



National Academy of Public Administration
Chartered by Congress

August 29, 1988

The Honorable Louis Stokes
Chairman
House Permanent Select Committee on Intelligence
H-405 Capitol Building
Washington, DC 20515

Through: Judge William H. Webster
Director of Central Intelligence

Dear Chairman Stokes:

On behalf of the National Academy of Public Administration's Panel for the Study of the Intelligence Personnel Systems, I am pleased to transmit the September 1st interim report, as requested by the Congress in the Conference Report for the Fiscal Year 1988 Intelligence Authorization Act.

The report is also being sent to the Honorable David L. Boren, Chairman, Senate Select Committee on Intelligence.

Sincerely,

Philip A. Odeen *DIW*
Panel Chairman

~~SECRET~~

The Director of Central Intelligence

Washington, D.C. 20505

2 September 1988

The Honorable Louis Stokes, Chairman
Permanent Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

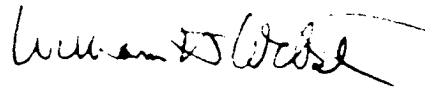
Dear Mr. Chairman:

Attached for your information is the 1 September 1988 Interim Report from the National Academy of Public Administration (NAPA), the second in a series studying the Intelligence Community's civilian personnel management and compensation systems. The Final Report will be transmitted to you on 20 January 1989 in accordance with the Conference Report on the Intelligence Authorization Act for FY 1988.

The second Interim Report centers on workforce issues, examining the impact of changing intelligence requirements on the personnel systems of the various intelligence agencies and discussing staff recruitment, retention, and training. I was particularly interested in the Report's presentation on why the Intelligence Community is unique from other government agencies, and NAPA's assessment of the special requirements to which employees of the intelligence organizations are subject. The NAPA Panel's preliminary findings in this area are encouraging, and we hope that further study will lead to firm conclusions. NAPA has also presented a thoughtful examination of the degree to which judicious use of our special authorities has allowed us to compete for talented personnel in the past, and the degree to which we will be required to use them in the future. Overall, I am encouraged by the work the NAPA Staff and Panel have conducted thus far and look forward to the conclusions and recommendations they will make in the Final Report.

A copy of this Report is also being forwarded to the Chairman, Senate Select Committee on Intelligence.

Sincerely yours,



William H. Webster

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Enclosure:
NAPA Interim Report



~~SECRET~~



National Academy of Public Administration
Chartered by Congress

August 29, 1988

The Honorable David L. Boren
Chairman
Senate Select Committee on Intelligence
SH-211 Hart Senate Office Building
Washington, DC 20510

Through: Judge William H. Webster
Director of Central Intelligence

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Philip A. Odeen DZW

Philip A. Odeen
Panel Chairman

The Director of Central Intelligence

Washington, D.C. 20505

2 September 1988

The Honorable David L. Boren, Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

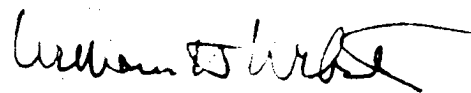
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William H. Webster

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NAPA Interim Report

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National Academy of Public Administration
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STUDY OF THE INTELLIGENCE
COMMUNITY PERSONNEL SYSTEMS

SECOND INTERIM REPORT

BY

A PANEL OF THE
NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

NAPA Panel

Philip A. Odeen - Chair
Hon. Julius W. Becton
Dr. James Colvard
Admiral Bobby R. Inman
Hon. Carol Laise
Fred Meuter, Jr.
William G. Miller

SEPTEMBER 1, 1988

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S E C R E T

EXECUTIVE SUMMARY

The Congress directed that the National Academy of Public Administration perform a comprehensive review of the civilian personnel management and compensation systems of the Intelligence Community. This is the second interim report on this study.

In this report, the panel discusses:

- The impact of future intelligence requirements on human resource management systems.
- The major effects on the intelligence agencies of anticipated changes in the US workforce.
- The ability of the intelligence agencies to recruit and retain quality staff, currently and in the future.
- The effect of the personnel security program on recruitment and retention of quality staff.
- The adequacy of agency training and career development programs in support of current and future agencies' missions.

The panel's central finding to date is that those intelligence agencies with sufficient flexibility in their personnel authorities to compete with the private sector met the challenge of large staff growth.

While the panel believes that the IC agencies have generally been able to recruit quality candidates for their positions, it is clear that projected changes in the U.S. workforce call for greater innovation if this record is to be sustained. Given the strategic trends in the intelligence function and the demographic, social and economic trends in U.S. society, the panel reaffirms the need to continue these flexible personnel authorities and to extend them. Based on the FBI's recruiting difficulties for specialists, and the successes achieved by CIA and NSA, the panel believes Congress should grant the FBI personnel flexibility comparable to that recently provided the military department intelligence components.

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S E C R E T

The panel believes that the intelligence agencies need to be able to hire, when needed, those military retirees with unique skills. The agencies also need to be able to compensate these individuals at a level that will give them the incentive to work in an intelligence agency when needed. The panel will examine this issue more fully, and present details on the unique skills which are sometimes required and options for compensating those who have them.

The panel notes that the staffing levels of the intelligence agencies have fluctuated greatly in the past two decades. These fluctuations are inevitably the result of budget and political considerations and are often passed on to IC agencies as "fair share" reductions. If cuts must be made, the panel believes the program priorities of the intelligence agencies must be realigned consistent with workforce adjustments.

Each IC agency recruits to meet its own hiring requirements, and does not share employment information or refer potential candidates when they are unable to hire them. The panel believes that many of the talented people who are not hired by one of the intelligence agencies may meet the hiring requirements of another. Rather than force these applicants, many of whom have passed security clearance procedures, to go through another agency's full application process, the NAPA panel recommends that the intelligence agencies seek ways to increase coordination of entry level recruitment.

While the IC agencies do not indicate, with the exception of the military department intelligence components, that they lose a large number of candidates due to the time lags in security clearance processing, the panel believes the intelligence agencies lose a great deal of mission-related flexibility when they cannot hire new staff as quickly as they are needed. The panel believes the clearance processing times for the military departments, which take six to nine months, must be reduced.

Security procedures must be sufficiently rigorous to give the agencies full confidence in their thoroughness. However, the NAPA panel believes that there may be room for innovation -- such as that employed by NSA in issuing Limited Interim Clearances. The panel suggests that agencies examine their clearance processing times and determine whether the timeframes are due to thorough investigative procedures, backlogs or other factors.

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S E C R E T

The NAPA panel recommends the IC agencies develop more proactive efforts to outpace employees once the decision has been made to remove them involuntarily for security reasons. The panel is also concerned about the need for outplacement support for staff leaving for other reasons and will address this issue in its final report.

In general, the panel believes that the training courses offered by the IC agencies are varied and extensive, and are keyed to support mission purposes. However, the uneven levels of training provided among the intelligence agencies appear to indicate that staff in some components may not be receiving adequate training. The panel believes it would be useful for the IC to have a formal mechanism for agencies which lack full training resources to request assistance from others. The panel recommends that a Committee on Training and Career Development be established.

The current level of training effort appears to provide a solid foundation for the future. However, only two organizations -- NSA and CIA -- indicate they are systematically examining future training needs. All intelligence agencies should give this area greater attention.

The panel believes that NSA's career development program is strong. It recommends that the other agencies take steps to improve theirs, and recognizes that the CIA has defined an effective program, which awaits approval.

The panel supports the DIA initiative to establish a basic ordering contract, which promises to make the external training procurement process operate more efficiently, and it recommends that the Community examine this initiative for potential use on an IC-wide basis.

The panel endorses current proposals to lift Government Employees Training Act restrictions and permit agencies to use external training resources more flexibly. Such flexibility is needed by the intelligence agencies and should be provided to them.

The panel has examined a number of personnel changes proposed by the CIA. It is the panel's recommendation that the proposed pre-retirement job search program should be redesigned to more closely follow the State Department program. The panel believes the administrative changes in the agency awards program should be implemented without delay. The CIA should defer action on proposals to revise employee benefits programs until the panel has reached its conclusions and recommendations in the compensation and benefits area.

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S E C R E T

The panel is continuing its work in several key issues in this study. These are: compensation and benefits for staff of the IC agencies; the status of equal employment opportunity and the challenges of creating a more diverse workforce; opportunities to reduce personnel costs without adversely affecting mission accomplishment; and organizational alternatives for improved personnel management coordination. The panel will also examine the extent to which the personnel authorities available to the Department of State's Bureau of Intelligence and Research enable it to fulfill its mission. All of these matters will be discussed in the panel's final report.

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