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DCI/DDCI Executive Staff

28 July

DCI :

The IC Staff asks you to sign these letters today, because of imminent discussion of the subject with SSCI.



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DCI 28 JUL 1989
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Copies conformed -
System needs to be
updated

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Congressional Letters on Implementation of National Academy of Public Administration (NAPA) Report on Civilian Personnel Systems in the Intelligence Community

FROM:

Acting Director, Intelligence Community Staff

EXTENSION

NO.

ICS 4289-89

DATE

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105 4285 89

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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For Dissemination

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ICS 4289-89
24 July 1989

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence
FROM:
Acting Director, Intelligence Community Staff
SUBJECT: Congressional Letters on Implementation of
National Academy of Public Administration
(NAPA) Report on Civilian Personnel Systems in
the Intelligence Community

STAT

1. Attached for your signature are letters transmitting the Community's Personnel Action Plan developed as a result of the NAPA Report. The Action Plan identifies initiatives that will be pursued by intelligence agencies in short-, medium-, and long-term time frames and indicates where new legislative authorities may be required. The Community Personnel Coordination Committee (CPCC), composed of personnel directors of key agencies, concurs with the Plan.

2. As the letters indicate, some of the initiatives have been studied by the Office of Personnel Management for application throughout the Federal Government and are not necessarily unique to the needs of the Community alone. Interagency working groups have begun to develop detailed plans and proposals for each of the short-term initiatives identified in the Action Plan. The CPCC will continue to oversee progress made by these groups.

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SUBJECT: Congressional Letters on Implementation of National Academy of Public Administration (NAPA) Report on Civilian Personnel Systems in the Intelligence Community

3. The SSCI has continued to show great interest in the implementation of the NAPA Report. My Staff, accompanied by a representative from key intelligence agencies, will meet with the SSCI Staff on 31 July to discuss the Action Plan and specific goals for the short-term initiatives. We also anticipate hearings on the NAPA Report will be called sometime this fall.

[Redacted Signature]

[Redacted Title]

Acting Director

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Attachments:

- A. Letters for Signature
- B. NAPA Recommendations
- C. NAPA Action Plan

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SUBJECT: Congressional Letters on Implementation of National Academy of Public Administration (NAPA) Report on Civilian Personnel Systems in the Intelligence Community

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DCI/ICS/PPO/ (20 July 1989)

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The Director of Central Intelligence

Washington, D.C. 20505

28 JUL 1989

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

Dear Mr. Chairman:

I am writing to forward additional information on the Intelligence Community's plans to implement the National Academy of Public Administration's (NAPA) Report on civilian personnel systems. In a letter to you in April, I promised to provide such information following a detailed Community review of the NAPA Report and its recommendations. That review has now been completed and is excerpted in Enclosure A. Based on the review, the Community has developed an initial Action Plan (Enclosure B) that covers the personnel initiatives it will investigate further. The Community Personnel Coordination Committee (CPC)---established as a result of the NAPA Report and composed of personnel directors of key agencies---concurs with the Plan.

The Action Plan focuses primarily on NAPA's recommendations, but a number of related issues have been added. Initiatives are identified as short-, medium-, or long-term, and indicate if new legislative authority is needed. With a few exceptions, the initiatives apply to the Community as a whole. Some---such as flexible pay for critically skilled employees and expanded training opportunities---parallel trends and policies currently being studied by the Office of Personnel Management for application throughout the Federal Government.

As I noted in my April letter, the Community is using a set of interagency working groups to address NAPA's recommendations and ensure that personnel initiatives are thoroughly vetted. Those groups are now developing detailed plans and proposals for each of the short-term initiatives identified in the Action Plan. I will monitor their progress through the CPC. If you



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The Honorable David L. Boren

wish, we would be pleased to brief the Committee or Staff, as you deem appropriate, on the Action Plan or any of the initiatives it treats. My point of contact for such briefings, and any additional questions on the Report, is

[redacted] of the Intelligence Community Staff. He can be reached on [redacted]

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I appreciate the interest and support the Oversight Committees have shown in implementing the NAPA Report to ensure that we continue to recruit and retain the best men and women for the Intelligence Community. I look forward to working closely with you to assure that the Community's personnel management systems are equitable and consistent and provide the tools necessary to accomplish our unique mission.

This same letter and enclosures are being sent to the Vice Chairman, Select Committee on Intelligence; the Chairman, House Permanent Select Committee on Intelligence; and the Ranking Minority Member, House Permanent Select Committee on Intelligence.

Sincerely,

/s/ William H. Webster

William H. Webster

Enclosures:
As stated

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SUBJECT: Letter to The Honorable David L. Boren

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DCI/ICS/PPO, (20 July 1989)

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NAPA RECOMMENDATIONS

CHAPTER 3: HIRING AND KEEPING THE BEST PERSONNEL

CHANGING AUTHORIZATION LEVELS

Recommendation 1 If cuts must be made for overriding political considerations, then the Panel recommends that the intelligence committees of the Congress and the President realign the agencies' workloads to be consistent with the new staffing levels. [redacted]

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Response: The Community Personnel Coordinating Committee (CPCC) determined that the ability to realign the workloads of each Intelligence Community agency when budgetary considerations require reduced staffing levels are difficult at best. Workloads are not determined by budgetary considerations alone; current requirements, priorities, and nature of intelligence activity (e.g., labor intensive or not) are also key. The CPCC suggested that individual agencies could develop long-range mission strategies that identify missions/functions to be dropped if manpower cuts were necessary. [redacted]

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VARYING SUCCESS FOR CRITICAL SKILL RECRUITING

Recommendation 2 The Panel recommends that the Department of State create incentives to make service in the Bureau of Intelligence and Research (INR) more career enhancing for foreign service officers. [redacted]

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Response: The Department of State/INR is developing a program for new political officers to give them an appreciation for intelligence matters. This program includes exposure to INR functions, intelligence training, and cryptologic indoctrination seminars. By helping foreign service officers understand the worth of intelligence, it is hoped that their receptivity to a rotation in INR will be heightened. [redacted]

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Recommendation 3 The Panel recommends that Congress grant the FBI personnel flexibility comparable to that provided the military department intelligence components. Since FBI personnel move in and out of counterintelligence work, and there is not an identifiable group of intelligence staff, the Panel recommends that such authority be provided for the entire Bureau. [redacted]

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Response: Legislation has been drafted by the FBI and provided to the Department of Justice for review. [redacted]

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CONTINUING DIFFICULTY PREDICTED

Recommendation 4 The Panel recommends that Congress consider establishing (education) grants that would require recipients to work in public service, or specifically the Intelligence Community, for a given time period after receiving an advanced degree (similar to grants designed to encourage more students to become teachers in the 1960s and 1970s). [redacted]

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Response: While the CPCC agrees with the intent of the recommendation to underwrite the cost of education for individuals whose skills are needed by the Community, it is concerned that Congressional grants may be distributed to schools or individuals that may not meet the knowledge and security requirements of the Intelligence Community. The Working Group believes Recommendation #14 would better address this need. In addition, the implications of recent legislation on the ability to implement this recommendation must be assessed--specifically, Public Law 100-456, restricting statutory earmarking of research funds for specific colleges and universities and Senate Bill S1071, amending Title 5 U.S.C. Chapter 53 to authorize the repayment of student loans as an incentive for recruiting and retaining federal employees. [redacted]

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MILITARY INTELLIGENCE HIRING

Recommendation 5 The Panel recommends that the military departments pay careful attention to CIPMS implementation and that it be implemented with all deliberate speed. [redacted]

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Response: This is a high-priority matter for the Department of Defense. Implementation has been accomplished in Navy and selected parts of the Air Force and Army. By the beginning of FY 1990, approximately 6,000 employees will have been converted to CIPMS. When full implementation is accomplished on a phased approach during FY 1990, 11,000 employees will have been converted to the new excepted service personnel system. [redacted]

Recommendation 6 The Panel recommends that the head of each intelligence agency be authorized to issue a dual compensation waiver for a limited number of (retired military) individuals, designated for specific positions of critical importance to the agency. [redacted]

Response: The CPCC supports this recommendation and has included it in the Personnel Action Plan as a short-term initiative. [redacted]

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RECRUITMENT COORDINATION

Recommendation 7 Rather than force these applicants (who are not hired), 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. [redacted]

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Response: Through the interagency mechanism established during the NAPA study process, Community agencies have begun to coordinate the exchange of applicant information with the express permission of and/or request from the applicant. For example, DIA recently shared approximately 60 applicants that successfully met initial security requirements with the CIA. DIA informed the applicants that it was not in a hiring position but that CIA was interested in employees in their field; the applicants were given a specific CIA contact to call if interested. The NSA also expects to have entry-level applicants to share with interested Community agencies later this summer. [redacted]

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PERSONNEL SECURITY

Recommendation 8 The Panel recommends that the Intelligence Community agencies take innovative action--such as that reflected by NSA's Limited Interim Clearances. The Panel also recommends that agencies examine their (personnel security) processing times and determine the reasons for the time frames, whether internal or external, and take corrective actions. [redacted]

Response: A number of Intelligence Community agencies have begun initiatives in this area. DIA intends to provide interim clearances, in a limited number of situations, as suggested by NAPA. Intelligence Community agencies are also examining ways to expedite their personnel security procedures. For example, the FBI is in the process of establishing a separate office for background investigations that will assess employment suitability for the entire Bureau; previously, this function was scattered among five divisions. The centralization of this function will streamline processing times and contribute to a uniform approach. The CIA has also begun to perform polygraphs at the beginning of a security investigation rather than at the end in order to make better use of the considerable resources required in the investigation process. [redacted]

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Recommendation 9 The Panel believes the clearance delays for these (military) departments must be reduced. To the extent that the time frame is largely due to processing in the Defense Investigative Service (DIS), the Panel recommends that the Intelligence Community agencies should work together with that service to address these issues. [redacted]

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Response: This recommendation affects only those Department of Defense components whose background investigations are conducted by the DIS. The CPCC will work with DIS to support necessary investigator staffing levels to improve the situation. [redacted]

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RETAINING TALENTED STAFF

Recommendation 10 The Panel recommends that DIA, the FBI, and the military department intelligence components closely monitor their attrition rates, and take appropriate actions to ensure that they do not continue to rise. Further, the Panel recommends that the Department of State examine the Civil Service turnover rates in INR, with a goal of creating a planned process of employee reassignment.

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Response: Since attrition is caused by different factors in different agencies, the CPCC will request that each agency develop a data base on causes of attrition by discipline. With this information, agencies can then take action on the specific causes. The data base should include information from exit interviews. With regard to INR, procedures are now being developed to address the civil service turnover issue.

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CHAPTER FOUR: INVESTING IN THE INTELLIGENCE COMMUNITY WORK FORCE

TRAINING FOR MISSION ACCOMPLISHMENT

Recommendation 11 The Panel recommends that all intelligence agencies develop a systematic process for examining the extent to which current training efforts will be sufficient for longer term needs. Such a more formal training needs assessment will be crucial to adapting agency programs to future workload and changing work force demands. This is especially necessary in INR where there is only the beginning of a formal intelligence training program for Civil Service or Foreign Service employees. [redacted]

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Response: The Intelligence Community Training Director's Group is in the process of examining this issue, as are individual agencies themselves. For example, in May 1989 all DoD intelligence training officials met to discuss needs assessment, the first step in a systematic process under the General Intelligence Training System. In the Department of Defense military components, special emphasis is being paid to training for civilian intelligence careerists. Career development patterns are being closely examined to determine the competencies required for subsequent growth and movement within the intelligence career fields. [redacted]

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Recommendation 12 The NAPA Panel recommends that an Intelligence Community Committee on Training and Career Development be established. [redacted]

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Response: The Intelligence Community Training Director's Group is an existing body that meets for the purpose of exchanging training information and ideas. Agencies represented in this group include CIA, DIA, FBI, NSA, State, and the Defense Intelligence College. By adding a Department of Defense (C³I) representative to this group, the CPCC believes this group can serve the function advocated by the NAPA Panel. [redacted]

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Recommendation 13 The Panel supports DIA's establishment of a basic ordering contract, which promises to make the external training procurement process operate more efficiently. It recommends that the Community examine this initiative for potential use on an Intelligence Community-wide basis. [redacted]

Response: The DIA briefed Community members on their basic ordering contract procedure. It was determined that members of the Community already use this procedure when possible under the Competition in Contracting Act/Contract Rules and Regulations. [redacted]

Recommendation 14 The Panel endorses the recent DoD/OPM proposal to lift Government Employees Training Act (GETA) restrictions and permit agencies to use external training resources more flexibly. If the executive branch proposals are not submitted to the 101st Congress, the Panel recommends that the intelligence agencies request a presidential exemption to this, as permitted in Title 5 U.S.C., Section 4102. If this is not granted and if Congress believes that restrictions should be lifted, the intelligence committees could propose a statutory exemption. [redacted]

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Response: This recommendation is by far the most important one made by NAPA affecting training and career development. The CPCC believes that exemption from the GETA will assist in recruitment, cross training (using external academic sources), and developing multidisciplined personnel. This initiative, listed as a short-term initiative in the Personnel Action Plan, will give the Intelligence Community agencies the flexibility they need to compete with the private sector for critical skills and to meet unique and growing requirements. [redacted]

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CAREER DEVELOPMENT

Recommendation 15 The Panel recommends that the agencies establish or strengthen, as appropriate, their career development programs. [redacted]

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Response: Career development programs are based on each Intelligence Community agency's career path structure and priorities for the agency and employee. Intelligence Community agencies are seeking to examine and improve these structures. For example, DIA is republishing an updated version of its career ladders this summer and will be adding a new program for clerical advancement into professional positions this fall (for those with college educations that are not directly applicable to the intelligence field). [redacted]

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Recommendation 16 The NAPA Panel recommends that the military departments establish within each of the three intelligence components a central capability for career development matters such as planning, providing information, consulting, and training supervisors. [redacted]

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Response: The CPCC recommends that the military departments be provided the resources necessary to establish career development programs within each of the three intelligence components. These career development programs should include both technical and non-technical (management) personnel. Some Intelligence Community agencies have already provided DoD with information from which career development programs could be modeled.

STAFFING REDUCTIONS AND OUTPLACEMENT: ENSURING THE INVESTMENT IS WITH THE RIGHT PEOPLE

Recommendation 17 The Panel recommends that the Intelligence Community agencies, if faced with future forced staffing level reductions, cooperate to place surplus employees with another of the Intelligence Community agencies that has a need for such skills. [redacted]

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Response: Currently, there is an informal effort to refer employees to other agencies for employment as a result of an individual's career change or other personal factors. With the creation of the CPCC and its specialized working groups, mechanisms for greater cooperation and formalized information-sharing now exist that can be used to discuss possible placement of surplus employees. [redacted]

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Recommendation 18 The Panel believes employees in the Intelligence Community agencies should be able to transfer from an excepted appointment status to the competitive Civil Service. The Panel recommends that the Intelligence Community Staff examine the research done to date on this issue and develop a proposal to advance it. [redacted]

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Response: The DoD is currently in the process of negotiating an agreement with the Office of Personnel Management (OPM) to allow such transfer eligibility. Based on the outcome of this approach, other intelligence agencies may pursue similar parallel agreements with OPM. This is a short-term initiative in the Personnel Action Plan. [redacted]

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Recommendation 19 To provide greater flexibility to deal effectively and expeditiously with overage situations, the Panel recommends that Congress authorize the head of Intelligence Community agencies to approve early optional retirement when it is considered necessary to reduce strength or when large overages occur in specific occupational skills. [redacted]

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Response: For those agencies without the ability to exercise the provision of early optional retirement, additional legislative authorities will be required. The CPCC working groups will be examining this issue as a medium-term initiative. [redacted]

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Recommendation 20 The Panel recommends sharing the information on involuntary removal cases--being mindful of employee rights of privacy--with the other agencies of the Intelligence Community, perhaps in coordination with the Intelligence Community Staff. The other agencies would have an opportunity to do their own (security) risk assessment, as may be applicable. [redacted]

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Response: An informal, ad hoc mechanism for such referrals presently exists, functioning on a case-by-case basis. The creation of a more formal mechanism would require a close examination of the implications of possible personal liability of those involved in the referral process. [redacted]

Recommendation 21 The Panel recommends that all Intelligence Community agencies without effective outplacement programs establish them, and that they look to the CIA and State programs, as well as the private sector, as models for the design of their own programs. [redacted]

Response: Two Intelligence Community agencies with the greatest requirements for outplacement services (CIA and State) have successful programs in place. CIA is currently planning to expand its program from one to three months. DIA is considering use of State's program on a reimbursable basis for selected situations. Other Intelligence Community agencies have limited requirements and do not see a need for additional outplacement services at this time. There are several tools available within the Executive Branch to assist agencies with employees that have outplacement needs, however. [redacted]

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CHAPTER FIVE: CREATING A MORE DIVERSE WORK FORCE

Recommendation 22 Most of what the NAPA Panel believes needs to be done in the equal employment area is a question of enhanced degree of effort rather than a new activity. The Panel recommends that all intelligence agencies conduct regular analysis of retention, promotion, and training participation data. If the agencies are to retain the employees they have worked so hard to attract, they need to make concerted efforts in these areas. [REDACTED]

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Response: All Intelligence Community agencies currently conduct regular equal employment analyses as required by Equal Employment Opportunity Commission Management Directive 714, Affirmative Employment Plan. The CPCC believes that Intelligence Community agencies are fully supportive of equal employment objectives and have a strong commitment to hire and promote minority members. [REDACTED]

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Recommendation 23 The Fiscal Year 1989 Intelligence Authorization Act (P.L. 100-453) requires the DCI and the Secretary of Defense to submit a report to the House Permanent Select Committee on Intelligence (HPSCI) and the Senate Select Committee on Intelligence (SSCI) analyzing each equal employment opportunity group's representation in the CIA and the NSA. The law also requires that agencies prepare a plan to address underrepresentation of any such equal employment group by 30 September 1991. The Panel supports this initiative. [REDACTED]

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Further, the Panel recommends that:

- this initiative be extended to DIA and the FBI;
- the Intelligence Community Staff receive and monitor these reports; and,
- these agencies share with each other their successful techniques in achieving these goals. [REDACTED]

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Response: The CPCC recommends that the EEOC Management Directive 714 plans prepared by each Intelligence Community agency be submitted to the Intelligence Community Staff for the HPSCI and SSCI in lieu of the special reports required by the FY 1989 Intelligence Authorization Act (P.L. 100-453). This will not only eliminate duplicative work but will also result in consistent, and therefore comparable, data. The CPCC also recommends that these reports be exchanged with the other Intelligence Community agencies; DIA and NSA plans were provided to other Community members at an EEO Officers meeting on 30 March 1989. This is a short-term initiative in the Personnel Action Plan. [REDACTED]

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Recommendation 24 The Panel recommends that the intelligence agencies consider some of the options recently adopted by the private sector, such as the "adopt a school" programs or agency-sponsored high school debating teams. [redacted]

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Response: The EEO Officers Group, consisting of EEO officers from each of the Intelligence Community agencies, will invite private sector representatives to discuss their EEO programs. It will be up to each agency to determine if any of these programs would be appropriate for its needs. The "Stokes" Program of tuition assistance and work experience for college students has been successfully used by the CIA and NSA. An initiative to extend the authority to conduct such a program to other Intelligence Community agencies will be pursued as a medium-term initiative in the Personnel Action Plan. A legislative proposal covering DIA had already been submitted to the Congress prior to issuance of the NAPA Report. [redacted]

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Recommendation 25 In the last analysis, the Panel recommends that top management in each of the intelligence agencies must make a sustained commitment to recruit members of minority groups and to assure that women and members of minority groups advance to top positions. [redacted]

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Response: Intelligence Community agency heads are committed to minority recruitment and advancement. For example, the FBI Director recently placed the FBI Equal Employment Opportunity Office directly within his office to emphasize the importance of EEO issues. One of the best ways to improve minority recruitment is to give top management greater recruiting flexibilities in general, particularly in the areas of compensation and training opportunities. [redacted]

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CHAPTER SIX: COMPENSATION SYSTEMS FOR THE NEXT CENTURY

DIFFERENT PAY FOR WORK AT THE SAME GRADE

Recommendation 26 The Panel recommends that all intelligence agencies share their compensation approaches through the proposed Senior Coordinating Group to assure that they are not unduly competing with one another. These systems should be sufficiently flexible that the individual intelligence agencies can compensate workers at salary rates that permit them to compete effectively in the employment market. [redacted]

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Response: The CPCC believes the Intelligence Community agencies have been sharing compensation policies to some extent but with the creation of the CPCC and its working groups, will have an official forum in which to formally discuss these matters. [redacted]

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DOMESTIC ALLOWANCES AND PAY

Recommendation 27 The Panel recommends that Congress give the intelligence agencies the authority to establish domestic local pay rates (cost-of-living) for those employees who are moved at the order of the government. [redacted]

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Response: The CPCC believes this is a high-priority issue, paralleling the consideration under way by the Office of Personnel Management for the government as a whole. This initiative, which would require authorizing legislation for agencies without such authority, is incorporated in the Personnel Action Plan as a short-term initiative. [redacted]

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OVERSEAS PAY AND ALLOWANCES

Recommendation 28 The Panel recommends that Section 4(2)(d) of the Central Intelligence Agency Act of 1949 be extended to permit the Director to bring all intelligence agencies' overseas allowances and benefits into alignment with those the Secretary of State establishes for US government civilian employees overseas. [redacted]

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Response: The CPCC agrees that, consistent with individual Intelligence Community agency missions, it is desirable to make overseas allowances and benefits for Intelligence Community agencies equitable with those established by the Secretary of State. This is included in the Personnel Action Plan as a medium-term initiative. [redacted]

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Recommendation 29 The Panel recommends that the Intelligence Community as a whole needs to examine the overseas compensation practices for intelligence employees, including basic salaries overseas and allowances. [redacted]

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Recommendation 30 The Panel does not recommend one method (of managing overseas pay adjustments) over another, but strongly recommends that the Intelligence Community find a plan that is equitable to the employees of all intelligence agencies.

Response to #29 and #30: The CPCC agrees that it is highly desirable to provide equal pay, benefits, and allowances for like work being performed at overseas locations, not only between Intelligence Community agencies but for categories of employees within a particular Intelligence Community agency as well. This issue is of primary urgency to NSA at present. It is incorporated in the Personnel Action Plan as a short-term initiative. [redacted]

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ENHANCED PAY FLEXIBILITY

Recommendation 31 Given the success of the China Lake project, the positive views toward other demonstrations under way, and the apparent success of the pilot pay banding project at the CIA, the Panel recommends that NSA be authorized to test revised compensation systems. The Panel fully endorses recruitment, performance, and relocation bonuses. The Panel does not favor retention bonuses for individuals, although it does not rule out retention bonuses for a whole series or group of positions. [redacted]

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Response: The CPCC endorsed NSA's plans to develop a flexible pay and bonus program. CIA also has plans to extend its pay banding program to include a few more occupations. These plans are incorporated as short-term initiatives in the Personnel Action Plan. [redacted]

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Recommendation 32 The Panel recommends that, should NSA want to test the pay confidentiality concept, it be permitted to do so. NSA should carefully monitor employee perceptions of this concept and its impacts on morale. [redacted]

Response: The CPCC believes this is an NSA prerogative and thus does not require Community action. However, confidentiality would be an automatic/integral part of any flexible pay system that does not adhere to a grade/step structure. [redacted]

Recommendation 33 The Panel recommends that the intelligence agencies and Congress recognize that the degree of flexibility allowed in determining the distribution of a given amount of pay within a group of workers can be changed without necessarily increasing the cost overall. [redacted]

Response: The CPCC agreed that giving line management authority the flexibility to reward and compensate employees was desirable, but expressed reservations about controls and equity. The CIA intends to

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pursue a decentralized system that will eventually give line management authority to manage their personnel and resources within specific budget constraints. CIA's proposal is included in the Personnel Action Plan as a long-term initiative. [redacted]

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BENEFITS PROPOSALS

Recommendation 34 The Panel recommends that the CIA be permitted to implement its proposed flexible benefits package, and that its experiences serve as a research project for the federal government. [redacted]

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Response: The CPCC endorses CIA's flexible benefits project and has included it in the Personnel Action Plan as a short-term initiative. [redacted]

Recommendation 35 The Panel also recommends that the CIA carefully evaluate costs of benefits changes, especially those relating to health benefits. Cost containment on health benefits must be an important objective in the design of this program. [redacted]

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Response: The CIA agrees that program costs must be monitored and has included an evaluation of costs in its overall planning and strategy. [redacted]

Recommendation 36 The Panel does not endorse that portion of the CIA proposal that would permit employees to sell unused leave to one another or back to the agency. [redacted]

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Response: CIA has no further interest in pursuing this initiative. [redacted]

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COMPENSATION SYSTEMS FOR THE NEXT CENTURY

Recommendation 37 The Panel firmly recommends that the Congress eliminate the pay cap and reduce pay compression at the executive levels. [redacted]

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Response: The CPCC fully endorses this recommendation, one that has been suggested on numerous occasions by other commissions studying federal personnel systems. However, the CPCC does not believe additional work in this area will be useful until the initiative is considered for the federal work force as a whole. [redacted]

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Recommendation 38 Ultimately, the Panel recommends that all intelligence agencies have the authority, similar to that of CIA, to select, appoint, and compensate staff such that they can attract and retain a high-quality work force. The Panel recommends that the intelligence agencies work through the proposed Senior Coordinating Group to develop the parameters of a common framework of authorities. [redacted]

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Response: The CPCC supports this recommendation and has included it in the Personnel Action Plan as a medium-term initiative. This proposal will require extensive study and analysis before the potential impact of these new authorities can be fully understood. [redacted]

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CHAPTER SEVEN: COORDINATING HUMAN RESOURCE POLICY

Recommendation 39 The Panel recommends establishing a Senior Coordinating Group as the option which best ensures that the Intelligence Community has an integrated approach toward HRM change while leaving the responsibility for assessing the potential impacts of change where it belongs--with the intelligence agencies. [redacted]

Response: The Community Personnel Coordinating Committee (CPCC) has been established and has approved a Personnel Action Plan outlining short-, medium-, and long-term personnel initiatives proposed by the Intelligence Community agencies or developed as a result of the NAPA study. The CPCC is supported by specialized working groups that examine Community personnel initiatives at the working level and make recommendations to the CPCC. The CPCC consists of the personnel directors of CIA, NSA, DIA, DoD, FBI, and INR and has met twice since its inception last March. [redacted]

Recommendation 40 The Panel recommends that the intelligence agencies keep the congressional committees apprised of major issues which may give rise to important changes in HRM policies. [redacted]

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Response: Better communication with the congressional committees will be greatly enhanced by better coordination and understanding of personnel issues within the Community. Coordination and appraisal of personnel initiatives will improve as Intelligence Community agencies, at both the CPCC and the specialized working groups level, cooperate and learn from each other. [redacted]

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Recommendation 41 The project staff offers the following recommendations, which it believes can be achieved if Congress and the intelligence agencies work together:

- 1) Determine whether there is a need for additions to compensation for Intelligence Community employees assigned overseas.
- 2) If this can only be determined with input from technical studies, these should be commissioned by the Senior Coordinating Group (recommended in the NAPA Report) or another Community-wide entity. Any such studies should consider the differences in rank-in-person and rank-in-position classification systems.
- 3) When contemplating pay adjustments for their organization or groups of employees within it; Intelligence Community agencies should assess the impact these will have on other intelligence agencies.
- 4) The congressional intelligence committees can best oversee Intelligence Community agencies in their efforts to coordinate overseas pay by examining broad issues--such as relative change in agency payroll--rather than individual decisions. [redacted]

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Response: These suggestions will be addressed in the course of examining the NAPA Panel recommendations or as a result of the CPCC coordinating mechanism. The CPCC did not see the need to conduct further technical studies of overseas benefits, however.

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NAPA ACTION PLAN

SHORT-TERM INITIATIVES (WITHIN ONE YEAR)

COMPENSATION AND BENEFITS

1. DOMESTIC LOCAL (GEOGRAPHICAL) PAY RATES

Community personnel that are transferred to a high-cost area by order of the government should be given additional compensation to meet a higher cost of living. CIA already has an "Addition to Compensation" to accommodate this problem. NSA has special pay rates for a few of its domestic locations based on Title 5 U.S.C., Section 5303; however, this authority is not sufficient to establish geographic rate schedules at other locations. High cost areas (e.g., New York) cannot be supported under 5 U.S.C. since there are no skill comparisons with the private sector to make wage and salary determinations. FBI would like geographic pay rates to include all employees in a given location (local hires) as well as those relocated by the government.

Legislative Impact: Requires authorizing legislation for agencies without authority.

2. DUAL COMPENSATION WAIVER

The Intelligence Community would benefit from the ability to hire selected military retirees with unique, critical skills at a compensation rate that will give these particular retirees the incentive to return to public service. This is especially critical to the military service components that need to retain specialized knowledge and skills attainable only through military service. This initiative would give the head of each intelligence agency the authority to issue a dual compensation waiver for a limited number of individuals designated for specific positions of critical importance to the agency. An annual reporting requirement to the Intelligence Oversight Committees could be built into this process.

Legislative Impact: Requires authorizing legislation.

3. EXAMINE INTELLIGENCE COMMUNITY OVERSEAS PAY POLICIES

This initiative would examine the pay policies of different agencies for like work being performed at overseas locations (without regard to the type of location or support agreements thereto). In particular, NSA would like to extend the 9.6 percent pay to additional types of overseas locations.

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Legislative Impact: No new legislation required for NSA, but as a matter of policy, the Intelligence Oversight Committees would be kept informed.

4. NSA FLEXIBLE PAY AND BONUS SYSTEMS

This initiative would follow other successful flexible pay and bonus projects, such as the one implemented at China Lake and at the CIA, and allow NSA to develop flexible pay and bonus systems to allow it to compete with industry on a continuing basis. FBI would like to explore a limited pay banding project, and the CIA would like to explore expanding its pay banding policy to other occupations.

Legislative Impact: Requires authorizing legislation for agencies without authority and, as a matter of policy, the Intelligence Oversight Committees would be kept informed.

5. CIA FLEXIBLE BENEFITS PROGRAM

This initiative would provide CIA employees with a menu of alternative health benefits, life insurance options, etc., that would allow them to create a health benefits plan tailored to their specific needs. Intelligence Community agencies agreed that CIA should proceed with the development and implementation of this program and serve as a research project for other governmental agencies. This initiative was a NAPA recommendation.

Legislative Impact: Does not require new legislation but certain features of the CIA program would require notification to the Intelligence Oversight Committees.

6. PAY FLEXIBILITY: RELIEF FROM END-STRENGTH ACCOUNTABILITY

Congress has granted Army relief from end-strength accountability in its nonintelligence appropriations. This is not true for funds provided through the DCI. The ability to manage manpower based on funding limits rather than manpower controls is highly desired by DoD managers of intelligence functions to assist them in the day-to-day administration of their organizations. Funding ceilings would not be affected, although end-year manpower levels could deviate from planned targets.

Legislative Impact: Requires legislative changes.

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RECRUITMENT AND RETENTION

7. FBI EXEMPTION FROM TITLE 5, U.S.C.

This initiative would exempt the FBI from the Title 5, U.S.C. position classification requirements of the General Schedule and the prevailing rate systems in order to allow greater flexibilities to select, appoint, and maintain a highly qualified work force.

Legislative Impact: Requires legislative exemption from Title 5, U.S.C. for the FBI.

TRAINING AND CAREER DEVELOPMENT

8. EXEMPTION FROM GETA RESTRICTIONS

This initiative would lift Government Employees Training Act restrictions and permit agencies to use external training resources more flexibly. This would allow Intelligence Community agencies to develop projected future skills and knowledge needs and establish undergraduate and graduate study programs for current employees and for high-caliber applicants as a recruitment incentive.

Legislative Impact: The first step would be to determine whether an Executive Order could provide the appropriate exemption. If it could not, new legislation would be required.

EQUAL EMPLOYMENT OPPORTUNITY ISSUES

9. EEO REPORTING FORMAT

This initiative would require Intelligence Community agencies to submit to the Intelligence Community Staff EEO reports in the MD 714 format; these EEO reports would then be passed to the House Permanent Select Committee on Intelligence (HPSCI) and Senate Select Committee on Intelligence (SSCI). Presently, the Intelligence Community Staff submits a statistical report to the SSCI and HPSCI indicating each equal employment opportunity group's representation in the respective agencies. These statistics are not always comparable, however. Use of the existing MD 714 format will save the work of creating separate, different plans and reports and will allow the information to be developed and interpreted in a more consistent manner.

Legislative Impact: None

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RETIREMENT AND OUTPLACEMENT

10. CAREER TRANSITION

CIA proposes to extend its present 30-day retirement program to a 90-day program patterned after the State Department's career transition program. The purpose of this program is to encourage senior officers to continue their careers outside the Agency and stimulate the "flow" of career employees.

Legislative Impact: The Intelligence Oversight Committees would be kept informed.

11. TRANSFER FROM EXCEPTED APPOINTMENT STATUS TO COMPETITIVE CIVIL SERVICE

The DoD is in the process of negotiating an agreement with the Office of Personnel Management to allow CIPMS employees to transfer from an excepted appointment status to the competitive Civil Service. Other Intelligence Community agencies are interested in pursuing similar agreements with OPM if the DoD approach is successful. If separate, unilateral agreements with OPM are not feasible, the Community may consider other mechanisms--such as a DCI-OPM agreement--or seek legislation authorizing such action.

Legislative Impact: May require authorizing legislation if negotiations with OPM are not successful.

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MEDIUM-TERM INITIATIVES (WITHIN FIVE YEARS)

COMPENSATION AND BENEFITS

1. COMPARABLE AUTHORITIES

The NAPA Panel recommended that all intelligence agencies be given the authority, similar to that of CIA, to select, appoint, and compensate staff to attract and retain a high-quality work force. Through the Community Personnel Coordination Committee, the Intelligence Community's senior personnel group, parameters for developing a framework for these authorities must be developed. CIA authorities will be the benchmark against which the other Intelligence Community agencies will make their assessments.

Legislative Impact: Requires authorizing legislation.

2. GIVE DCI AUTHORITY TO ALIGN OVERSEAS ALLOWANCES AND BENEFITS FOR INTELLIGENCE COMMUNITY EMPLOYEES WITH FOREIGN SERVICE

Some Intelligence Community agencies already pay overseas allowances and benefits that are fairly consistent with that of the Foreign Service. However, many Intelligence Community employees are not receiving comparable benefits. This issue is of particular importance to NSA.

Legislative Impact: Requires authorizing legislation.

RECRUITMENT AND RETENTION

3. REDUCE CLEARANCE DELAYS FOR MILITARY DEPARTMENTS

This initiative would require that greater resources be given to the Defense Investigative Service for additional staffing to alleviate clearance delays.

Legislative Impact: Requires additional appropriations for DoD.

4. RELIEF FROM OPM REVIEW/OVERSIGHT OF CIPMS

The unique requirements and systems encompassed by the CIPMS require a comprehensive, consistent, and common authority base. Absent specific exempting language in Title 10 U.S.C., OPM policies and procedures will apply to CIPMS--particularly OPM's authority to review and approve performance appraisal systems. DoD seeks relief from OPM oversight on these largely administrative issues to prevent inconsistencies and confusion; the division in administrative authority and evaluation

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authority between OPM and DoD is particularly a problem in the case of performance appraisal systems. Relief from OPM oversight is key to the coherent and timely implementation of the CIPMS.

Legislative Impact: Requires changes to Section 1590, Title 10.

EQUAL EMPLOYMENT OPPORTUNITY ISSUES

5. EEO RECRUITMENT AUTHORITIES

The "Stokes" Program of tuition assistance and work experience for college students is considered to be a useful mechanism for recruiting minority employees who are suitable to work at CIA and NSA. This initiative would extend authorities currently enjoyed by CIA and NSA to the other intelligence agencies to allow for similar recruitment activities.

Legislative Impact: Requires authorizing legislation for agencies without such authority.

RETIREMENT AND OUTPLACEMENT

6. APPROVAL FOR EARLY OPTIONAL RETIREMENT

Intelligence Community managers would benefit from the ability to approve early optional retirement for employees affected by staff overages (e.g., due to budgetary reductions or overstaffing in specific occupational skills). For those agencies without the ability to exercise the provision of early optional retirement, new legislation would be needed. There are also some indications that OPM could decentralize this authority.

Legislative Impact: If OPM does not decentralize the authority to approve early optional retirement, legislation for agencies without such authority would be required.

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LONG-TERM INITIATIVES (FIVE+ YEARS)

COMPENSATION AND BENEFITS

1. PAY CAP AND PAY COMPRESSION

All agencies agreed that the pay cap should be eliminated and that pay compression should be reduced at the executive level. Given the studies and work by other groups concerning this issue, the Intelligence Community believes that specific strategies or actions should not be pursued at this time. However, this issue is of great importance and could have a great impact on Intelligence Community personnel policies.

Legislative Impact: Requires legislative changes.

2. AUTHORITY TO DEVELOP SEPARATE PAY SCALES

The OPM-administered General Schedule wage system has been judged to be at least 10 percent behind comparable private industry pay rates. DoD would thus like to have the authority to develop separate pay scales. The Military Departments would benefit greatly from any authorities granted to establish truly competitive pay structures. This authority could alternatively be granted to the DCI for the Community as a whole.

Legislative Impact: Requires new legislation.

3. PAY FLEXIBILITY: MANAGEMENT TO BUDGET

Enhanced pay flexibility gives managers the authority to reward top performers and distribute a given amount of pay within a group of workers. CIA would like to pursue a decentralized classification system that will eventually be tied directly to line management budget authority, giving managers the ability to manage their personnel and resources within specific budget constraints.

Legislative Impact: No new legislation required but, as a matter of policy, the Intelligence Oversight Committees would be kept informed.

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NON-NAPA PERSONNEL INITIATIVESI. SHORT-TERM INITIATIVES (WITHIN ONE YEAR)

1. CIA: SPOUSAL LEAVE TRANSFER PROGRAM

CIA proposes to extend its present spousal leave transfer program that allows one spouse (higher ranking) to transfer leave to the other spouse in order to care for newborn children. The Intelligence Oversight Committees did not object to the implementation of the program on a temporary basis because it was contemplated that government-wide legislation would be introduced. The Office of Personnel Management has not submitted such legislation as yet. Since CIA has had good results thus far, it would like to extend the program for another year, and include the care of newly adopted children as well.

Legislative Impact: No new legislation required but, as a matter of policy, the Intelligence Oversight Committees would be kept informed.

2. DOD: LABOR RELATIONS STATUTE (INTELLIGENCE ORGANIZATIONS EXCLUSIONS)

Section 7112, Title 5 U.S.C. and Executive Order 12171 exclude specific functions and organizations from bargaining unit coverage. Some, but not all, of the organizations in the Military Departments and some of the positions proposed for coverage in CIPMS have been specifically excluded from the labor relations program. DoD proposes that, in the interest of consistency and sound management, a new Executive Order be drafted to exclude all CIPMS positions from bargaining unit coverage.

Legislative Impact: Determine the feasibility of obtaining a new Executive Order that applies to CIPMS as a whole. If this is not possible, new legislation would be required to codify this exemption.

3. DOD: RELIEF FROM PROVIDING PERSONNEL DATA OUTSIDE DoD

Presently, CIA, NSA, and DIA all have statutory relief from providing personnel data to OPM. A similar exception would assist the Services in ensuring security by precluding the dispersion of employee data to the many federal and non-federal sources that access the OPM data base. This is a DoD initiative.

Legislative Impact: Requires legislative changes.

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NON-NAPA PERSONNEL INITIATIVES

II. MEDIUM-TERM INITIATIVES (WITHIN FIVE YEARS)

1. DOD: STATUTORY EXTENSION OF TRIAL PERIOD FOR CIPMS EMPLOYEES

The Military Departments would like to lengthen the trial period for new employees from one to two years. A longer trial period is necessary to make a judgment on suitability, especially for employees that are in training for most of the first year or for those who start employment without a full security clearance or access and begin their job nine months to a year after they have come on duty.

Legislative Impact: Requires legislative changes.

2. DOD: AUTHORITY TO NEGOTIATE PERSONAL SERVICES CONTRACTS FOR EMPLOYMENT

This authority would facilitate the utilization of many skilled individuals who would otherwise not be available for federal employment. Retired civilian employees are an important group in this regard who often have irreplaceable skills, who do not desire a long-term or regular employment relationship, and who cannot be compensated as a regular government employee because of annuity restrictions. Overall, the number of employees that would be affected by this authority would be minimal.

Legislative Impact: Requires authorizing legislation for agencies without authority.

CONFIDENTIAL

The Director of Central Intelligence

Washington, D.C. 20505

28 JUL 1989

The Honorable Anthony C. Beilenson
Chairman
Permanent Select Committee on Intelligence
United States Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to forward additional information on the Intelligence Community's plans to implement the National Academy of Public Administration's (NAPA) Report on civilian personnel systems. In a letter to you in April, I promised to provide such information following a detailed Community review of the NAPA Report and its recommendations. That review has now been completed and is excerpted in Enclosure A. Based on the review, the Community has developed an initial Action Plan (Enclosure B) that covers the personnel initiatives it will investigate further. The Community Personnel Coordination Committee (CPCC)--established as a result of the NAPA Report and composed of personnel directors of key agencies--concurs with the Plan.

The Action Plan focuses primarily on NAPA's recommendations, but a number of related issues have been added. Initiatives are identified as short-, medium-, or long-term, and indicate if new legislative authority is needed. With a few exceptions, the initiatives apply to the Community as a whole. Some--such as flexible pay for critically skilled employees and expanded training opportunities--parallel trends and policies currently being studied by the Office of Personnel Management for application throughout the Federal Government.

As I noted in my April letter, the Community is using a set of interagency working groups to address NAPA's recommendations and ensure that personnel initiatives are thoroughly vetted. Those groups are now developing detailed plans and proposals for each of the short-term initiatives identified in the Action Plan. I will monitor their progress through the CPCC. If you

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CONFIDENTIAL

The Honorable Anthony C. Beilenson

wish, we would be pleased to brief the Committee or Staff, as you deem appropriate, on the Action Plan or any of the initiatives it treats. My point of contact for such briefings, and any additional questions on the Report, is [redacted] of the Intelligence Community Staff. He can be reached on [redacted]

STAT

I appreciate the interest and support the Oversight Committees have shown in implementing the NAPA Report to ensure that we continue to recruit and retain the best men and women for the Intelligence Community. I look forward to working closely with you to assure that the Community's personnel management systems are equitable and consistent and provide the tools necessary to accomplish our unique mission.

This same letter and enclosures are being sent to the Chairman, Select Committee on Intelligence; Vice Chairman, Select Committee on Intelligence; and the Ranking Minority Member, House Permanent Select Committee on Intelligence.

Sincerely,

W William H. Webster

William H. Webster

Enclosures:
As stated

SUBJECT: Letter to The Honorable Anthony C. Beilenson

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DCI/ICS/PPO/ (20 July 1989)

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CONFIDENTIAL

The Director of Central Intelligence

Washington, D.C. 20505

28 JUL 1989

The Honorable Henry J. Hyde
Ranking Minority Member
Permanent Select Committee on Intelligence
United States Representatives
Washington, D.C. 20515

Dear Mr. Hyde:

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DCI/ICS/PPO, (20 July 1989)

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CONFIDENTIAL

The Director of Central Intelligence

Washington, D.C. 20505

28 JUL 1989

The Honorable William S. Cohen
Vice Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Vice Chairman:

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/s/ William H. Webster

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DCI/ICS/PPO, (20 July 1989)

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11 JUL 1989

MEMORANDUM FOR:
 Agency NAPA Implementation Study Group

FROM: Executive Director

SUBJECT: Agency Review of NAPA Report

STAT

Your assistance in reviewing the report completed by the National Academy of Public Administration (NAPA) and recommending initiatives that should be pursued by the Agency has been most valuable to the Agency and to me as we plan for the future. I realize that your participation as your Directorate representative to the Agency NAPA Implementation Study Group required you to fit another activity into an already packed schedule. I do appreciate your help and dedication. On behalf of the Agency population, let me "Thank You" for your input to this very necessary endeavor.

James H. Taylor

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11 JUL 1989

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James H. Taylor

11 JUL 1989

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[REDACTED]
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[REDACTED]
James H. Taylor

11 JUL 1989

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MEMORANDUM FOR:

[Redacted]

Agency NAPA Implementation Study Group

FROM:

Executive Director

SUBJECT:

Agency Review of NAPA Report

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[Redacted]

James H. Taylor

11 JUL 1989

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[REDACTED]
Agency NAPA Implementation Study Group

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[REDACTED]

James H. Taylor

11 JUL 1989

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Agency NAPA Implementation Study Group

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James H. Taylor.

SUBJECT: Agency Review of NAPA Report

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DDA/OP/CAP, (3July)

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ROUTING AND RECORD SHEET

SUBJECT: (Optional) Agency Review of NAPA Report

FROM: George W. Owens Director of Personnel	EXTENSION	NO. ER 89-2812 /1-/6
		DATE 10 JUL 1989

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
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Jim,
I'd appreciate your signing the attached letters to the NAPA Implementation Study Group representatives.

Page Denied

The Director of Central Intelligence

ICS 4266 89

Washington, D.C. 20505

14 JUN 1989

MEMORANDUM FOR: Vice Admiral William O. Studeman, USN
Director, National Security Agency

SUBJECT: Implementation of the National Academy of
Public Administration (NAPA) Study

REFERENCE: Memo to DCI from DIRNSA, dtd 18 May 1989,
Subject: NAPA Report

/s/ Bill

I appreciate your views on the NAPA Report and the Community Personnel Coordinating Committee (CPCC). I agree we are in a good position to make the most of the support and momentum generated by the NAPA study. Toward this end, the CPCC will provide a forum for the review and coordination of personnel policies and will facilitate the sharing of information, issues, and initiatives concerning personnel matters. While I do not view the CPCC as a final arbiter or oversight authority of policies proposed by individual Intelligence Community agencies, clearly the CPCC will assess these proposals and, where warranted, lend its support to IC agencies as initiatives go through the Executive and Congressional approval processes.

In addition, I would support an even greater proactive role for the CPCC. We presently lack a mechanism for long-term Community-wide planning in the personnel arena. By its very composition and expertise, the CPCC will be an excellent forum for these matters. As noted in the NAPA study, the demographic trends for the US will make recruitment of suitable candidates even more difficult than at present. It is clear that we must begin now to coordinate our ideas and strategies in order to meet the personnel challenges that are certain to confront the Community as a whole.

I look forward to working with you to improve our personnel management capabilities and appreciate your support for these objectives.

/s/ Bill

William H. Webster



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SUBJECT: Letter to DIRNSA re CPCC

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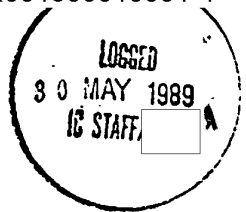
DCI/ICS/PPO, (9 June 1989)

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NATIONAL SECURITY AGENCY
FORT GEORGE G. MEADE, MARYLAND 20755



18 May 1989



MEMORANDUM FOR THE DIRECTOR, CENTRAL INTELLIGENCE

SUBJECT: National Academy of Public Administration (NAPA)
Report - INFORMATION MEMORANDUM

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REFERENCE

1. In implementing the recommendations of the National Academy of Public Administration (NAPA) report on Intelligence Community (IC) personnel systems, I believe that it is important for the Intelligence Community to capitalize on the momentum generated by the NAPA Study by establishing effective interagency procedures and vigorously pursuing needed legislative initiatives with the Congress.

2. The recently established Senior Coordinating Group is key to implementing the NAPA recommendations and carrying out the spirit and intent of the NAPA Study. I understand, however, that the Coordinating Group will be only an information clearing house.

3. Although the Coordinating Group presumably will be providing guidance to interagency working groups that are prioritizing NAPA recommendations and identifying issues for further study, I am concerned that the results of this could be something less than the fully coordinated approach to personnel issues that we envisioned and that the Congress presumably expects from us.

4. I agree with the NAPA view that uniformity among the IC agencies is neither desirable nor necessary, but I believe that each IC agency and the Congress would benefit from a written assessment by the Coordinating Group of each legislative initiative proposed by the individual agencies. Further, in those instances where an initiative has particular merit and is applicable to more than one IC agency, DCI sponsorship would greatly facilitate the legislative process and enhance the chance of approval by the Congress.

5. I stand ready to assist in any way possible to ensure that the NAPA Study recommendations come to fruition and that a coordinated community approach to personnel issues is achieved.

Very respectfully,

W. O. STUDEMAN
Vice Admiral, U.S. Navy
Director

ICS 4266-89/1

12 June 1989

MEMORANDUM FOR: Director of Central Intelligence

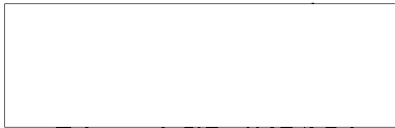
VIA: Deputy Director of Central Intelligence

FROM: Lieutenant General Edward J. Heinz, USAF
Director, Intelligence Community Staff

SUBJECT: Reply to DIRNSA Regarding NAPA Report
Implementation

1. The attached memorandum for your signature is a reply to VADM Studeman concerning the function of the senior personnel group overseeing the implementation of the NAPA study--the Community Personnel Coordinating Committee (CPCC). This response reflects the dialogue that occurred on this subject during the 7 June Program Manager's lunch and clarifies the fact that the CPCC will support Intelligence Community agency personnel initiatives when warranted. It does not commit the CPCC to endorsing each and every proposal related to personnel management, however.

2. We are in the final stages of completing our NAPA Implementation Plan and should meet our mid-summer deadline for submission to Congress without any problems.


Edward J. Heinz
Lieutenant General, USAF

Attachment:
ICS 4266-89

STAT


STAT

SUBJECT: Reply to DIRNSA Regarding NAPA Report Implementation

DISTRIBUTION: (ICS 4266-89/1)

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DCI/ICS/PPO/ (9 June 1989)

STAT

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EXECUTIVE SECRETARIAT

ROUTING SLIP

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Remarks To 4: Please recommend appropriate response for DCI's signature.

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ER 89-2210

Executive Secretary

26 May 89

Date

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2627 (10-81)


Page Denied

Next 2 Page(s) In Document Denied

EXECUTIVE SECRETARIAT

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SUSPENSE

Date

Remarks D/OCA indicates no answer expected or required.

SSCI 2181 89

Executive Secretary

5 Jun-89

Date

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Page Denied

Declassified in Part - Sanitized Copy Approved for Release
2013/11/20 : CIA-RDP91B01306R001500010001-4

Date:

To: The Director

From: Norb Garrett

A response will be prepared
for your signature.

I plan to sign a response.

will prepare and sign a response.

No answer expected or required

Norb, I prefer to _____

Declassified in Part - Sanitized Copy Approved for Release
2013/11/20 : CIA-RDP91B01306R001500010001-4

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HOWARD M. METZENBAUM, OHIO	
JOHN H. GLENN, JR., OHIO	

United States Senate

SSCI 2181 89

SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, DC 20510-8475

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ROBERT DOLE, KANSAS, EX OFFICIO

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JAMES H. DYKSTRA, MINORITY STAFF DIRECTOR
L. BRITT SNIDER, GENERAL COUNSEL
KATHLEEN P. MCGHEE, CHIEF CLERK

May 18, 1989

The Honorable William H. Webster
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

Dear Judge Webster:


We are pleased to note from your letter of April 14, 1989, that the Intelligence Community is following up on the findings and recommendations made in the extensive personnel study completed by the National Academy of Public Administration.

We can appreciate that because of the far-reaching nature of the report, affected agencies would want to study it carefully. We are also encouraged that you will have a better idea of a legislative agenda by mid summer.


Since the Committee considers comprehensive intelligence personnel and compensation systems as integral to the success of effective intelligence programs, we intend to review carefully the Community-wide legislative and administrative initiatives once they have been developed.

Consequently, the Committee staff will remain in close touch with [redacted] to keep abreast of your progress and to coordinate our review process, which may include one or more hearings later this year.

STAT

Sincerely,


David L. Boren
Chairman


William S. Cohen
Vice Chairman

DCI
EXEC
REG

R-111-IR

ROUTING AND RECORD SHEET

SUBJECT: (Optional) SSCI Letter on Implementation of National Academy of Public Administration (NAPA) Report on Intelligence Civilian Personnel Systems				
FROM: William H. Webster Director of Central Intelligence			EXTENSION	NO. ICS 4228-89 & /1, /2, /3, & /4
				DATE 14 April 1989
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
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FORM 1-79 **610** USE PREVIOUS EDITIONS

R-III-IR
CR: B-405-IR

ICS 4228-89

11 April 1989

MEMORANDUM FOR: Director of Central Intelligence


VIA: Deputy Director of Central Intelligence

FROM: Lieutenant General Edward J. Heinz, USAF
Director, Intelligence Community Staff

SUBJECT: SSCI Letter on Implementation of National Academy of Public
Administration (NAPA) Report on Intelligence Civilian
Personnel Systems

1. Attached for your signature are letters responding to a Senate Select Committee on Intelligence inquiry on implementation of the recommendations contained in the NAPA Report. As the letters indicate, we believe it will be mid-summer before we finish assessing the substantive merits and legislative impact of the NAPA recommendations. Interagency groups are now studying the findings and recommendations to determine what our next steps should be.

2. There has been a great deal of interest in the NAPA Report from the SSCI as reflected recently in many of our budget hearings. We expect this interest to continue as personnel initiatives are developed by Intelligence Community agencies and vetted through the senior coordinating group.


Edward J. Heinz
Lieutenant General, USAF

STAT

Attachments:

- A. Letter to Chairman, SSCI
- B. Letter to Vice Chairman, SSCI
- C. Letter to Chairman, HPSCI
- D. Letter to Ranking Minority Member, HPSCI


STAT

SUBJECT: SSCI Letter on Implementation of National Academy of Public
Administration (NAPA) Report on Intelligence Civilian Personnel
Systems

DISTRIBUTION: (ICS 4228-89)

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- 10 - ICS Registry

DCI/ICS/PPO/ (4 April 1989)

STAT

The Director of Central Intelligence

Washington, D.C. 20505

14 April 1989

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

Dear Mr. Chairman:

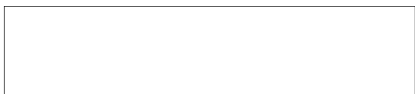
I was pleased to receive your letter asking for additional information on the Community's plans to implement the National Academy of Public Administration's (NAPA) Report on civilian personnel systems. I especially appreciate the Committee's interest in helping us follow up on NAPA's recommendations.

In your letter, you supported my proposal to establish a senior coordinating group to steer Intelligence Community actions derived from the NAPA Report. That group has already met to begin developing a realistic plan to deal with the Report's recommendations. The senior group is drawing on a set of interagency working groups to place the recommendations in priority order and identify key issues that require further study.

The working groups are also developing implementation agendas based on both the NAPA Report and initiatives proposed by individual agencies. This should ensure a thorough discussion and coordination of new policies at the working level. The senior group's main role is to provide overall guidance and make sure that the impact of personnel initiatives is understood and addressed by senior management throughout the Community. Through this process, we hope to ensure that personnel initiatives get the benefit of a Community assessment before an individual agency submits them through normal approval channels to the Oversight Committees for consideration.

In their reviews, the working groups are separating initiatives that require new legislation from those that could be implemented under existing authority. Our preliminary assessment is that in the near term there will be few requests for new legislation. The only legislative issue of immediate concern is the request by the Federal Bureau of Investigation for exemption from the position classification requirements of Title V, U.S.C. (one of NAPA's key recommendations).

It is too early to state precisely what the legislative requirements of other intelligence agencies may be. Many of NAPA's recommendations will require extensive study and staff work before firm decisions can be made. In addition, because intelligence agencies had been asked by the Committees to delay new personnel policies until the NAPA Panel completed its study, these



STAT

The Honorable David L. Boren

agencies are only now assessing initiatives and re-evaluating prior proposals in light of the NAPA Report. These circumstances make it highly unlikely that a comprehensive set of legislative proposals based on the NAPA Report will be forthcoming this fiscal year. At most, legislative action may be required only for a few proposals that have had the benefit of prior study and/or are in response to other legislative mandates. We will have a better idea of what our legislative agenda will look like by mid-summer. The working groups will then have had a chance to conclude their reviews and develop their work plans.

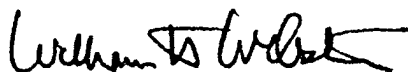
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I will forward a work plan that is less tentative than that described above as soon as it is available. In the meantime, my point of contact for this subject is [redacted] at the Intelligence Community Staff. He may be reached at [redacted] and will be happy to answer any additional questions you may have.

STAT

This same letter is being sent to the Vice Chairman, Select Committee on Intelligence. A similar response is also being sent to the Chairman and Ranking Minority Member of the House Permanent Select Committee on Intelligence.

Sincerely yours,



William H. Webster

SUBJECT: Letter to The Honorable David L. Boren

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- 11 - ICS Registry

DCI/ICS/PPO, (3 April 1989)

STAT

The Director of Central Intelligence

Washington, D.C. 20505

14 April 1989

The Honorable William S. Cohen
Vice Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Vice Chairman:

I was pleased to receive your letter asking for additional information on the Community's plans to implement the National Academy of Public Administration's (NAPA) Report on civilian personnel systems. I especially appreciate the Committee's interest in helping us follow up on NAPA's recommendations.

In your letter, you supported my proposal to establish a senior coordinating group to steer Intelligence Community actions derived from the NAPA Report. That group has already met to begin developing a realistic plan to deal with the Report's recommendations. The senior group is drawing on a set of interagency working groups to place the recommendations in priority order and identify key issues that require further study.

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The Honorable William S. Cohen

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Sincerely yours,



William H. Webster

SUBJECT: Letter to The Honorable William S. Cohen

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- 11 - ICS Registry

DCI/ICS/PPO, (3 April 1989)

STAT

The Director of Central Intelligence

Washington, D.C. 20505

14 April 1989

The Honorable Anthony C. Beilenson
Chairman
Permanent Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I received a letter from the Chairman and Vice Chairman of the Senate Select Committee on Intelligence (SSCI) asking for additional information on the Community's plans to implement the National Academy of Public Administration's (NAPA) Report on civilian personnel systems. Since you received a copy of that letter, I am sharing my response with you.

The SSCI letter supported my proposal to establish a senior coordinating group to steer Intelligence Community actions derived from the NAPA Report. That group has already met to begin developing a realistic plan to deal with the Report's recommendations. The senior group is drawing on a set of interagency working groups to place the recommendations in priority order and identify key issues that require further study.

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STAT

The Honorable Anthony C. Beilenson

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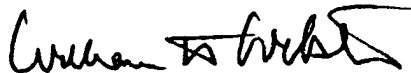
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Sincerely yours,



William H. Webster

SUBJECT: Letter to The Honorable Anthony C. Beilenson

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- 11 - ICS Registry

DCI/ICS/PPO/ (3 April 1989)

STAT

The Director of Central Intelligence

Washington, D.C. 20505

14 April 1989

The Honorable Henry J. Hyde
Ranking Minority Member
Permanent Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

Dear Mr. Hyde:

I received a letter from the Chairman and Vice Chairman of the Senate Select Committee on Intelligence (SSCI) asking for additional information on the Community's plans to implement the National Academy of Public Administration's (NAPA) Report on civilian personnel systems. Since you received a copy of that letter, I am sharing my response with you.

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Mr. Henry J. Hyde

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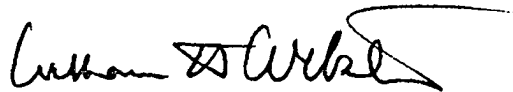
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STAT

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Sincerely yours,



William H. Webster

SUBJECT: Letter to Mr. Henry H. Hyde

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DCI/ICS/PPO/ (3 April 1989)

STAT

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SUSPENSE 5 Apr 89
Date

Remarks To # 4: Please have response prepared for DCI signature.

[Signature]
 Executive Secretary
22 Mar 89
Date

STAT

ER 89-1231

DAVID L. BOREN, OKLAHOMA, CHAIRMAN
WILLIAM S. COHEN, MAINE, VICE CHAIRMAN

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ERNEST F. HOLLINGS, SOUTH CAROLINA	FRANK MURKOWSKI, ALASKA
BILL BRADLEY, NEW JERSEY	ARLEN SPECTER, PENNSYLVANIA
ALAN CRANSTON, CALIFORNIA	JOHN WARNER, VIRGINIA
DENNIS DECONCINI, ARIZONA	ALFONSE M. D'AMATO, NEW YORK
HOWARD M. METZENBAUM, OHIO	JOHN C. DANFORTH, MISSOURI
JOHN H. GLENN, JR., OHIO	

United States Senate

SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, DC 20510-6475#89-0992
w/#89-0258GEORGE MITCHELL, MAINE, EX OFFICIO
ROBERT DOLE, KANSAS, EX OFFICIOGEORGE J. TENET, STAFF DIRECTOR
JAMES H. DYKSTRA, MINORITY STAFF DIRECTOR
L. BRITT SNIDER, GENERAL COUNSEL
KATHLEEN P. MCGHEE, CHIEF CLERK

March 15, 1989

The Honorable William H. Webster
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

Dear Judge Webster:

We have received your letter of 18 January 1989, transmitting ~~the recently published report entitled "The Intelligence Workforce of the 1990s: A Review of Personnel and Compensation Systems To Meet Current and Future Missions," prepared by the National Association of Public Administration (NAPA) at the direction of the two intelligence committees.~~ As you acknowledge, the report contains a number of significant recommendations aimed at improving the recruitment and retention of qualified civilian personnel by agencies within the Intelligence Community. Some of these recommendations could be implemented pursuant to the existing legal authority; others would require new legislation.

We were pleased that your letter indicates an intent to follow up on these recommendations in a systematic and aggressive manner. Indeed, we are prepared to work with you and your staff to accomplish this. In this regard, ~~we believe that it is important to set in motion as soon as possible the courses of action suggested in your letter. First, the Intelligence Community, under your direction, should develop proposed legislation necessary to implement those recommendations of the NAPA report that you believe would be desirable. Second, you should identify for us those recommendations which could be accomplished within the existing legal authority of Intelligence Community agencies, and which you, as DCI, believe should be implemented, and how, in your judgment, this should be achieved.~~

We recognize that both tasks require careful and thorough coordination not only within the Intelligence Community but with the Office of Personnel Management and the Office of Management and Budget as well. In this regard, we

R-111-IR

DCI
EXEC
REG

The Honorable William H. Webster
March 15, 1989
Page Two

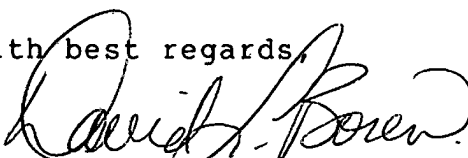
~~support the establishment of a Senior Coordinating Group,~~
recommended by the NAPA study and endorsed in your letter, to
coordinate Intelligence Community actions.

~~To give some shape to this process, we would appreciate~~
~~your providing us by the May 1 with a proposed schedule,~~
setting forth milestones when the Committee can expect to
receive the Community's legislative proposal and when it will
be notified of the actions being taken pursuant to existing
legislative authority to implement the NAPA study. We would
also appreciate your ~~naming a single point of contact~~ to work
with us on this effort. In the meantime, any questions which
may arise with regard to this request should be directed to
Charles Battaglia or Britt Snider of the Committee staff.

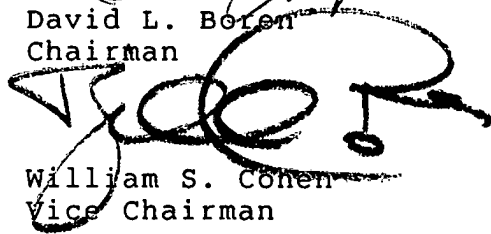
As you acknowledge in your letter, given the long-term
significance of the NAPA proposals to the personnel needs of
the Intelligence Community, it behooves us to work closely
together in addressing these proposals. You are quite
correct that the NAPA study provides an opportunity to
address these issues which should not be lost in the press of
other business.

A copy of this letter is being provided to the Chairman
and ranking Republican of the House Permanent Select
Committee on Intelligence.

With best regards,



David L. Boren
Chairman



William S. Cohen
Vice Chairman

SECRET

The Director of Central Intelligence

Washington, D.C. 20505

18 January 1989

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

Dear Mr. Chairman:

In accordance with the Intelligence Authorization Act of 1988, I am pleased to transmit the enclosed National Academy of Public Administration (NAPA) Report on civilian personnel systems within the Intelligence Community. NAPA has conducted an extensive examination of the various human-resource management systems employed by the elements of the Intelligence Community, and has produced a comprehensive, insightful Report analyzing the major personnel issues that confront the Intelligence Community. Skilled and highly motivated intelligence personnel are the cornerstone of effective intelligence support; implementing the recommendations contained in the NAPA Report would go a long way toward helping the Community attract and retain talented personnel, particularly in an environment of fiscal restraint.

25X1

The NAPA Report has embraced several concepts which are important to the Intelligence Community. NAPA acknowledges that intelligence organizations and activities, while part of a larger Community, are quite different from each other and require diverse--rather than uniform--personnel treatment. NAPA support for such tailored human-resource management parallels that of the Office of Personnel Management, which advocates greater decentralization of personnel policies throughout the federal government. Finally, NAPA endorses completely the need for flexibility in human-resource policies in order to attract and maintain effective staffs, given the unique requirements and conditions found in intelligence work.

25X1

Although the NAPA Report contains a number of recommendations, there are a few whose implementation, I believe, is critical. First, I strongly endorse NAPA's recommendation that all intelligence agencies be given the authority, similar to that of CIA, to select, appoint, and compensate staff in order to attract and retain a high-quality work force. The Report shows that the flexibility in human-resource management policies provided by such authority is essential to meet the intelligence challenges we face. More importantly, it notes that the lack of such flexibility has hindered the efforts of some intelligence agencies in building an effective work force. Clearly, we in the Intelligence Community face personnel problems that differ significantly from those faced by other federal agencies. These will be made even more difficult by the ominous demographic trends and the increasing technical and operational demands being made on the Community. In order to carry out our unique mission effectively, these expanded personnel authorities are critical.

25X1

25X1

SECRET

The Honorable David Boren

Second, I support NAPA's finding that the Intelligence Community can do more to share its best thinking on the subject of human-resource management and endorse the concept of the Senior Coordinating Group. While informal interagency cooperation on issues such as training, recruitment, career development, and compensation policies already exists, a more formal approach would enhance the effectiveness of these activities within the Intelligence Community and lead to better understanding in the Intelligence Oversight Committees. Better communication and understanding of human-resource management initiatives, proposed by individual intelligence agencies, vetted through a group such as the Senior Coordinating Group, would benefit all concerned.

25X1

Third, I strongly endorse NAPA's recommendations concerning the need for the intelligence agencies to make a greater effort to recruit and retain a diverse work force. As you know, I have pledged my personal commitment to working with the senior members of the Intelligence Community to make as much progress as possible in attracting and advancing minority members of our society.

25X1

Finally, several of the intelligence agencies have delayed implementing or proposing new personnel initiatives pending the completion of the NAPA study; i.e., NSA's flexible pay and bonus proposal and CIA's flexible benefits program. In their Report, NAPA has endorsed the implementation of both initiatives. Given their support, I see no reason to further delay these or other similar proposals and will suggest that representatives from these agencies meet with your staff to discuss implementation as soon as possible.

25X1

I am sure you will agree that the NAPA Report presents both the Intelligence Community and the Oversight Committees with the opportunity to make a significant improvement to the capabilities and quality of national intelligence. Our next step will be to identify and, where appropriate, prepare legislative proposals that will be needed to implement NAPA's recommendations. I look forward to working with you and your staff on the issues and recommendations discussed in the Report, and am confident that together we can take the necessary steps to replace rigid and obsolete personnel management practices with modern and more effective systems.

25X1

A copy of this Report has also been forwarded to the Chairman, Permanent Select Committee on Intelligence.

25X1

Sincerely yours,



William H. Webster

Enclosure :
As Stated

SECRET

SUBJECT: NAPA Report Transmittal to Chairman, SSCI

DISTRIBUTION: (ICS 4203-89)

- Copy 1 - Chairman, SSCI
- 2 - DCI
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- 4 - D/OCA
- 5 - C/LL
- 6 - D/PPO
- 7 - PPO Subject
- 8 - PPO Chrono
- 9 - ICS Registry

DCI/ICS/PPO/E (15 December 1988)

STAT

SECPET

ROUTING AND RECORD SHEET

SUBJECT: (Optional) National Academy of Public Administration (NAPA) Report on Intelligence Civilian Personnel Systems

FROM:
Director, Planning and Policy Office

EXTENSION

NO. ICS 4204-89

DATE 12 January 1989

TO: (Officer designation, room number, and building)

DATE

RECEIVED FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

TO:	DATE		OFFICER'S INITIALS	COMMENTS
	RECEIVED	FORWARDED		
1. EO/ICS	9 JAN 1989	9		1, For Coordination
2. DDR&E/ICS		9/2		2. For Coordination
3. DD/ICS	16/1/89			3. For Coordination
4. LL/ICS	10/1/89			
5. John Helgerson D/OCA	10 JAN 1989			5. For Coordination
6. D/ICS	11 JAN 1989	11 JA		6. For Signature
7. ICS/PPO 	1/11/89	1/12/89		
8. Executive Registry				
9. DDCI				9. For Coordination
10. DCI				10. For Signature
1. ICS/PPO, Rm 3S01, 				11, Return for Hand Carry to Hill
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				STAT
				STAT
				STAT

STAT

25X1

R-111-IR

ICS 4204-89

11 January 1989

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: Lieutenant General Edward J. Heinz, USAF
Director, Intelligence Community Staff

SUBJECT: National Academy of Public Administration (NAPA) Report
on Intelligence Civilian Personnel Systems

1. Attached for your signature are letters transmitting the final NAPA Report to the Chairmen of the Senate Select and House Permanent Select Committees on Intelligence. The Report was required by the Fiscal Year 1988 Intelligence Authorization Act and is due to the Congress by 23 January 1989.

[Redacted]

25X1

2. The transmittal letters indicate your broad agreement with the Report and emphasize your endorsement of certain critical recommendations that address management flexibility, Community coordination of personnel issues, and equal opportunity.

[Redacted]

25X1

3. A typescript of the Report is also attached for your information. There are only a few minor differences between the typescript and the draft sent to you for review last month. After we receive the transmittal letters with your signature, we will attach printing-plant quality copies of the Report and deliver them to the Congress.

[Redacted]

25X1

[Handwritten Signature]

[Redacted]

Edward J. HEINZ
Lieutenant General, USAF

STAT

Attachments:

- A. Letters for Signature
- B. Final NAPA Report

[Redacted]

25X1

SECRET

SUBJECT: National Academy of Public Administration (NAPA) Report on
Intelligence Civilian Personnel Systems

DISTRIBUTION: (ICS 4204-89)

- Copy 1 - DCI
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- 7 - PPO Subject
- 8 - PPO Chrono
- 9 - ICS Registry

DCI/ICS/PPO



(9 January 1989)

STAT

SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional) National Academy of Public Administration Implementation Study Group

FROM: [Redacted] **EXTENSION NO.** OP-89-0252
[Redacted] Acting Director of Personnel **DATE** 28 FEB 1989

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
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TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS
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1. Executive Registry 7E12, Hqs.	28 FEB 1989		
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3. <i>for</i> Executive Director	01 MAR 1989		
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R-111-IR

OP-89-0252

02 MAR 1989

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology

FROM: Executive Director

SUBJECT: National Academy of Public Administration
Implementation Study Group

1. As you are aware, the National Academy of Public Administration (NAPA) recently completed its review of the Intelligence Community's Personnel and Compensation systems, and a copy of the final report has been sent to each of you. I would like to convene a panel of senior Agency officers to study the NAPA report and make recommendations as to issues that the Agency should pursue. We have held in abeyance several Agency proposals pending completion of the NAPA study. We also have several recently implemented programs which require review and decision as to whether they should continue.

2. I am asking each of you to appoint an SIS officer to serve as your Directorate representative to the NAPA Implementation Study Group. It is my intention to have [redacted] Deputy Director of Personnel for Compensation, Automation, and Planning, as chairperson of the Group. Please advise him of your representative on extension [redacted]

[redacted]
James H. Taylor

STAT

STAT

STAT

ROUTING AND RECORD SHEET				
SUBJECT: (Optional) Response to NAPA Panel Chairman on NAPA Report Transmittal (U)				
FROM: Lt Gen Edward J. Heinz, USAF Director, Intelligence Community Staff		EXTENSION	NO. ICS 4208-89/1	
			DATE 15 February 1989	
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
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R-111-JR


ICS 4208-89/1

8 February 1989

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence-Designate
FROM: Lieutenant General Edward J. Heinz, USAF
Director, Intelligence Community Staff
SUBJECT: Response to NAPA Panel Chairman on NAPA Report
Transmittal

~~1. Request you sign the attached letter (Attachment A) to Philip Odeen, Panel Chairman for the National Academy of Public Administration (NAPA).~~

~~2. Per your request, we have revised the letter to NAPA regarding the completion of its study of civilian personnel management systems in the Intelligence Community.~~ The letter expresses your appreciation and support for the NAPA Panel's efforts but omits the detailed discussion of the Report's conclusions and recommendations. The cover letter that accompanied the final Report is at Attachment B.


Edward J. Heinz
Lieutenant General, USAF

STAT

Attachments:

- A. Letter for Signature
- B. Letter from Philip Odeen


STAT

SUBJECT: Response to NAPA Panel Chairman on NAPA Report Transmittal (U)

DISTRIBUTION: (ICS 4208-89/1)

- Copy 1 - DCI
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- 5 - D/PPO
- 6 - PPO Subject
- 7 - PPO Chrono
- 8 - ICS Registry

STAT

DCI/ICS/PPO, (25 January 1989)

STAT

The Director of Central Intelligence

Washington, D.C. 20505

15 February 1989

Mr. Philip A. Odeen
Regional Managing Partner
Coopers and Lybrand
1800 M Street, N.W.
Washington, D.C. 20036

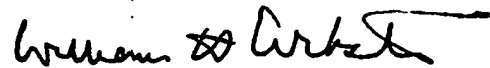
Dear Mr. Odeen:

I would like to express my congratulations to the National Academy of Public Administration (NAPA) Panel, and my appreciation to you as their Chairman, for producing a comprehensive and insightful study on the personnel systems employed by agencies in the Intelligence Community. As you may know, I believe skilled and highly motivated personnel are the cornerstone of effective intelligence support to our national security policies. The NAPA Report is a timely analysis of how our personnel management policies and authorities affect our ability to attract and retain talented intelligence personnel.

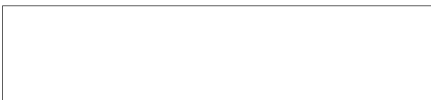
The NAPA Report contains a number of conclusions and recommendations, which will be of benefit to the Intelligence Community. I particularly endorse NAPA's recommendation for the intelligence agencies to be given flexible personnel authorities, similar to those available to the CIA, to create and manage a work force compatible with the unique requirements and conditions found in intelligence work. The NAPA Report clearly shows how the lack of such flexibility has hindered the ability of some organizations to compete successfully for personnel with skills critical to their mission.

Under your leadership, the NAPA Staff and the NAPA Panel have made a great contribution to the Intelligence Community. Again, I commend the efforts of all involved and look forward to the improvements we will see in our personnel management practices as a result of your work.

Sincerely yours,



William H. Webster



STAT

SUBJECT: Letter to Philip Odeen

DISTRIBUTION: (ICS 4208-89)

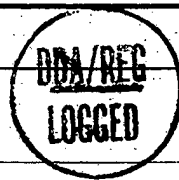
- Copy 1 - Philip Odeen
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- 3 - DDCI-Designate
- 4 - Executive Registry
- 5 - D/ICS
- 6 - D/PPO
- 7 - PPO Subject
- 8 - PPO Chrono
- 9 - ICS Registry

STAT

DCI/ICS/PPO, (24 January 1989)

STAT

ROUTING AND RECORD SHEET



SUBJECT: (Optional) NAPA Implementation Study Group

FROM: Royal E. Elmendorf
Director of Personnel

EXTENSION NO. OP-89-0207

DATE JAN 31 1989

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS: (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED FORWARDED

1. DDA
7D24, Hqs.

2 FEB 1989

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3. Executive Registry
7E12, Hqs.

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R-111-11

OP 89-0207

ROUTING AND TRANSMITTAL SLIP		Date
		1 Feb 1989
TO: (Name, office symbol, room number, building, Agency/Post)		Initials Date
1. EXA		1 FEB 1989
2. ADDA		0 1 FEB 1989
3. DDA		2 FEB 1989
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Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

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REMARKS

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DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

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	Phone No.

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OPTIONAL FORM 41 (Rev. 7-76)
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 FPMR (41 CFR) 101-11.208

OP-89-0207



JAN 31 1989

MEMORANDUM FOR: Executive Director

VIA: Deputy Director for Administration

FROM: Royal E. Elmendorf
Director of Personnel

SUBJECT: NAPA Implementation Study Group

1. ACTION REQUESTED: It is requested that you establish a study group to review the report completed by the National Academy of Public Administration (NAPA) and determine how the Agency should proceed in light of report recommendations.

2. BACKGROUND: NAPA has now completed its review of the Intelligence Community's personnel systems and has forwarded its report to the Director of Central Intelligence for study and submission to our Congressional committees on 20 January 1989. I believe that it would be appropriate at this point to convene a panel of senior Agency officers to study the NAPA report and make recommendations as to issues that we should pursue. As you might be aware, we have held in abeyance several Agency proposals, such as a Retirement Transition Program, liberalized overseas premium pay various bonuses and alternative pay scales, pending completion of the NAPA study.

3. RECOMMENDATION: I recommend that you request each Deputy Director and the DCI area to appoint a representative to the NAPA Implementation Study Group. It is my intention to have [redacted] Deputy Director of Personnel for Compensation, Automation, and Planning serve as chairperson of the Group. If you agree, we would like to schedule our first meeting in February.

STAT

[Redacted signature box]

STAT

Royal E. Elmendorf

CONCUR:

[Redacted signature box]

Executive Director

STAT

13 FEB 1989

Date

SUBJECT: NAPA Implementation Study Group

Distribution:

Original - Addressee

2 - DDA

1 - D/OP

2 - DD/CAP

DD/CAP/OP,

STAT

SECRET

OP-89-0243

FEB 8 1989

MEMORANDUM FOR: See Distribution

FROM: Royal E. Elmendorf
Director of Personnel

SUBJECT: National Academy of Public Administration Final Report

Attached is the National Academy of Public Administration's final report on personnel and compensation systems in the Intelligence Community (IC). This copy is for your review and retention. Copies have been forwarded to the HPSCI and SSCI by the IC Staff, and we anticipate hearings on the report sometime within the next several months. You will be kept apprised of future developments resulting from report recommendations.

[Redacted Signature Box]

Royal E. Elmendorf

STAT

[Redacted Box]

25X1

R-11-R
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REG

[Redacted Box]

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Page Denied

Central Intelligence Agency
Washington, D.C. 20505

Executive Director

30 January 1989

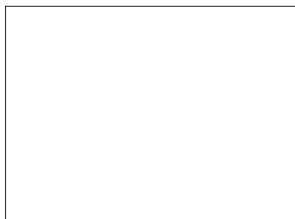
NOTE FOR: DDCI-Designate

SUBJECT: Response to NAPA Panel Chairman

Dick:

This is too supportive and too long in
my view. Couldn't we just thank him for a job well
done?

STAT



✓ James H. Taylor

Att:

ICS 4208-89/1

Page Denied

ICS 4208-89/1
26 January 1989

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence-Designate
FROM: Lieutenant General Edward J. Heinz, USAF
Director, Intelligence Community Staff
SUBJECT: Response to NAPA Panel Chairman on NAPA Report
Transmittal

STAT
25X1

1. Request you sign the attached letter (Attachment A) to Philip Odeen, Panel Chairman for the National Academy of Public Administration (NAPA).

25X1

2. In accordance with the Intelligence Authorization Act for FY 1988, NAPA has completed its study of civilian personnel management systems in the Intelligence Community. The attached letter for your signature responds to the cover letter that accompanied the final Report (Attachment B) and expresses your appreciation and support for the NAPA Panel's efforts.

25X1

3. The Chairmen of the HPSCI and SSCI received the NAPA Report on 23 January 1989. We have not yet had any feedback from the Oversight Committees regarding the Report.

25X1



Edward J. Heinz
Lieutenant General, USAF

Attachments:

- A. Letter for Signature
- B. Letter from Philip Odeen

25X1

SUBJECT: Response to NAPA Panel Chairman on NAPA Report Transmittal STAT

DISTRIBUTION: (ICS 4208-89/1)

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STAT

DCI/ICS/PPO (25 January 1989)

STAT

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National Academy of Public Administration
Chartered by Congress

January 19, 1989

B

The Honorable William H. Webster
Director of Central Intelligence

Dear Mr. Webster:

On behalf of the Academy panel which reviewed the intelligence agencies' personnel systems, I submit to you *The Intelligence Workforce for the 1990s: A Review of Personnel and Compensation Systems to Meet Current and Future Missions.*

This report fulfills the requirement, contained in Title VII of the Intelligence Authorization Act for Fiscal Year 1988, that the Academy undertake a comprehensive review and comparative analysis of all personnel management and compensation systems affecting civilian personnel of agencies and entities in the Intelligence Community.

The panel and its project staff appreciate the continual cooperation of the many staff throughout the Community who provided information during the study. Their assistance enabled us to complete a thorough study within the time frames mandated by Congress.

Sincerely,

Philip A. Odeen
Panel Chair

ROUTING AND RECORD SHEET				
SUBJECT: (Optional) National Academy of Public Administration (NAPA) Report on Intelligence Civilian Personnel Systems				
FROM: Lieutenant General Edward J. Heinz, USAF Director, Intelligence Community Staff		EXTENSION	NO. ICS 4204-89	
			DATE 11 January 1989	
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
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FORM 1-79 **610** USE PREVIOUS EDITIONS

R-111-1R

SECRET

ICS 4204-89

11 January 1989

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: Lieutenant General Edward J. Heinz, USAF
Director, Intelligence Community Staff

SUBJECT: National Academy of Public Administration (NAPA) Report
on Intelligence Civilian Personnel Systems

1. Attached for your signature are letters transmitting the final NAPA Report to the Chairmen of the Senate Select and House Permanent Select Committees on Intelligence. The Report was required by the Fiscal Year 1988 Intelligence Authorization Act and is due to the Congress by 23 January 1989.

[Redacted]

25X1

2. The transmittal letters indicate your broad agreement with the Report and emphasize your endorsement of certain critical recommendations that address management flexibility, Community coordination of personnel issues, and equal opportunity.

[Redacted]

25X1

3. A typescript of the Report is also attached for your information. There are only a few minor differences between the typescript and the draft sent to you for review last month. After we receive the transmittal letters with your signature, we will attach printing-plant quality copies of the Report and deliver them to the Congress.

[Redacted]

25X1

[Redacted Signature]

STAT

Edward J. Heinz
Lieutenant General, USAF

Attachments:

- A. Letters for Signature
- B. Final NAPA Report

[Redacted]

25X1

SECRET

SECRET

SUBJECT: National Academy of Public Administration (NAPA) Report on
Intelligence Civilian Personnel Systems

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- 9 - ICS Registry

DCI/ICS/PPO (9 January 1989)

STAT

SECRET

SECRET

The Director of Central Intelligence

Washington, D.C. 20505

18 January 1989

The Honorable Anthony C. Beilenson, Chairman
Permanent Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In accordance with the Intelligence Authorization Act of 1988, I am pleased to transmit the enclosed National Academy of Public Administration (NAPA) Report on civilian personnel systems within the Intelligence Community. NAPA has conducted an extensive examination of the various human-resource management systems employed by the elements of the Intelligence Community, and has produced a comprehensive, insightful Report analyzing the major personnel issues that confront the Intelligence Community. Skilled and highly motivated intelligence personnel are the cornerstone of effective intelligence support; implementing the recommendations contained in the NAPA Report would go a long way toward helping the Community attract and retain talented personnel, particularly in an environment of fiscal restraint.

25X1

The NAPA Report has embraced several concepts which are important to the Intelligence Community. NAPA acknowledges that intelligence organizations and activities, while part of a larger Community, are quite different from each other and require diverse--rather than uniform--personnel treatment. NAPA support for such tailored human-resource management parallels that of the Office of Personnel Management, which advocates greater decentralization of personnel policies throughout the federal government. Finally, NAPA endorses completely the need for flexibility in human-resource policies in order to attract and maintain effective staffs, given the unique requirements and conditions found in intelligence work.

25X1

Although the NAPA Report contains a number of recommendations, there are a few whose implementation, I believe, is critical. First, I strongly endorse NAPA's recommendation that all intelligence agencies be given the authority, similar to that of CIA, to select, appoint, and compensate staff in order to attract and retain a high-quality work force. The Report shows that the flexibility in human-resource management policies provided by such authority is essential to meet the intelligence challenges we face. More importantly, it notes that the lack of such flexibility has hindered the efforts of some intelligence agencies in building an effective work force. Clearly, we in the Intelligence Community face personnel problems that differ significantly from those faced by other federal agencies. These will be made even more difficult by the ominous demographic trends and the increasing technical and operational demands being made on the Community. In order to carry out our unique mission effectively, these expanded personnel authorities are critical.

25X1



25X1

SECRET

The Honorable Anthony C. Beilenson

Second, I support NAPA's finding that the Intelligence Community can do more to share its best thinking on the subject of human-resource management and endorse the concept of the Senior Coordinating Group. While informal interagency cooperation on issues such as training, recruitment, career development, and compensation policies already exists, a more formal approach would enhance the effectiveness of these activities within the Intelligence Community and lead to better understanding in the Intelligence Oversight Committees. Better communication and understanding of human-resource management initiatives, proposed by individual intelligence agencies, vetted through a group such as the Senior Coordinating Group, would benefit all concerned. [redacted]

25X1

Third, I strongly endorse NAPA's recommendations concerning the need for the intelligence agencies to make a greater effort to recruit and retain a diverse work force. As you know, I have pledged my personal commitment to working with the senior members of the Intelligence Community to make as much progress as possible in attracting and advancing minority members of our society. [redacted]

25X1

Finally, several of the intelligence agencies have delayed implementing or proposing new personnel initiatives pending the completion of the NAPA study; i.e., NSA's flexible pay and bonus proposal and CIA's flexible benefits program. In their Report, NAPA has endorsed the implementation of both initiatives. Given their support, I see no reason to further delay these or other similar proposals and will suggest that representatives from these agencies meet with your staff to discuss implementation as soon as possible. [redacted]

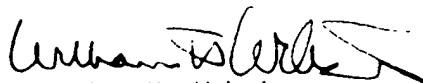
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I am sure you will agree that the NAPA Report presents both the Intelligence Community and the Oversight Committees with the opportunity to make a significant improvement to the capabilities and quality of national intelligence. Our next step will be to identify and, where appropriate, prepare legislative proposals that will be needed to implement NAPA's recommendations. I look forward to working with you and your staff on the issues and recommendations discussed in the Report, and am confident that together we can take the necessary steps to replace rigid and obsolete personnel management practices with modern and more effective systems. (U)

A copy of the Report is also being sent to the Chairman, Senate Select Committee on Intelligence. [redacted]

25X1

Sincerely yours,


William H. Webster

Enclosure
As Stated

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The Director of Central Intelligence

Washington, D.C. 20505

18 January 1989

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

Dear Mr. Chairman:

In accordance with the Intelligence Authorization Act of 1988, I am pleased to transmit the enclosed National Academy of Public Administration (NAPA) Report on civilian personnel systems within the Intelligence Community. NAPA has conducted an extensive examination of the various human-resource management systems employed by the elements of the Intelligence Community, and has produced a comprehensive, insightful Report analyzing the major personnel issues that confront the Intelligence Community. Skilled and highly motivated intelligence personnel are the cornerstone of effective intelligence support; implementing the recommendations contained in the NAPA Report would go a long way toward helping the Community attract and retain talented personnel, particularly in an environment of fiscal restraint.

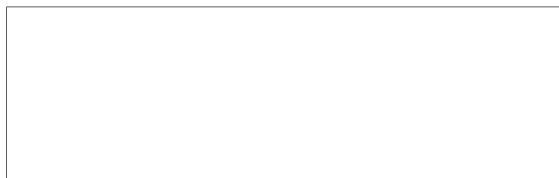
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The NAPA Report has embraced several concepts which are important to the Intelligence Community. NAPA acknowledges that intelligence organizations and activities, while part of a larger Community, are quite different from each other and require diverse--rather than uniform--personnel treatment. NAPA support for such tailored human-resource management parallels that of the Office of Personnel Management, which advocates greater decentralization of personnel policies throughout the federal government. Finally, NAPA endorses completely the need for flexibility in human-resource policies in order to attract and maintain effective staffs, given the unique requirements and conditions found in intelligence work.

25X1

Although the NAPA Report contains a number of recommendations, there are a few whose implementation, I believe, is critical. First, I strongly endorse NAPA's recommendation that all intelligence agencies be given the authority, similar to that of CIA, to select, appoint, and compensate staff in order to attract and retain a high-quality work force. The Report shows that the flexibility in human-resource management policies provided by such authority is essential to meet the intelligence challenges we face. More importantly, it notes that the lack of such flexibility has hindered the efforts of some intelligence agencies in building an effective work force. Clearly, we in the Intelligence Community face personnel problems that differ significantly from those faced by other federal agencies. These will be made even more difficult by the ominous demographic trends and the increasing technical and operational demands being made on the Community. In order to carry out our unique mission effectively, these expanded personnel authorities are critical.

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SECRET

The Honorable David Boren

Second, I support NAPA's finding that the Intelligence Community can do more to share its best thinking on the subject of human-resource management and endorse the concept of the Senior Coordinating Group. While informal interagency cooperation on issues such as training, recruitment, career development, and compensation policies already exists, a more formal approach would enhance the effectiveness of these activities within the Intelligence Community and lead to better understanding in the Intelligence Oversight Committees. Better communication and understanding of human-resource management initiatives, proposed by individual intelligence agencies, vetted through a group such as the Senior Coordinating Group, would benefit all concerned.

25X1

Third, I strongly endorse NAPA's recommendations concerning the need for the intelligence agencies to make a greater effort to recruit and retain a diverse work force. As you know, I have pledged my personal commitment to working with the senior members of the Intelligence Community to make as much progress as possible in attracting and advancing minority members of our society.

25X1

Finally, several of the intelligence agencies have delayed implementing or proposing new personnel initiatives pending the completion of the NAPA study; i.e., NSA's flexible pay and bonus proposal and CIA's flexible benefits program. In their Report, NAPA has endorsed the implementation of both initiatives. Given their support, I see no reason to further delay these or other similar proposals and will suggest that representatives from these agencies meet with your staff to discuss implementation as soon as possible.

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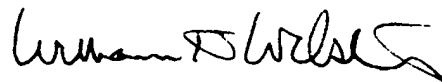
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Sincerely yours,



William H. Webster

Enclosure
As Stated

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DCI/ICS/PPO, (15 December 1988)

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National Academy of Public Administration

**THE INTELLIGENCE WORKFORCE
FOR THE 1990s: A REVIEW OF
PERSONNEL AND COMPENSATION
SYSTEMS TO MEET CURRENT AND
FUTURE MISSIONS**

VOLUME I

Panel Members

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

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The National Academy of Public Administration

The National Academy was formed in 1967 as a nonpartisan, collegial society to advance the effectiveness of government at all levels through sound management and counsel on the practical implications of public policy. In its extensive work program, the Academy has conducted studies or performed services for state and local governments, the judiciary and Congress, and nearly every major department and agency in the executive branch.

Academy members are elected by their peers and consist of practitioners and scholars of public administration, notably present and former members of Congress, cabinet officers, state government executives, city and county managers and mayors, and business and independent sector leaders with significant public service experience.

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National Academy of Public Administration

**The Intelligence Workforce for the 1990s:
A Review of Personnel and Compensation Systems
to Meet Current and Future Missions**

VOLUME I

Panel Members

Philip A. Odeen, Chair

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James Y. Sweet, Research Associate

Preface

As required in the Intelligence Authorization Act for Fiscal Year 1988, the National Academy of Public Administration is submitting to Congress the final report on its study of the Intelligence Community's personnel systems.

The study was led by an Academy panel of senior executives with experience in national security and managing large organizations.

The objective is to provide the congressional intelligence committees with findings and recommendations to help them and the Intelligence Community improve human resources management. This analysis is timely as these agencies prepare to fulfill their complex missions in the face of a changing workforce and increased private sector competition for talented people.

Throughout the study, the panel and its project staff received the cooperation and assistance of many men and women within the Intelligence Community, and the Academy appreciates their support.

Ray Kline
President

VOLUME ONE

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EXECUTIVE SUMMARY

In the 1988 Intelligence Authorization Act, Congress directed that the National Academy of Public Administration (NAPA) perform a comprehensive review and comparative analysis of the civilian personnel management and compensation systems of agencies in the Intelligence Community (IC). In requiring this study, Congress emphasized the importance to national security of effective human resource management (HRM) within elements of the Intelligence Community (hereafter referred to as the "intelligence agencies") and further highlighted its recognition of the many unique aspects of the intelligence work environment.

The breadth and complexity of global issues with major national security implications have grown in the past decade. Issues such as arms control verification, narcotics traffic, terrorism and international capital flows are now high on the agenda of U.S. policy makers, resulting in a demand for new types of intelligence. Changes in intelligence collection techniques over the past 20 years have dictated new and highly technical skills. At the same time, the intelligence agencies had to accommodate large fluctuations in staffing levels. Substantial reductions between 1969 - 1979 were followed by major rebuilding in the 1980s. The U.S. intelligence agencies have responded well to these challenges and in most cases have maintained and further developed a multi-skilled, technologically adept workforce.

As the intelligence agencies approach the 1990s, neither they nor the NAPA panel expect growth rates as in the 1980s. Instead, staffing levels will probably hold steady or be reduced. The U.S. labor force will also grow at a slower rate, and the number of young people entering the workforce will decline relatively and absolutely. While this might imply that the Intelligence Community will not be disadvantaged by the diminishing supply of entry-level workers, this is not the case. In fact, at the same time that jobs are requiring higher levels of math, science and literacy than ever before, employers are becoming increasingly dependent on workers who often receive the poorest education. The prognosis for a match between the increasing skill demands of the intelligence agencies and the crop of future workers is poor. Given the challenge posed by these labor force projections, the intelligence agencies must develop even more resourceful and innovative responses to ensure continued ability to staff positions with the required skill mix.

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Flexible Authorities Make the Difference

The intelligence agencies with the most flexible appointment and compensation authorities -- CIA, NSA and, beginning in 1984, DIA -- demonstrated the greatest ability to recruit and retain a quality workforce in the 1980s, a time of rapid agency growth coupled with extensive marketplace competition for skills most crucial to intelligence agency needs. The panel believes flexibility is fundamental to the ability of the intelligence agencies to successfully carry out their unique missions, and urges that Congress continue to provide authorities that permit flexible personnel policies.

To further equip the intelligence agencies to meet the workforce challenges of the coming decade, the panel recommends that Congress grant additional personnel authorities.

- All intelligence agencies should have the authority, similar to that of CIA, to select, appoint and compensate staff such that they can attract and retain a high quality workforce. The panel does not believe the Department of State needs additional authorities, but rather must create incentives to make service in its Bureau of Intelligence and Research more career-enhancing for foreign service officers.
- In the case of the FBI, whose employees move in and out of counterintelligence work, these authorities should be extended to the entire bureau.
- Compensation authorities should be broad enough to permit the intelligence agencies to establish and pay domestic local pay premiums for those employees who are moved at the order of the government. The panel cites the approval of a recent demonstration project for the FBI in the metropolitan New York area as an example of what can be done in an extreme situation.
- NSA should be granted authority to test its proposed revised compensation systems. Within these proposals, the panel endorses recruitment, performance and relocation bonuses, but not retention bonuses for individuals.
- The director of central intelligence should be permitted to bring all intelligence agencies' overseas allowances and benefits into alignment with those the secretary of state establishes on behalf of U.S. government civilian employees overseas.

- The intelligence agencies should be granted exemptions from those portions of the Government Employees Training Act that restrict certain expenditures for external training, particularly those for attaining a degree. Should a government-wide exemption not be proposed early in the 101st Congress, the agencies should seek a presidential exemption, as permitted in Title 5, U.S.C., section 4102.
- The head of each intelligence agency should be authorized to issue dual compensation waivers for a limited number of individuals who possess specific skill needs.
- Heads of IC agencies should be authorized to approve early optional retirement when it is necessary to reduce strengths or when overages occur in specific occupational skills.
- The panel believes employees in the IC agencies should be able to transfer from an excepted or exempt personnel system to the competitive Civil Service. The panel recommends that the IC staff examine the research done to date on this issue and develop a proposal to advance it.

The military department intelligence components have received authority to implement additional authorities, similar to those granted DIA. The panel strongly supports the timely implementation of the Civilian Intelligence Personnel Management system, which unfortunately has been delayed to January 1989, and even then will not be fully implemented by all military departments.

One area in which the agencies did not take full advantage of their more flexible personnel authorities was in recruiting members of minority groups and, in some agencies, women. While the panel recognizes that many of the occupations in the intelligence agencies are not those that have traditionally been filled with large number of women and members of minority groups, some agencies clearly did better than others. The panel believes that the intelligence agencies' top management did not focus on equal employment issues to the same extent as other federal agencies did in the 1980s. The agencies now describe recruiting programs that indicate strong top management interest and active levels of effort. The panel firmly believes that intelligence agency equal employment efforts need strong commitment from the agency head and senior staff, and should be an integral part of overall workforce management -- recruiting, training, career development and succession planning.

Within the parameters of its personnel authorities, the CIA has designed a flexible benefits program which it believes will enable it to better meet the needs of an increasingly diverse workforce. The panel fully endorses implementation of the proposed benefits program, with a caution that the CIA carefully monitor the cost implications of changes to health benefits. The panel recommends that the CIA supply information on the results of this to the Office of Personnel Management and Congress, for their use in evaluating similar proposals from other agencies and determining whether the flexible benefits can be extended throughout the federal government.

Better Coordination Will Yield Enhanced Effectiveness

The panel sees a clear need for enhanced coordination of human resource management (HRM) policies, and recommends that the IC establish a Senior Coordinating Group (SCG), composed of IC employees at the director of personnel level or higher. The panel envisions that this group would report at a minimum semi-annually to an NFIC-like committee composed of the heads of CIA, NSA, DIA, and the intelligence components of the military departments, the FBI and the State Department.

The panel envisions the SCG would coordinate a number of HRM efforts, and that it would establish an annual agenda to review all aspects of HRM. Specific topics to include are:

- Recruitment, such that -- mindful of Privacy Act implications -- the agencies share information on good candidates when one agency cannot follow through to hire a potential recruit.
- Training, so that smaller intelligence agencies have better access to the programs of larger agencies, and there is less potential for duplication.
- Basic ordering contracts so agencies can attain more efficient delivery of external training. DIA is examining this now, and this has the potential for Community-wide use.
- Compensation rate comparisons, especially as they pertain to overseas pay. Equity and good management require that employees performing like duties under comparable circumstances be comparably compensated. (This NAPA panel will examine this issue further, particularly in the case of overseas pay, and will issue a separate report to Congress.)

- Shared information on involuntary removal cases -- being mindful of employee rights of privacy -- with the other agencies of the IC, perhaps in coordination with the IC Staff. The other agencies would have an opportunity to do their own risk assessment, as may be applicable.
- Placing surplus employees with other IC agencies when one agency is faced with a staffing level reduction or shift in skill needs.
- Developing outplacement programs for those agencies which do not have them or which have only limited programs. Other agencies can look to the CIA and the Department of State, as well as the private sector, for examples.

Better Coordination Will Yield Enhanced Accountability

A further role, perhaps the more important one, for the Senior Coordinating Group pertains to vetting legislative proposals before the administration presents them to Congress. Such an inter-agency group would help ensure an integrated approach toward proposed HRM changes within the IC. At the same time, this would leave responsibility for assessing the potential impacts of change with the intelligence agencies, rather than forcing congressional committees to try to assess the implications of proposals.

Further, the panel recommends that the intelligence agencies keep congressional committees apprised of major issues which may give rise to important changes in HRM policies. The panel emphasizes that this communication should be at the broad, policy level. The panel sees no reason for congressional committees to become involved in most aspects of agency management.

The objective is to strike a balance between appropriate communication and reporting mechanisms, so that Congress has the information it needs to perform effective oversight and the agencies have the freedom they need to operate within the parameters of their statutes and management structures.

While the panel favors coordinated change, it cautions that the Congress not regard uniformity as an end. The intelligence agencies are, in varying degrees, parts of larger organizations with different cultures, authorizing committee jurisdictions and missions. Uniformity would be difficult to achieve and -- given the diverse missions and agency structures -- would thwart innovation. Also, there is clear evidence that the federal government is moving away from the concept of uniformity, as reflected in the Office of Personnel Management's advocacy of decentralized approaches to personnel management and many demonstration projects.

A final area, one which Congress has paid particular attention to in recent years, is counterintelligence and the role of agency personnel security programs in safeguarding national security information. The panel notes that agencies operate under similar statutes with respect to Sensitive Compartmented Information, and they are covered by a DCI directive on security procedures. However, practices vary greatly, as does the extent to which counterintelligence issues are woven into agency training and career development programs. The panel strongly supports the Intelligence Community's efforts to upgrade personnel security and more fully integrate it into all aspects of human resource management.

The panel commends the individual agencies and Congress for their efforts to anticipate workforce changes and develop HRM systems to help address issues which arise. The panel is confident that the IC agencies and Congress can work together to ensure the flexibilities that will produce an intelligence workforce able to fulfill the required missions of the 1990s and beyond.

ACTEDS	Army Civilian Training, Education and Development System
CIA	Central Intelligence Agency
CIARDS	CIA Retirement and Disability System
CIPMS	Civilian Intelligence Personnel Management System
CSRA	Civil Service Reform Act
CSRS	Civil Service Retirement System
CSS	Central Security Service
DCI	Director of Central Intelligence
DIA	Defense Intelligence Agency
DIC	Defense Intelligence College
DISCAS	Defense Intelligence Special Career Automated System
DOD	Department of Defense
DOE	Department of Energy
FBI	Federal Bureau of Investigation
FCI	Foreign Counterintelligence
FEGLI	Federal Employees Group Life Insurance
FEHBP	Federal Employees Health Benefits Program
FERS	Federal Employees Retirement System
FES	Factor Evaluation System
FS	Foreign Service
FSI	Foreign Service Institute
GAO	General Accounting Office
GETA	Government Employees Training Act
GS	General Schedule
HPSCI	House Permanent Select Committee on Intelligence
HRM	Human Resources Management
HUMINT	Human Intelligence
IC	Intelligence Community
ICDP	Individual Career Development Plan
ICS	Intelligence Community Staff
INR	Bureau of Intelligence and Research
MSPB	Merit Systems Protection Board
NCS	National Cryptologic School
NFIC	National Foreign Intelligence Committee
NFIP	National Foreign Intelligence Program
NSA	National Security Agency
OPM	Office of Personnel Management
OTE	Office of Training and Education (CIA)
PATCO	Professional/Administrative/Technical/Clerical/Other
RIF	Reduction in Force
SCI	Sensitive Compartmented Information
SSCI	Senate Select Committee on Intelligence
TPF&C	Towers, Perrin, Forster & Crosby
U.S.C.	United States Code

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National Academy of Public Administration
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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



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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Sincerely,

Philip A. Odeen DZW

Philip A. Odeen
Panel Chairman

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88-0265

08 JUL 1988

MEMORANDUM FOR: Executive Director
Deputy Director for Administration
Director, Office of Congressional Affairs
Comptroller

FROM: Royal E. Elmendorf
Director of Personnel

SUBJECT: Preliminary Draft of the National Academy of Public
Administration (NAPA) Interim Report

1. Attached is the preliminary draft of the NAPA findings and recommendations to be included in the September Interim Report. We have corrected some errors in the segment regarding Personnel Security, but have suggested no changes in the text. Following are some of my impressions:

The segment on "Uniqueness" appears to be the product of two authors who could not agree on whether we should be allowed to use our authorities. From what I understand, this may very well be the case.

The segment on "Training and Career Development," while not very laudatory regarding the Agency's efforts in this regard, has some recommendations worth pursuing.

The segment on "Staffing" makes the point that use of our special authorities has served us well in the past and makes two important recommendations; a) that the Office of Management and Budget and Congress avoid drastic changes in our personnel allocations, and b) that we improve our efforts to project and anticipate staffing requirements.

2. I believe we should discuss our position with regards to what we want/expect from NAPA sometime before the end of July. The interim report will be sent to the Director of Central Intelligence around the end of August, and he may want to append some comments before transmitting the report to the Hill.

[Redacted Signature]

Royal E. Elmendorf

STAT

Attachment:
As stated



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SUBJECT: Preliminary Draft of the National Academy of Public
Administration (NAPA) Interim Report

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Attached for your signature are letters to Chairman Boren and Chairman Stokes that transmit the first interim report on the personnel study of the Intelligence Community produced by the National Academy of Public Administration (NAPA). The fiscal 88 Intelligence Authorization Act calls for an interim report on this ~~study to be delivered to Congress on 1 May.~~



Larry
29 April 1988

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ICS 4236-88

26 April 1988

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence
FROM: Lieutenant General Edward J. Heinz, USAF
Director, Intelligence Community Staff
SUBJECT: First Interim Report--National Academy of Public
Administration (NAPA) Study of Civilian Personnel Systems

1. Attached for your signature are letters to Senator Boren and Representative Stokes forwarding NAPA's first Interim Report on the civilian personnel study it is conducting in accordance with the Fiscal Year 1988 Intelligence Authorization Act. A copy of the Report is also attached. The Conference Report on the Act calls for interim reports on 1 May 1988 and 1 August 1988 and a final report on 20 January 1989.

2. In January, I formed a group of senior Community managers to approve the study's Terms of Reference and provide overall policy guidance to the effort. The members of that group met in a half-day session with the NAPA study panel earlier this month to exchange views and describe the personnel concerns of the participating agencies. Day-to-day guidance for the study has been provided by a steering group drawn from the Community and chaired by my Director of Planning and Policy, [redacted]. That group has worked closely with the NAPA team since the beginning of the year to get the effort off the ground and build a baseline understanding of the personnel systems being studied. As the Conference Report requires, the steering group also consulted Congressional staff while developing the study's Terms of Reference.

3. The Interim Report essentially describes NAPA's progress thus far, which has mainly consisted of organizational work, the acquisition of a comprehensive understanding of the various personnel systems, and the identification of specific issues that will receive close scrutiny in the coming months. There is little in the Report in the way of substantive detail or judgments that could lead to controversy. In response to Congressional interest in early identification of specific issues that might affect legislation in the near term, the NAPA panel does note that it expects to provide a report on CIA's concept of a flexible benefits program as quickly as

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SUBJECT: First Interim Report--National Academy of Public Administration
(NAPA) Study Civilian Personnel Systems

possible, and that it may also address certain NSA pay proposals in a separate report. The Report also offers some early observations on staffing patterns, variations in pay and benefits, and the relationship between the "uniqueness" of intelligence work and the need for flexibility. More detailed work in these areas will be conducted.

4. The Report is due to the Congress on 1 May. Following your review and signature of the forwarding letters, I shall attach the original Report and arrange delivery to the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence.



Edward J. Heinz
Lieutenant General, USAF

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Attachments:

- A. Letters for Signature
- B. NAPA Interim Report

SUBJECT: First Interim Report--National Academy of Public Administration
(NAPA) Study of Civilian Personnel Systems

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DCI/ICS/PPO, (25 April 1988)

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The Director of Central Intelligence

Washington, D.C. 20505

29 April 1988

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

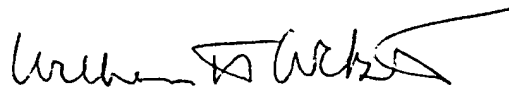
Dear Mr. Chairman:

Attached for your information is the 1 May 1988 Interim Report from the National Academy of Public Administration (NAPA), which is conducting a study of the Intelligence Community's civilian personnel management and compensation systems. The study has been undertaken to meet a requirement expressed in the Fiscal Year 1988 Intelligence Authorization Act. In accordance with the Conference Report accompanying the Act, a second interim report will be transmitted to you on 1 August 1988 and a final report on 20 January 1989.

The Interim Report describes NAPA's progress thus far. To date, much of the effort has consisted of organizational work, the establishment of a baseline understanding of the intelligence personnel systems being studied, and the identification of specific issues that will receive close scrutiny in the coming months. An Intelligence Community steering group has worked closely with the NAPA study staff over the last few months to provide assistance and information, and senior Community managers have furnished guidance on personnel policy issues. I am confident that the NAPA team has acquired a good understanding of the Community and is moving to address the problems that concern us.

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

Sincerely yours,



William H. Webster

Enclosure:
NAPA Interim Report



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The Director of Central Intelligence

Washington, D.C. 20505

29 April 1988

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

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Sincerely yours,



William H. Webster

Enclosure:
NAPA Interim Report

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National Academy of Public Administration
Chartered by Congress

April 21, 1988

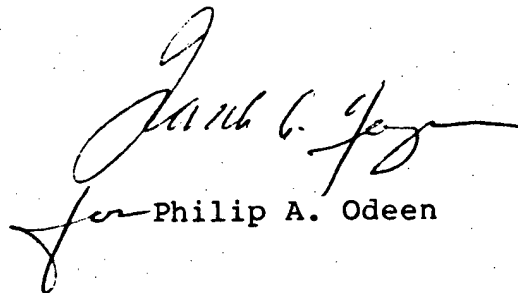
The Honorable Louis Stokes
Chairman, House Permanent Select Committee on Intelligence
H-405 Capitol Building
Washington, DC 20515

Through: Judge William H. Webster
Director of Central Intelligence

Dear Chairman Stokes,

I am pleased on behalf of the National Academy of Public Administration's Panel for the study of the Intelligence Personnel Systems to transmit the May 1st interim report as requested by the Congress in the Conference Report for the FY88 Intelligence Authorization Act. A copy of this document is being sent to the Honorable David L. Boren, Chairman, Senate Select Committee on Intelligence.

Sincerely,



for Philip A. Odeen



National Academy of Public Administration
Chartered by Congress

April 21, 1988

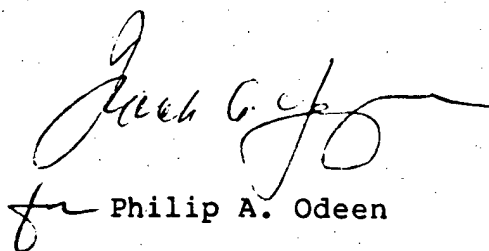
The Honorable David L. Boren
Chairman, Senate Select Committee on Intelligence
SH-211 Hart Senate Office Building
Washington, DC 20510

Through: Judge William H. Webster
Director of Central Intelligence

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Sincerely,



for Philip A. Odeen



National Academy of Public Administration
Chartered by Congress

INTERIM REPORT

OF THE NATIONAL ACADEMY OF PUBLIC ADMINISTRATION PANEL

FOR THE

STUDY OF INTELLIGENCE PERSONNEL SYSTEMS

MAY 1, 1988

1120 G Street, N.W., Suite 540 Washington, D.C. 20005 (202) 347-3190

INTERIM REPORT

STUDY OF THE INTELLIGENCE PERSONNEL SYSTEMS

Organizational Status

As required in the Intelligence Authorization Act for Fiscal Year 1988 (Title VII, Section 701), the Director of Central Intelligence contracted with the National Academy of Public Administration (NAPA) for a comprehensive review and comparative analysis of the civilian personnel management and compensation systems of the Intelligence Community (IC). The Academy has convened a Panel of public and private sector officials (Attachment A), some of whom have held senior intelligence posts, to assess the current situation and recommend any legislative or regulatory changes deemed needed to improve the effectiveness of IC personnel systems.

The Panel is assisted by a project staff which develops options and recommendations for the Panel's review. The staff is composed of former intelligence agency employees, experts in federal human resource management issues and experienced analysts. The combination of diversity and experience will permit critical analysis within a knowledgeable environment.

As specified in Section 701(e), the Director of the Intelligence Community Staff has provided the requested support and access to necessary information. Panel members and project staff have been provided security clearances. Secured office space was provided. To facilitate access and coordination, the Intelligence Community staff established a Study Steering Group of senior representatives of the personnel functions from each intelligence organization and this group has been meeting every week to facilitate the work of the project.

The contract for the study was signed February 17, 1988. Pertinent background papers leading to the contract are: a) the Terms of Reference generated by the Intelligence Community, dated January 19, 1988; and b) the National Academy of Public Administration's proposal, dated February 12, 1988. Both are included under Attachment B.

Agency Initiatives

One of the objectives of the two interim reports -- this one and the one on August 1, 1988 -- is for the Panel to address proposed changes to personnel management and compensation systems that intelligence organizations believe are important to implement before the overall study is completed.

All of the agencies were asked if they had proposals they wanted the Panel to evaluate in this context. The Central Intelligence Agency (CIA) identified the concept of a flexible benefits program as a change they would like the Panel to address. Under it, staff will have more flexibility to select benefits, paying for them with the government's contribution supplemented by employee contributions. A report on this initiative, with Panel recommendations, will be provided as soon as the analysis and Panel review can be completed.

It is possible the Panel may examine and make recommendations on NSA's proposals for a flexible pay system and for a bonus program before the Panel's January 1989 report.

The CIA has a number of other changes that they want to undertake which they believe are not significant and do not have Community-wide implications. The project staff has been briefed on them and will discuss them with the staffs of the Senate and House Intelligence Committees and the Panel Chair before advising CIA whether or not to proceed.

Development of the Baseline Comparison

Prior to beginning detailed field work, the project staff requested comparable personnel-related data from each agency. The information was organized as follows:

Organization of Agency

Legal Basis for Agency Personnel Programs

Changes in Personnel Programs since 1978

Major Issues/Problems in the Agency
Personnel Program

Changes Considered to be Needed in Controlling
Personnel Law and/or Regulation

Significant Changes Considered Needed in Personnel
Program and Which can be Made within Existing
Authorities but are Being Delayed by the 1988
Appropriation Act Conference Report Language

Experience in Recruiting and Retaining People
with Critical Skills

Addressing the Future Workforce Needs of the Agency

Overview of Current Personnel Policies and Practices

Competition between IC Agencies in Personnel
Programs

To further familiarize themselves with each agency's personnel system and to become better acquainted with cross-cutting issues, the project staff held an intensive two-day meeting with representatives of the IC Staff, the Central Intelligence Agency (CIA), the National Security Agency (NSA), the Defense Intelligence Agency (DIA), Military Intelligence, the Federal Bureau of Investigation (FBI) and the State Department's Bureau of Intelligence and Research (INR). This off-site session provided the requisite background for project staff to develop separate profiles and issue statements for each of the agencies.

After analyzing the information on each agency, project staff developed a matrix which compared like data, with emphasis on the history of changes to the different personnel systems and on changes now perceived needed. This matrix will be further refined throughout the study, and will provide the framework for the comparative analysis requested by the Intelligence Committees of the Congress.

Using this information, the NAPA Panel held its first meeting on April 1, 1988. During that session, its members met with staff of the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence and, separately, with senior leaders of the Intelligence Community agencies. Discussion with Committee staff provided background on congressional rationale for the study and expectations for results. Senior agency representatives further discussed employment trends and impediments the current personnel systems impose on effective operations.

Early Observations

The IC personnel systems range from close adherence to Title 5 of the U.S. Code, relating to personnel and overseen by the Office of Personnel Management, to more flexible systems such as those of CIA and DIA. A major difference between staffs of intelligence agencies and those of other government

entities is the security requirements: the ensuing lifestyle limitations while employed and the constraints placed on employees once they leave employment with an intelligence organization. This is often cited as the major reason IC agencies believe their staffs should be compensated differently than other civil servants.

There is an increasing demand by executive branch agencies for greater flexibility in managing their human resources. The climate for change in federal personnel management has contributed and will continue to contribute to the intelligence agencies having more flexible systems. The Office of Personnel Management, through delegation and deregulation, and the Congress, through specific demonstration authorities, like those recently given the National Bureau of Standards, are responding to these demands. These are largely driven by the mission requirements of these agencies.

Central to this study will be the Panel's assessment of the "uniqueness" of the missions of the intelligence agencies and the implied need for even greater flexibility to support them. To some extent, this flexibility justification is already reflected in authorities granted to the various intelligence agencies. However, these authorities need to be assessed in terms of the consistency of their application among intelligence agencies and between the intelligence agencies and the rest of government.

In examining staffing patterns and vacancy rates available to date, the Panel does not see clear patterns of staff shortages in the critical skill areas of engineering, computer science, languages or mathematics. What cannot yet be determined is whether the quality of candidates now recruited is as high as that of the past, or whether the more attractive private sector salaries and benefits are attracting the best recent graduates or most talented current employees. Because the IC agencies report little long-range workforce planning, it is not clear whether staff shortages will be a more critical problem in the next 10 years. Further investigation will be conducted in this area.

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Issues to be Analyzed

The Panel will examine the issues outlined below in the context of the existing missions of the IC agencies. The Panel's will consider the strategic trends in the intelligence function and the economic, social and demographic trends in U.S. society. However, given the uncertainty in projecting future missions, emphasis will be on suggesting changes that would permit agencies to design systems sufficiently flexible to meet a wide range of operating circumstances and changing needs.

The Panel concluded that the primary areas of investigation will be total compensation, training and career development, staffing, equal employment opportunity, and future human resources management (HRM) needs of the IC agencies.

These areas will be examined in the context of the broad issues stated in the Authorization Act and the contract: whether the present and planned HRM systems will be able to attract and retain the highest quality personnel; whether there is a need to significantly alter HRM systems to meet future change; and whether there are significant differences in the HRM problems confronting the intelligence community agencies in contrast to other federal agencies and in contrast to each other.

There will be several lines of inquiry for each area:

1. Total Compensation

--Two aspects on pay: the impact of the pay cap and the need for increased agency flexibility in the use of the pay system within cap limits.

--Two aspects on benefits: to what degree the nature of intelligence work justifies benefits enhancement and to what degree the intelligence agencies need increased flexibility in using benefits to better meet the needs of a changing workforce.

--Compensation and benefits comparability for staff in overseas assignments, including a comparison with the Foreign Service,

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--Specific pay and benefit issues -- cited in the contract and/or developed in the course of the study -- which affect the ability of the intelligence community agencies to compete with the private sector and with other federal agencies for top quality personnel.

--Comparative data on the costs of federal staff as compared to contract staff.

--The dual compensation provision for retired military officers as an impediment to recruitment for positions that require specialized military intelligence experience.

2. Career Development and Training

--Career development programs: how they support current and projected staffing and skill needs of the agencies.

--Training and retraining programs in the agencies and how they are linked to improving job performance and meeting current and future skill needs.

--Adequacy of resources for training and career development programs.

--Use of workforce and succession planning programs to define and guide staffing, training and career development program needs of the agencies.

3. Staffing

--Current and projected skill shortage and retention problems which threaten accomplishment of agency missions.

--The impact of the more stringent personnel security requirements of the IC agencies on the ability of the agencies to compete in the labor market. Included here will be whether the length of time between an offer of employment and entry on duty causes some good candidates to accept other positions.

--Projections of agency staffing needs from the current staff base. The impact of congressional personnel authorizations for the IC agencies and the effect of congressional action on pay and benefits will be assessed.

--Possible means of evaluating the quality of new staff being employed and retained now and in the future.

4. Equal Employment Opportunity

--Analysis of each agency's equal employment profile.

--What each agency is doing to enhance the representation of female and minority staff in the organization.

5. Organizational Issues

--The role of the DCI in providing guidance and direction to the intelligence community agencies' HRM programs and for performing an on-going oversight of HRM.

The Panel also considered examining the potential impact of wartime operations on those intelligence functions heavily dependent on civilian personnel. While recognizing the importance of this issue, the Panel believed it to be beyond the scope of the study envisioned in the Authorization Act.

The study will be directed primarily to the CIA, NSA, DIA, and FBI. Redesign of the civilian personnel systems of the military intelligence agencies is underway, and is not scheduled for implementation until October 1988. The Panel's findings and recommendations should be useful in assessing these changes. Study of the State INR activity will be limited, given its size and the fact that it is so integrated into the regular Foreign Service and civil service personnel systems of that large Department.

Schedule for Studies

The Panel's work is organized to reflect the interim and final reporting dates specified in the Authorization Act.

Between May 1 and August 1, the Panel will review issues associated with staffing, equal employment opportunity, career development and training, and will complete a baseline comparison of the agencies' personnel systems. The August 1 report will have findings and tentative recommendations in these areas.

By early October 1988, the Panel expects to complete its work on total compensation and organizational issues. It will meet to discuss these issues and the overall thrusts of the final report. By early November, the project staff will prepare the initial draft of the January 1989 report, and the Panel will meet to review it. Thus, by December 1988, the final report should be nearing completion.

Attachment A: Panel Biographies

Attachment B: Terms of Reference and NAPA Proposal

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Next 35 Page(s) In Document Denied