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10 September 1980

MEMORANDUM FOR: Director of Personnel Policy, Planning,
and Management

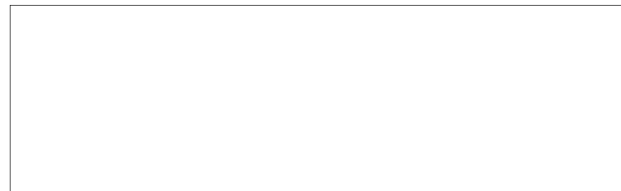
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FROM:

[Redacted]
SIS Support Staff

SUBJECT: SIS Rank Stipends and Performance Awards

The following identifies some potentially controversial issues in the SIS Rank Stipend and Performance Awards program. A rationale explaining the OPPPM position follows each issue. This may prove useful at the 15 September PMAB, the 16 September pre-briefing of the DDCI, and the 18 September EXCOM meeting.

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Attachment:
Issues 1 - 4



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ISSUE 1 - REQUIREMENT FOR AN OVERALL PAR RATING OF 6 AS A
PREREQUISITE FOR EITHER STIPEND OR AWARD CONSIDERATION

- Congress has clearly stated that one of its motives in significantly reducing the number of Stipends (from 6% to 3%) and Awards (from 50% to 25%) was to force those administering Stipend and Award programs "to take performance into account and reward only those most deserving of a bonus." (July 22 Congressional Record - House H6309)
- The requirement for an overall PAR rating of 6 responds to Congressional concerns, and ensures that the limited number of stipends and awards are given only to the most deserving SIS officers based on excellence of performance.
- The requirement for an overall 6 is not to be construed as an incentive to inflate ratings; an SIS officer fairly and correctly evaluated as an overall 5 should not be assigned an unjustified overall 6 in order to make the officer competitive for an award or stipend.

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ISSUE 2 - ALLOCATION OF AWARDS BASED ON 20% OF SIS STRENGTH
(ADDITIONAL 5% RANKED)

This method of allocation is consistent with guidance received from the Congress and OPM. Future oversight and scrutiny of the Agency SIS program is a certainty. In this, the first year, it is particularly important that the Agency establish the bona fides of the SIS by being prudent in its administration of the Stipend and Award program.

While allocations are to be regarded as limits not norms, the provision for the ranking of an additional 5% has been made to allow components who have reached their allocation limit to identify additional SIS officers worthy of a performance award. SIS officers in this 5% category would receive consideration for an award should additional allocation become available.

The new distribution of Performance Awards percentages, i.e., 20%, 18%, 15%, 11% and 7% replaces the former Class A 20%, Class B 12%, and Class C 7% distribution, and conforms with OPM guidance.

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ISSUE 3 - THE DCI/DDCI RESERVE

Although reduced in size due to the cutback in the number of Stipends and Awards available to the Agency, the DCI/DDCI reserve is necessary to allow special consideration for superior organizational accomplishment and to ensure individual SIS officers in unique circumstances receive due consideration for stipends and awards.

The DCI/DDCI reserve currently consists of 10 allocations:

- 2 Rank Stipends
- 8 Performance Awards

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ISSUE 4 - SENIOR RESOURCE BOARDS (SRBs) CONSIDERING SIS-4s WILL CONSIST OF AT LEAST THREE OFFICERS SENIOR TO THOSE BEING CONSIDERED. DUE TO THE LIMITED NUMBER OF SIS-5s AND SIS-6s, ONE MEMBER OF SRBs CONSIDERING SIS-4s WILL BE APPOINTED BY THE DCI/DDCI FROM OUTSIDE THE DIRECTORATE OR ODCI.

-- This concept is consistent with both Agency policy and Congressional and OPM guidance. Agency precepts governing Boards and Panels require that boards be made up of three members at minimum, and that all board members be senior to those being considered. In the case of SRBs considering SIS-4s, it would not be possible to convene an SRB of three members, all senior to SIS-4, from within each directorate. OPM guidance on the subject further points out the desirability of appointing members from outside the component to review boards to achieve balance and objectivity. In the SES, Departments and Agencies are encouraged to appoint members to boards not only from outside their Agency or Department, but from outside the government. By requiring an "outside" member on SRBs considering SIS-4s the Agency clearly demonstrates its commitment to a stringent, objective SIS performance review process. Absent this requirement, the Agency would not be in a defensible position should outside scrutiny of the SIS Stipend and Award program focus on procedures governing SIS-4s.

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