive who is removed from the SES for reasons other than misconduct, neglect of duty, or malfeasance (see Chapter 7, section B) is entitled to placement in a continuing position at the level of GS-15 (or an equivalent position) without loss of pay but is entitled to an informal hearing before the Merit Systems Protection Board (MSPB). An otherwise eligible senior executive removed from the SES for poor performance may elect discontinued service retirement rather than fall back to a GS-15 position.

Performance assessments and ratings may not be appealed as such. However, use of improper processes in connection with these assessments and ratings may be appealed to the MSPB.

#### **D. RECERTIFICATION**

Pursuant to the Ethics Reform Act of 1989, and in accordance with instructions from the Office of Personnel Management, all SES executives must now be recertified on the basis of performance beginning in calendar year 1991 and at 3-year intervals thereafter (i.e., in 1994, 1997, etc.).

The executive's supervisor shall initiate a recommendation as to whether the executive's overall performance over the 3 preceding years has demonstrated the excellence expected of a senior executive in relation to the written performance requirements for the career appointee's executive position. The appointee must have been continuously employed in the SES for 156 weeks preceding recertification; a break in service of 6 months or less is allowed.

The recertification process will occur concurrent with the SES performance appraisal cycle. In addition, recertification will be conducted through the same review and approval channels as the appraisal process. The appointee may submit to the PRB a statement of accomplishments in support of recertification.

The Administrator considers recommendations from the PRB, through the Senior Executive Committee, prior to making the final determination whether the appointee should be (1) recertified; (2) conditionally recertified; or (3) not recertified. In cases (2) or (3), the appointee has the right to appear before the PRB.

If conditionally recertified, the appointee stays in the SES with pay reduced one level (if recommended) and his/her performance is closely monitored under a Performance Improvement Plan. The executive's performance is reevaluated at the end of 12 months, and he/she is either retained or removed from the SES if not recertified at that time.

If not recertified, the executive will be removed from the SES and guaranteed fall back to a GS/GM-15 position with no loss of pay. If eligible, the executive may elect discontinued service retirement in lieu of fall back. The appointee may appeal to the Merit Systems Protection Board for a formal hearing.

## **5. PROMOTION, AWARDS, AND PRESIDENTIAL RANKS**

Outstanding accomplishments by NASA career senior executives may be recognized by promotion, incentive awards, performance awards ("bonuses"), and Presidential Rank awards.

### **A. PROMOTION**

Promotion to a higher ES level may be achieved in two ways. The Senior Executive Service provides for promotion to a higher ES level on the basis of exemplary performance in a given position, even if there is no advancement in the organizational structure. Promotion levels cannot, however, exceed those given in the NASA Pay Schematic Guidelines (see Table 3-1) without the approval of the Administrator. Exemplary performance may also lead to advancement to a higher level of authority and responsibility within the NASA organization. In such cases, ES level will be advanced in due time and in accordance with the relative levels of the involved positions in the NASA Pay Schematic Guidelines.

Promotions in ES level are normally made one level at a time; multiple-level pay increases must be approved by the Chief of Staff. Executive Position Managers have the authority, without possibility of further delegation, to approve single-level pay increases for Career Senior Executives in existing approved positions through the ES-4 pay level. EPM's must give 15 days advance notice to the Chief of Staff before taking this delegated action. Pay levels cannot be adjusted more than once during any 12-month period. Promotions to level ES-5 and 6 must be approved by the Chief of Staff.

### **B. INCENTIVE AWARDS**

The Administrator may use incentive awards for SES members under certain conditions. Incentive awards may involve honorary recognition alone or may include cash payments. These awards are primarily used to recognize a nonrecurring contribution outside of the executive's job responsibilities (e.g., a scientific achievement, an invention, or an act of heroism). However, in very rare circumstances a job-related accomplishment award may be used to recognize a contribution resulting from an extraordinary effort on a project/program not anticipated in the employee's annual performance plan.

### **C. PERFORMANCE AWARDS ("BONUSES")**

A career senior executive whose annual performance rating is "Fully Successful" or better is eligible to receive a performance award, or "bonus," consisting of a lump-sum payment ranging from 5 percent to 20 percent of base pay. Bonuses are awarded on the basis of recommendations to the Administrator by the Executive Position Managers, the Institutional Associate Administrators, and the Performance Review Board, and the Senior Executive Committee. All bonuses are in addition to base pay.

An executive may be recommended for a performance award during his/her annual performance appraisal cycle. If a bonus is recommended, the summary section of the performance appraisal form should include a statement of contributions to serve as the justification for a bonus.

At NASA, bonuses fall into two categories: bonuses of 5 percent—the most numerous—and bonuses of more than 5 percent. The Chief of Staff will determine a fixed number of 5 percent bonuses, each year, to be delegated to Institutional Associate Administrators, the Associate Administrator for Space Systems Development, one senior Headquarters manager representing the other Headquarters offices, and the Inspector General, for award to SES members in their organizations. The Institutional Associate Administrators suballocate an appropriate number of bonuses for award by the Field Installations. The Administrator retains authority to award bonuses, including bonuses to executives who have been nominated for Presidential Rank recognition during the current year.

The number of bonuses NASA can award annually is limited by a dollar pool computed at 3 percent of the NASA aggregate SES payroll. A distribution plan for SES bonuses is determined annually prior to EPM's recommending executives for bonus consideration to the PRB. In recent years, this distribution plan has allowed approximately 40 percent of eligible NASA senior executives to receive SES bonuses.

#### **D. PRESIDENTIAL RANKS**

The law provides for Presidential recognition of a small number of career SES members who have demonstrated exceptional achievements over an extended period of time. This recognition is bestowed by way of two Presidential Rank awards—Distinguished Executive and Meritorious Executive. Executives must have completed 3 years of career Federal civilian service at the SES or equivalent level to be eligible for nomination. Distinguished Executives receive a lump-sum payment of \$20,000 and a gold lapel pin. Up to 1 percent of the career SES (Governmentwide) may receive this rank each year. Meritorious Executives receive a lump-sum payment of \$10,000 and a silver lapel pin. Up to 5 percent of the career SES Governmentwide may receive this rank each year.

NASA nominees for Presidential Rank awards must have demonstrated unusual accomplishments and significant contributions, as documented by extensive justification statements addressing standard criteria established by OPM. Criteria upon which nominees will be evaluated, as illustrated by specific examples, may include but not be limited to the following:

- **Career achievements** that are recognized throughout the Agency and/or are acknowledged on a national or international level.
- **Specific achievement of significant cost reduction or cost avoidance.**

- **Successful use of human resources** as evident through high workforce productivity and/or effective development and recognition of subordinates.
- **Demonstration of personal initiative and innovation.**
- **Substantial improvements in the quality of work, efficiency, and/or timeliness of service.**
- **Unusual levels of cooperative effort** with other Federal agencies, Governmental jurisdictions, and/or private sector.
- **Especially successful efforts in affirmative action.**

Executives are nominated by their Executive Position Manager and reviewed by the NASA Performance Review Board and Senior Executive Committee prior to the Administrator approving and submitting nominees to the Office of Personnel Management. The Director of OPM, with the assistance of review panels composed of prominent individuals normally from outside the Government, recommends awardees to the President who makes the final selection.

There are some restrictions. An individual may be awarded the same rank only once in a 5-year period. There are also limits on receipt of both a bonus and a Presidential Rank award during the same calendar year to avoid the pyramiding of award payments. A Distinguished Executive rank recipient may not receive a performance award during the same year, and a Meritorious Executive rank recipient may receive a performance award only if the total award compensation does not exceed 20 percent of base pay.

In addition, total compensation (i.e., basic pay, performance awards, and rank awards) received during a fiscal year may not exceed the pay of Executive Level I. However, any compensation that would exceed this level is paid in a lump sum at the beginning of the new year and is counted against the individual's total compensation ceiling for the new fiscal year.



## CHAPTER 6. EXECUTIVE DEVELOPMENT

Like all Federal agencies, NASA is required by law to establish programs for the continuing professional development of its SES members. This chapter presents a summary of NASA executive development.

Senior executives at NASA must remain knowledgeable in a wide variety of areas that affect the Agency mission. These include advances in science and technology, innovations in management practice, implications of new legislation, and the directions of current Federal program and policy initiatives.

Opportunities for executive development include:

- rotational assignments within NASA or other agencies;
- exchange assignments with state and local governments and under limited circumstances with private industry;
- attendance at seminars and conferences; and
- formal training or education at universities or other private institutions.

In addition, programs specifically tailored to the needs of SES executives are available through the Federal Executive Institute (FEI) in Charlottesville, Virginia. The programs the FEI provides are:

- Executive Excellence Program which focuses on the generalist role of senior executives and individual personal leadership assessment and development;
- featured topic programs in such areas as national interests and national security; and
- Work-Team Development Program, Key Officials Program, and two alumni follow-on programs.

Analogous programs in industry offer SES members a chance to interact with private-sector executives. Development opportunities may be undertaken during sabbatical leave by those who are eligible.

The Administrator may grant **sabbatical leave** to an SES member to encourage study or uncompensated work experience which will contribute to the individual's effectiveness. Sabbaticals may last up to 11 months for study or work outside the Government with full salary and benefits, together with travel and per diem allowances. An executive may receive a sabbatical leave only once during any 10-year period.

To be considered, the executive must (1) have been a Federal executive for 7 years, 2 of them as a member of the SES; (2) not be eligible for optional retirement; and (3) agree to remain in Federal service for 2 years following the sabbatical. Noncareer and Limited appointees are not eligible for sabbaticals.

Further information about training and development programs may be obtained from the Installation's employee development office.

**Executive mobility** is a key feature of the SES and may or may not involve geographic relocation. Because some developmental opportunities may fall outside the executive's commuting area, however, a temporary or permanent job change with geographic relocation may be necessary in order for the executive to gain broadening experience in another program area, organization, or agency. Temporary assignments may also be available with State or local Government, academia, or a nonprofit organization.

Developmental assignments should be planned in detail well in advance of the starting date and should be fully coordinated with management at both the location of the developmental assignment and the home Installation of the senior executive.



## **CHAPTER 7. TIME-IN-SERVICE ISSUES**

The vast majority of SES members complete their careers without interruption of service. From time to time, however, such interruption may occur, either voluntarily or otherwise.

### **A. REDUCTION IN FORCE (RIF)<sup>2</sup>**

It may on occasion become necessary for NASA to carry out a reduction in force (RIF) affecting positions in the Senior Executive Service. The necessary condition for a RIF is the abolition of one or more SES positions as "surplus" because of lack of funds, curtailment of work, reorganization, or other legitimate action.

#### ***(1) Declaration of a RIF***

Before a RIF can occur, the Executive Position Managers must make every effort to place the incumbents of surplus positions elsewhere within the Agency. All proposed reassignments and requests for placement assistance must be forwarded to the Chairperson of the Executive Resources Board who may also seek to identify appropriate Federal positions outside NASA.

The ERB recommendation for placement is then forwarded to the Administrator. Incumbents of surplus positions for which there are no placement opportunities will be identified for RIF.

In this event, it is the responsibility of the Administrator to (1) approve the need for a RIF in the SES, (2) certify in writing to the Office of Personnel Management that positions are unavailable at NASA for the placement of surplus SES executives, and (3) approve all final RIF actions.

For a period of 45 days following receipt of RIF certification, OPM will attempt to place SES executives identified for RIF. The executive remains on the NASA rolls during this period.

#### ***(2) RIF Employee Safeguards***

To avoid separation from the Federal service, a career executive may be offered reinstatement to any GS or GM (Merit Pay) position for which he or she is eligible. Career SES appointees may also be entitled, if eligible, to discontinued service retirements. A

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<sup>2</sup>For a detailed description of SES RIF Procedures, contact a local NASA Human Resources Office.

probationary employee who is removed through a RIF is entitled to be placed in a vacant civil service position with tenure equivalent to that held before entry into the SES. Appeals of RIF action can be made to the Merit Systems Protection Board on the grounds of alleged procedural errors.

## **B. OTHER SERVICE ISSUES**

### ***(1) Reassignment***

Career appointees may be reassigned to any SES position at NASA for which they are qualified. If the reassignment is within the commuting area, a written notice 15 days in advance is required. If the reassignment is outside the commuting area, a notice, including the reasons for the reassignment, is required 60 days in advance. The full notice period may be waived if the executive concurs.

Career SES members may not be reassigned involuntarily within 120 days of the appointment of a new NASA Administrator or of a new noncareer supervisor. This precaution is designed to provide time for judgment of the executive's capabilities by the new appointee.

### ***(2) Transfer to Another Agency***

Career SES members may transfer to another agency that wishes to employ them, but they may not be transferred involuntarily.

### ***(3) Removal for Performance***

An executive whose performance is rated as "Unsatisfactory" or as less than "Fully Successful" may be subject to removal from the SES; see Chapter 4.

### ***(4) Adverse Actions***

Career SES members may be removed from the Federal service or suspended for misconduct, neglect of duty, malfeasance, failure to accept a directed assignment, or failure to accompany a position in a transfer of function. They are entitled to 30 days advance written notice and full appeal to the Merit Systems Protection Board if they have completed the SES probationary period or had appeal rights immediately prior to entering the SES.

### ***(5) Furlough***

Furlough is the placing of an employee in a temporary status without duties or pay because of lack of work or funds. A career SES executive may be furloughed only with 30

days advance written notice, except in cases involving unforeseen circumstances. Any furlough greater than 30 days in length must be made under competitive procedures. Those furloughed may appeal to the Merit Systems Protection Board.

***(6) Resignation and Reinstatement***

In general, career appointees who leave the SES have reinstatement eligibility to an SES position for which they qualify if they have completed the 1-year SES probationary period and were not removed for performance or cause. For example, an SES executive may wish to resign a career appointment in order to accept, on a temporary basis, another type of appointment (i.e., a noncareer or limited SES appointment) either in the SES or in the Executive Level system for Presidential appointees.

Noncareer and limited-appointment executives may be removed from the SES or from the Federal service at any time. In addition, former SES career employees serving in noncareer SES appointments have no placement rights. However, SES career members can leave the SES for a Presidential appointment with Senate confirmation as high as Cabinet level and elect to retain all their SES benefits. After the Presidential appointment expires, a former SES career member is entitled to return to an SES position.



## **CHAPTER 8. ETHICAL STANDARDS**

### **A. STATEMENT OF THE ADMINISTRATOR**

In recent years, there have been growing numbers of allegations of conflict of interest, financial impropriety, misallocation of funds, improper influence, negligence in management, and even fraud directed at members of Federal agencies. In some cases, these allegations have been proved in court and have resulted in criminal penalties.

No such conduct—or even the appearance of such conduct—can be tolerated in any branch of Government. There are two reasons why NASA, in particular, must strive to maintain the highest ethical standards:

First, NASA plays a critical role in developing technologies which contribute to the nation's well-being and international competitiveness. Many of NASA's programs represent the tip of a much larger "iceberg" of contractual arrangements involving, for example, national technology infrastructure and long-range commitments from industry. The manner in which NASA conducts its mission can affect basic sectors of the American economy.

Further, NASA is an Agency with a highly visible and, most would say, idealistic mission. It is one of the few agencies that can directly project the vision of the President of the United States—and carry forward the long-range initiatives—into the international political arena. NASA is, therefore, a symbol of American character, pride, achievement, and aspirations.

Each NASA SES member must maintain the highest ethical standards, for each is entrusted with the management and execution of programs directed by our national leadership. SES executives must act in a manner above reproach, avoiding even the appearance of impropriety. To maintain this awareness, all SES members are encouraged to attend periodic Agency sponsored ethics briefings and stay familiar with the Standards of Conduct for NASA Employees (NHB 1900.1). These regulations set forth the high ethical standards of conduct required of all NASA employees in carrying out their duties and responsibilities.

### **B. FINANCIAL DISCLOSURE**

Appointees to the Senior Executive Service are required by Federal law to file an Executive Financial Disclosure Report (Standard Form 278) within 30 days of appointment and thereafter no later than May 15 annually for the preceding year. Upon termination from the SES, a new report must be filed within 30 days. Failure to file in a timely manner may result in a fine. For assistance in completing the Executive Personnel Financial Disclosure Report, SES members may contact the Chief Counsel at his/her Field Installation or the Associate General Counsel for General Law at Headquarters.



## **Appendix A: List of Acronyms**

<b>CSRS</b>	<b>Civil Service Retirement System</b>
<b>EPM</b>	<b>Executive Position Manager</b>
<b>ERB</b>	<b>Executive Resources Board</b>
<b>ES</b>	<b>Executive Salary</b>
<b>FEI</b>	<b>Federal Executive Institute</b>
<b>FERS</b>	<b>Federal Employees Retirement System</b>
<b>GM</b>	<b>General Management</b>
<b>GS</b>	<b>General Schedule</b>
<b>IAA</b>	<b>Institutional Associate Administrator</b>
<b>IPA</b>	<b>Intergovernmental Personnel Act</b>
<b>NASA</b>	<b>National Aeronautics and Space Administration</b>
<b>NHB</b>	<b>NASA Handbook</b>
<b>NMI</b>	<b>NASA Management Instruction</b>
<b>OMB</b>	<b>Office of Management and Budget</b>
<b>OPM</b>	<b>Office of Personnel Management</b>
<b>PCS</b>	<b>Permanent Change of Station</b>
<b>PMRS</b>	<b>Performance Management Recognition System</b>
<b>PRB</b>	<b>Performance Review Board</b>
<b>RIF</b>	<b>Reduction in Force</b>
<b>SEC</b>	<b>Senior Executive Committee</b>
<b>SES</b>	<b>Senior Executive Service</b>
<b>U.S.C.</b>	<b>United States Code</b>





# NASA EXECUTIVE PERSONNEL ACTION DELEGATIONS

## ACTIONS DELEGATED TO THE CHIEF OF STAFF

ACTION	Executive Position Managers	Institutional Associate Administrators	Associate Administrator for Human Resources and Education	Chief of Staff
Establish New Position	Proposal	Concurrence	Recommendation	Approval <sup>1</sup>
Reassignment - PCS <sup>2</sup>	Proposal	Concurrence	Recommendation	Approval
Early Retirement	Proposal	Concurrence	Recommendation	Approval
Reassignment Between EPMs <sup>2</sup>	Proposal	Concurrence	Recommendation	Approval
Reassignment to New Position <sup>2</sup>	Proposal	Concurrence	Recommendation	Approval
Detail - More than 120 Days	Proposal	Concurrence	Recommendation	Approval
(Includes developmental/PA) <sup>2</sup>				Approval
Pay Increase - Multiple <sup>3</sup>	Proposal	Concurrence	Recommendation	Approval
Pay Decrease	Proposal	Concurrence	Recommendation	Approval
Full Dep to EPM Personnel Actions	Proposal	Concurrence	Recommendation	Approval
Adverse Actions	Proposal	Recommendation	Recommendation	Approval
Key Position Announcements <sup>2</sup>	Proposal	Recommendation	Recommendation	Approval

## ACTIONS DELEGATED TO THE EPMs

ACTION	Executive Position Managers	Institutional Associate Administrators	Associate Administrator for Human Resources and Education	Chief of Staff
Reassign in EPM/Existing Job	Approval	Advance Notice	Advance Notice	Advance Notice
Advertise Existing Position	Approval	Advance Notice	Advance Notice	Advance Notice
Pay Increase - One Level <sup>3</sup> (thru ES-4)	Approval	Advance Notice	Advance Notice	Advance Notice
Detail - Less than 120 Days	Approval	Advance Notice	Advance Notice	Advance Notice
(Includes developmental/PA) <sup>2</sup>				
Title Change	Approval	Advance Notice	Advance Notice	Advance Notice
Time Off From Duty	Approval	Advance Notice	Advance Notice	Advance Notice

- 1) Delegated to the Associate Administrator for Human Resources and Education.
- 2) Announcements of selections may not be issued before receipt of Chief of Staff's approval.
- 3) Subject to the NASA pay schematic and policy, with 15 day advance notice to the Chief of Staff.

### Definitions:

- APPROVAL - Formal consent by signature
- PROPOSAL - Forward for consideration
- RECOMMENDATION - Forward, with analysis and advice as to approval/disapproval
- ADVANCE NOTICE - Period of 15 days during which the Chief of Staff can revise/disapprove action
- CONCURRENCE - Agreement with proposed action; disagreement halts proposal

