

OP-87-0934



COMPT 87-1268

MEMORANDUM FOR: Acting Director of Central Intelligence

VIA: Executive Director
Deputy Director for Administration
General Counsel
Comptroller

FROM: Hugh E. Price
Director of Personnel

SUBJECT: Increases in the Senior Intelligence Service (SIS) Stipends

1. Action Requested: That the recommendations in paragraph 6 be approved.

2. Background: Since the inception of the Senior Executive Service (SES) program in 1979 and the conferring of the first awards in 1980, the dollar amounts for the Distinguished Officer Stipend (DOS) and the Meritorious Officer Stipend (MOS) awards have been fixed by law at \$20,000 and \$10,000 respectively. Despite rising salary levels over the past eight years, the DOS and MOS award amounts have not been changed to reflect these increases.

3. The minimum performance award allowed by law is 5 percent of salary and the maximum is 20 percent. The performance award percentages adopted by most agencies, including the CIA, have been 5 percent, 10 percent, 15 percent and 20 percent. Because salaries have risen and the stipend award amounts have not, persons selected to receive 20 percent performance awards receive a higher cash award than those who receive an MOS, and those who receive a 15 percent performance award are more than likely also to receive more than \$10,000. This situation often places managers in the curious position of having to choose between recommending a higher cash award that carries with it less prestige or a more prestigious award of less monetary value. The following charts illustrate this point.

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SUBJECT: Increases in the Senior Intelligence Service (SIS) Stipends

Past and Present 15% and 20%
Performance Award Amounts

	FY 1980			FY 1987		
		15%	20%		15%	20%
Minimum SES Salary	\$50,112	\$7517	\$10,072	\$64,700	\$9705	\$12,940
Maximum SES Salary	\$52,750	\$7912	\$10,550	\$77,500	\$11,625	\$15,500

Stipends as Percentages of Salaries

	FY 1980			FY 1987		
		\$10,000	\$20,000		\$10,000	\$20,000
Minimum SES Salary	\$50,112	20%	39.9%	\$64,700	15.5%	30.9%
Maximum SES Salary	\$52,750	19%	37.9%	\$77,500	12.9%	25.8%

4. Members of Congress, members of the SES and the Office of Personnel Management (OPM) are well aware of the disparity between the original intent of the SES law which established the stipend amounts and the current salary levels. The SES Advisory Board has recommended to OPM that the MOS award amount be increased to \$16,000 and the DOS to \$29,000. Representative Pat Schroder introduced legislation on 1 July 1987 to make a number of modifications to the SES system and one of the changes she proposes is to provide for increases in the stipend amounts to reflect salary increases. However, passage of Representative Schroder's bill is considered unlikely this year since it also contains a provision for reducing the number of SES political appointee positions.

5. The Agency is exempt from the provisions of the SES law but we have modeled our Senior Intelligence Service after it very closely and have chosen as a matter of policy to follow the provisions of the SES legislation. It is within the authority of the Agency to modify the dollar amounts of the stipends it confers if it so chooses. If the Agency increases the MOS stipend to \$16,000, a figure \$500 higher than the maximum possible 20 percent performance award; and if the DOS stipend is increased proportionately to \$29,000, a figure that closely approximates what it would be if an adjustment mechanism had been built into the SES law, the extra dollar cost for the FY 1987 MOS & DOS awards would be approximately \$303,000 (the total amount for the FY 1987 stipend awards would go from \$540,000 to \$843,000; while the awards are made in recognition of FY 1987 performances and accomplishments, the award amounts are actually paid in FY 1988).

6. Recommendations: In light of the above facts, the following two recommendations are offered for your consideration.

a. It is recommended that the dollar amounts of the MOS and the DOS be increased to \$16,000 and \$29,000 respectively effective with the FY 1987 awards.

approved ()

disapproved ()

SUBJECT: Increases in the Senior Intelligence (SIS) Stipends

b. It is recommended that in the future the stipend awards amounts be increased automatically by the same percentage as SIS salaries are increased, the dollar increase to be rounded up to the nearest hundred dollars.

approved ()

disapproved ()

[Empty box for disapproval]

Hugh E. Price

STAT

CONCUR:

[Empty box for concurrence]

acting General Counsel

10 September 1987
Date

STAT

[Empty box for concurrence]

for comptroller
* *See note attached*

18 Sept 87
Date

STAT

[Empty box for concurrence]

Deputy Director for Administration

*Believe it prudent to leave the Distinguished Officer Stipend as is (it is still at \$20K, 29% larger than the biggest 20% award) but allow the Meritorious Awards to be supplemented by enough additional funds so that they are \$500 greater than the largest 20% award...i.e., let it rise to \$16,000. Congress should be informed in advance.

STAT

[Empty box for concurrence]

Executive Director

STAT

**The Office of Congressional Affairs will be asked to advise the oversight committees of this change in the SIS awards system.

APPROVED:

As an adjustment to partially **offset** the effects of increases in SIS salaries since 1979, an increase in the amount of the Meritorious Officer Stipend from \$10,000 to \$12,500 is approved. This increase is effective beginning with the FY 1987 Awards.**

Acting Director of Central Intelligence

Date

STAT

STAT

20 October 1987

MEMORANDUM FOR: Director of Personnel
FROM: Deputy Director of Central Intelligence
SUBJECT: SIS Awards Stipends

1. This is to advise you that I have authorized an increase in the dollar amount of the Meritorious Officer Stipend from \$10,000 to \$12,500. This change is to be effective with the awarding of the FY1987 awards. The increase is being made in order to partially offset the cumulative effects of SIS salary increases since 1979.

2. The Office of Congressional Affairs will be asked to advise the oversight committees of this change in the SIS awards system.


Robert M. Gates

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SUBJECT: Increases in the Senior Intelligence (SIS) Stipends

b. It is recommended that in the future the stipend awards amounts be increased automatically by the same percentage as SIS salaries are increased, the dollar increase to be rounded up to the nearest hundred dollars.

approved ()

disapproved ()

[Redacted signature box]

Hugh E. Price

STAT

CONCUR:

[Redacted signature box]

General Counsel

acting

16 September 1987
Date

STAT

[Redacted signature box]

Comptroller

** See note attached*

18 Sept 87
Date

STAT

[Redacted signature box]

Deputy Director for Administration

16 Sept 1987
Date

STAT

[Redacted signature box]

Executive Director

*Believe it prudent to leave the Distinguished Officer Stipend as is (it is still at \$20K, 29% larger than the biggest 20% award) but allow the Meritorious Awards to be supplemented by enough additional funds so that they are \$500 greater than the largest 20% award...i.e., let it rise to \$16,000. Congress should be informed in advance.

APPROVED:

[Redacted signature box]

STAT

Acting Director of Central Intelligence

Date

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