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INTELLIGENCE

## MEMORANDUM FOR THE DEFENSE INTELLIGENCE WORKFORCE

SUBJECT: The Way Forward on the Defense Civilian Intelligence Personnel System

The FY 2010 National Defense Authorization Act (NDAA) contains a provision affecting the implementation of the Defense Civilian Intelligence Personnel System (DCIPS). The language does not repeal or terminate DCIPS; however, it does suspend certain provisions of the DCIPS pay-setting regulations until December 31, 2010, to allow for an independent review of the program. While we do not know what the result of this review will be, I look forward to this as an opportunity to further refine and improve upon Defense Intelligence personnel management.

I have personally met with House Permanent Select Committee on Intelligence (HPSCI) Chairman, Silvestre Reyes. Serving on both the HPSCI and the House Armed Services Committee, he has influenced the NDAA DCIPS language. I shared with him my belief that DCIPS will have positive benefits for the employees and mission of the Defense Intelligence Enterprise; however, I recognize and appreciate his concerns that, despite our best intentions, DCIPS could have unintentional consequences.

Together, Chairman Reyes and I are committed to a full, impartial and independent review of the DCIPS design and implementation. The results of that review, together with the results from the nearly completed Government Accountability Office (GAO) review, will be used to shape our future direction. We have no preconceived notion of what the exact outcome will be; regardless, we will continue to press forward with unifying the Defense Intelligence components under a common personnel system. This commonality embodies the spirit of the Intelligence Reform and Terrorism Prevention Act of 2004 and moves us seamlessly into the future.


We are working hard to develop DCIPS procedures for the components to follow in the coming year. In the interim, I can share with you what we have decided based on the NDAA language and our dialog with the Congress and the Administration:

1. The National Geospatial-Intelligence Agency (NGA) will continue under all DCIPS regulations and will be the focus of our study of the full DCIPS, including all the performance-based pay adjustment processes incorporated into the regulations. Congress specifically exempted NGA from the NDAA language suspending DCIPS pay-setting authorities in order to conduct a full evaluation of the DCIPS pay-for-performance construct.



2. The suspension language in the NDAA permits retention of the DCIPS occupational band structure for the Defense Intelligence Enterprise. Defense Intelligence components currently in the DCIPS occupational structure will remain in the DCIPS occupational band structure in order to evaluate the common occupational and structural framework for the Defense Intelligence Enterprise.
3. In accordance with the NDAA language, any processes for adjusting employees' base pay within the occupational bands will be consistent with established practices within the General Schedule (GS) and GS-like systems. Therefore, GS rules will be applied to determine any base salary increases equivalent to the within-grade increases under that system.
4. The National Security Agency (NSA) will remain in the GG structure during the evaluation period but will otherwise follow the same policies used by all of the Defense Intelligence components.
5. All Defense Intelligence components will continue to use the DCIPS performance management system; however, with the exception of NGA, it will not be linked to base-pay decisions. Performance management will be a major focus of the independent review and our own internal evaluations. Its continuation is not in question, but modifications may be made to improve performance management as a result.
6. Other than NGA, no other Defense Intelligence component will use DCIPS regulations as the authority to adjust base pay; i.e., pay pools will not make performance-based adjustments to base pay. Components, other than NGA, will run their pay pools for base adjustments as additional "mock" pay pools. The results of those mock decision processes will be incorporated into the independent review of DCIPS and our internal evaluation of DCIPS policies and processes.
7. All Defense Intelligence components will recognize top performers with bonuses, using a common Defense Enterprise process.
8. Eligible employees in Defense Intelligence components, other than NGA, will receive scheduled increases equivalent to step increases under the GS structure. Employees will receive the full General Pay Increase and locality pay in January, regardless of performance. No employee will suffer a loss in pay as a result of the suspension of the performance-based base pay adjustment processes.
9. Detailed guidance regarding hiring, assignment and other affected administrative management procedures will be issued as soon as feasible to outline policies for overlaying traditional GS-like qualifications and time-in-grade based processes onto the DCIPS structure.

The coming year will be a great opportunity to further refine and improve upon Defense Intelligence personnel management. Both the GAO and independent DCIPS reviews will consider all of the hard work that has gone into the development and implementation of DCIPS. We will continue to keep you informed of DCIPS developments, and we appreciate your understanding as we develop the best possible personnel system for the Defense Intelligence Enterprise.



James R. Clapper, Jr.