

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/27/83 ACTION/CONCURRENCE/COMMENT DUE BY: -----

SUBJECT: MEETING OF THE CABINET COUNCIL ON MANAGEMENT AND ADMINISTRATION --  
WEDNESDAY, SEPTEMBER 28, 1983 - 2:00 P.M. - CABINET ROOM

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	HERRINGTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	HICKEY	<input type="checkbox"/>	<input type="checkbox"/>
BAKER →	<input checked="" type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McMANUS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CLARK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FELDSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GERGEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BAROODY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			SMALL		<input checked="" type="checkbox"/>

**REMARKS:**

Action assignees are invited. Please inform Patsy Faoro (x2800) in the Office of Cabinet Affairs if you will attend.

Please Note: The President will chair this meeting.

Agenda: Federal Civilian Employment Reform 88 - Third Quarterly Report  
 OMB Management Review  
 Work Space Management

No papers will be distributed

**RESPONSE:**

A Presidential decision will be sought on the matter of SES Bonus Policy (paper attached).

**Richard G. Darman**  
 Assistant to the President  
 Ext. 2702

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR CCMA MEMBERS

FROM: Ralph Bledsoe, Executive Secretary *Ralph Bledsoe*

SUBJECT: SES BONUS POLICY

DATE: September 27, 1983

At the September 23, 1983 CCMA Planning Meeting several policy options for dealing with SES Bonuses were discussed. OPM raised the need for a policy in this sensitive area following a quiet change in law. A provision in appropriations bills for the past few years had restricted the number of SES members who can receive bonuses. For FY1983, the limit was 20% of SES positions. The Civil Service Reform Act of 1978 originally had set a limit of 50%. For FY1984 no such appropriations restriction has been enacted.

It was decided to recommend to the President an option that would permit raising the percentage of SES members who could receive bonuses from 20% to approximately 30%, and would raise the funds available for bonuses to 3% of SES payroll from the current practice of just under 2%. An executive summary of OPM guidance that would be issued is attached.

The issue will be brought before the President at the meeting on September 28, 1983.

Attachment

EXECUTIVE SUMMARY OF THE SENIOR EXECUTIVE SERVICE  
PERFORMANCE AWARDS REGULATIONS

- ° The total amount of performance awards may not exceed 3% of the aggregate payroll for SES career appointees in an agency.
  - The 3% limit would permit a 50% increase over the current 2% expenditures, but this is much less than the increase that could occur without a regulatory ceiling.
  - 3% would allow for up to \$11.6 million in awards at current pay rates, compared with \$19.3 million without the ceiling.
  
- ° The minimum award payment to an individual is 5% of basic pay, and the maximum payment is 20%.
  - The minimum amount is to assure that the payment is large enough to serve as a performance incentive.
  - The maximum amount is set by law.
  
- ° The total number of awards may not exceed 50% of the SES career appointees in an agency as of the end of the appraisal period. OPM will issue guidance on the suggested pattern for the distribution of individual awards. The guidance is to assure that:
  - Awards are not all paid at the minimum or maximum amounts, but are spread out and reflect actual executive performance, and
  - Awards generally do not exceed 30 to 35% of an agency's career appointees.
  
- ° The actual distribution of individual awards must be submitted by an agency to OPM for review and approval before the awards may be paid.
  - Agencies will be asked to give additional top management attention when making awards to assure that they are fair, that they are based upon performance, and that reasonable internal controls are placed upon the number of awards.
  - OPM will review the pattern of distribution, not individual awards, to assure it is equitable and in accord with OPM guidance.

SES bonus policy approved

Fed NonDefense  
Star Empl

Goal - decr by 75,000

headcount = will be -100,000 by end of yr (summer bridge now)

FTE = will meet; keep why

new hires below projections

Decl victory

- one yr early

- set next goal (-25,000 by '86)