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3 SEP 1982

MEMORANDUM FOR: Executive Director

FROM: James N. Glerum
Director of Personnel

SUBJECT: Establishment of an Agency Allowance Policy Committee

1. Recommendation: This memorandum contains a recommendation in Paragraph 4 that you approve the concept of an Agency Allowance Policy Committee.

2. Background: In the 1950's and 60's there were many attractions and advantages in overseas service, and the overseas benefits package was generally considered quite generous. The 1970's and early 80's have been an almost complete reversal of this situation. Inflation, the need for both husband and wife to work, terrorism, hostages, and the decline in relative value of the U.S. dollar have provided major disincentives for overseas duty. This means that the Agency must devote more time and resources to overseas benefits in order to attract and retain employees for this type of service. Employee mobility problems resulting from inflation and two-job families also require that attention be given to benefits associated with domestic field assignments.

The inclusion of significant new allowances and benefits in the Foreign Service Act of 1980 indicates an awareness and understanding in Congress of the problems faced in this area. Within the Agency there has been a significant increase in the number of issues brought to my attention regarding allowances. Several new special allowances and monetary benefits have been established, changes have been proposed in existing allowances and numerous exceptions have been requested to establish guidelines and policy. With the passage of the Intelligence Authorization Act of 1981, the Agency has the authority to establish new allowances and benefits necessary to meet the special requirements of our work.

As a result of my responsibilities in this area and the increasing needs and authority available to the Agency, I have established a new Allowances Branch within the Office of Personnel. This Branch will review allowances for Agency personnel stationed overseas and in the domestic field, develop and implement changes in allowances as required, and recommend new allowances to meet our unique requirements.

3. Staff Position: Decisions made in the allowances area have far reaching affects on the ability of Agency components to attract, retain and motivate personnel required for domestic and foreign field assignments. In the past, individual offices have initiated substantial changes in the

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allowances program with only their own specialized needs and circumstances in mind. The increasing importance of allowances and the ability of the Agency to adopt new approaches to unique problems result in the need to take a more thorough and coordinated look at allowances. One way to do this is to establish an Agency Allowance Policy Committee with representation from all Directorates.

The Committee would advise and assist Agency management in the timely review and adoption of allowance policy, coordinate allowance regulations and develop new allowances to meet unique requirements. It would be chaired by the Director of Personnel or his designee. Secretariat and staff support would be provided by the Allowances Branch in scheduling meetings, preparing agenda and minutes, and taking follow-up action as required by Committee determinations. Responsibilities of the Committee would include the following:

- a. Evaluate recommended changes in Agency allowance policies, regulations and practices.
- b. Ensure that Agency Allowance regulations are in accordance with applicable laws and that inconsistencies are referred to the appropriate action office for development of proposed changes in policy, regulation, or procedure.
- c. Initiate changes in Agency allowance policy and new allowance programs in order to meet the special requirements of Agency work related to officially authorized travel, personnel and physical security activities, operational activities and cover-related activities.
- d. Evaluate Agency allowance policies to improve efficiency and facilitate equity and consistency in the application of allowance policies and regulations.

4. Recommendation: It is recommended that you approve the concept of an Agency Allowance Policy Committee as proposed. Following such approval I would forward copies of this memorandum to the Deputy Directors for their comments regarding the charter and membership of the Committee.

/s/ James N. Glerum

James N. Glerum

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APPROVED:

[Redacted Signature]

Executive Director

5 OCT 1982

Date

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DISAPPROVED:

Executive Director

Date

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