

CABINET COUNCIL ON MANGEMENT AND ADMINISTRATION

Meeting #18
September 23, 1983
The Roosevelt Room

MINUTES

Attendees: Meese, Carmen, Devine, L. Smith, Svahn, Niskanen, Wright, McNamar, Brown, Collins, Burnley, Alvarez, Jenkins, Bledsoe, Steinberg, Cooke, O'Shaughnessy, Gibson, Nesterczuk, Cohan, Babcock, Walters, Shull

1. Senior Executive Service (SES) Bonus Policy

Mr. Meese emphasized the importance of an effective SES bonus policy, and cited the opportunity now existing to set the type of coverage preferred. Mr Nesterczuk presented five options ranging from the status quo (20% of SES members eligible, with restricted bonus amounts), to the full 50% statutory limit, with a 3% cap on total dollars spent.

In response to a question from Mr. Carmen, Mr. Devine explained that absence of the previous congressional constraints should not be interpreted as an intent to expand coverage to the full 50%. Mr. Smith indicated that maintaining the status quo might be penny wise, pound foolish. Messrs. Smith, Carmen, Svahn, and McNamar favored a more flexible approach, generally in the range of 30% coverage with an overall 3% of payroll cap. Mr. McNamar emphasized that even this amount may not adequately reward some hard working SES career people in Treasury whom he felt had done an excellent job carrying out the Administration's programs.

Mr. Wright pointed out that the issue is one of allocating existing funds, not spending additional monies. At the same time, he advised against 50% coverage out of fear the agencies might be tempted to spread small bonuses to all 50%. He suggested using OPM guidelines to avoid excessive coverage. Mr. Devine suggested Option E, with an informal 30% limit so as to permit 31-33% coverage that may occur in smaller agencies. Mr. Brown suggested 25-30% with flexibility up to 3%. Mr. Niskanen favored larger bonuses for a select number of SES members.

Mr. Meese emphasized the importance of getting top management directly and seriously involved in the bonus selection process. Messrs. Carmen, Svahn, and McNamar described their past efforts in this regard. Mr. Bledsoe and Mr. Devine mentioned the roles and membership of the Performance Review Boards and the Executive Review Boards.

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Action: After further discussion, a consensus emerged in favor of a modified Option E, i.e., a 3% payout cap with coverage controlled informally at about the 30% level by OPM guidelines. Mr. Meese asked OPM to prepare the recommendation for the President's review at the CCMA Meeting of September 29, 1983.

2. ADP Policy

Mr. Meese noted that Reform 88 and the Grace Commission had found a lack of centralized ADP policy, and that overall policy must be devised in a more cohesive manner.

Before discussion of the issue, Mr. Carmen and Mr. Cohan presented a demonstration of an executive data retrieval system, featuring a touch screen and voice synthesizer, depicting how managers can "call up" relevant data and developments.

Mr. Wright updated the group on current ADP activities underway, including an OMB/GSA study of various ADP problems, the impact that OMB's management review will have on tying agency resources to ADP plans, and the consolidation of four related OMB circulars. He stated that a better ADP plan will be produced about December and that more information would then be available to assess gaps and take next steps.

Mr. Svahn expressed a preference for a CCMA working group to look at macro-level ADP policy, since the OMB/GSA review will focus at the management level. Mr. Smith supported that concept, as did Mr. Carmen who stressed that a micro-computer strategy is increasingly urgent. Mr. Meese cautioned that the government's use of ADP gadgetry should not cloud the real need, which is greater productivity and getting a job done.

Mr. McNamar was concerned that a CCMA working group at this time might duplicate the OMB/GSA effort. Mr. Meese also wondered if the timing was right for a working group. Mr. Svahn asked whether the OMB/GSA review would produce an overall plan, or a series of agency plans. Mr. Wright said the interface with the budget season activities will produce, for the first time, ADP plans tied to agency resources.

Action: The Council agreed with Mr. McNamar's suggestion that the OMB/GSA review proceed, and that a CCMA working group be reconsidered later. Mr. Meese asked that OMB and GSA report results to CCMA in late December or early January. A decision on further steps will be made at that time.

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