

DCIPS Update (5 August 2010)

In response to the National Academy of Public Administration's (NAPA) report on the Defense Civilian Intelligence Personnel System (DCIPS), Secretary Gates advised the congressional oversight committees that he would not pursue implementation of the pay-for-performance elements of DCIPS affecting employee base pay outside of the National Geospatial-Intelligence Agency (NGA).

His decision was based on input from your leadership, Department leadership, the Director of National Intelligence, the Director of the Office of Personnel Management, and our congressional oversight committees. The Secretary's decision does not represent abandonment of DCIPS and its fundamental tenets of unifying the Defense Intelligence Enterprise within a performance-driven culture. However, excluding NGA, future Defense Intelligence base pay increases will not be directly linked to performance and employees will be aligned to a GS-like grade structure. The heart of the DCIPS program will stay intact, including the occupational structure, common performance management system, and bonuses tied to performance. We also will implement NAPA's recommendations for continually improving DCIPS.

We have important work to do, and it's my responsibility to support policies, processes and programs that allow us to fulfill our mission with the least amount of distraction. Implementation of the pay-for-performance provisions of DCIPS would be challenging under any circumstance; however, the termination of the National Security Personnel System and continued congressional concerns with regard to the effects of pay-for-performance on the workforce has had a negative impact.

None of the work or training that has gone into DCIPS implementation to this point will be lost. Rather, we will build on what has been accomplished to provide ever better support to the nation's policymakers and warfighters. As we move forward, my staff will be reaching out to you for your input on changes to DCIPS as recommended by both the Government Accountability Office and NAPA. My staff will work with each component to arrange for site visits during which focus groups and town hall sessions will be conducted to obtain direct input from employees and managers outside the Washington, DC area. The opportunity for you, my staff, and components to engage in face-to-face dialogue is important. I encourage all to participate in these sessions.

As we move forward, some policy decisions remain to be made. The most significant of these will be the process for transitioning to a GS-like grade structure. As we convert all employees outside of NGA to the GS-like structure, no employee will suffer any loss of or decrease in pay. We will work with component leadership, the Department and the DNI on the timing, the process, and policy changes following a thorough analysis of the options.

In the near term we need to turn our attention to closing out the FY10 performance evaluations. Performance evaluations and the performance management process remain important to the success of the Enterprise. On July 2, I provided guidance on the closeout of this performance cycle, the need to evaluate performance against existing performance standards and policy and restated the prohibition on forced distribution of ratings. As we move forward, there remain many options for recognizing exceptional performance, including DCIPS bonuses, other cash and honorary awards and Quality Step Increases. We continue to look at ways to more effectively recognize team and collaborative behaviors.

I ask for your continued engagement and look forward to hearing your input as a result of the [site visits](#). We will update you as decisions are made, and will work to answer your questions as quickly as possible.

Respectfully,

James R. Clapper, Jr.
Under Secretary of Defense for Intelligence
5 August 2010