

1 **SEC. ____.** **INCREASE IN AUTHORIZED NUMBER OF DEFENSE INTELLIGENCE**
2 **SENIOR EXECUTIVE SERVICE POSITIONS.**

3 Section 1606(a) of title 10, United States Code, is amended—

4 (1) by inserting “(1)” before “The Secretary of Defense”;

5 (2) by striking the second sentence; and

6 (3) by adding at the end the following new paragraphs:

7 “(2)(A) The number of positions in the Defense Intelligence Senior Executive Service
8 during fiscal year 2011 may not exceed 644.

9 “(B) The number of positions in the Defense Intelligence Senior Executive Service
10 during any fiscal year after fiscal year 2011 may not exceed the lesser of the following:

11 “(i) The number of such positions authorized by paragraph (2)(A), as adjusted by
12 the percentage specified in subparagraph (C) for such fiscal year.

13 “(ii) 694.

14 “(C) The percentage specified in this subparagraph for a fiscal year is the percentage by
15 which the authorized number of Department of Defense positions in the Senior Executive
16 Service has been increased as of the end of the preceding fiscal year over the number of such
17 positions authorized on September 30, 2010.

18 “(3) The Secretary may give priority for the allocation of any increase in the number of
19 authorized positions in the Defense Intelligence Senior Executive Service to those Department of
20 Defense intelligence components in which the ratio of senior executives to employees other than
21 senior executives is the lowest.”.

Section-by-Section Analysis

This proposal is needed due to the dramatic increase in Defense Intelligence component

manning and missions since the terrorist attacks of September 11, 2001. This proposal will not increase civilian manning or end strength, but will allow Defense Intelligence components to redescribe and upgrade a limited number of their existing senior professional and GG-15 or equivalent positions to the Defense Intelligence Senior Executive Service (DISES) level to fill critical gaps in the senior leadership corps. The initial increase would be 50 for fiscal year (FY) 2011 with increases in subsequent fiscal years tied to the rate of increase of the Department of Defense's (DoD's) Senior Executive Service (SES) positions, not to exceed a maximum of 694. Enactment of this proposal would provide the Department a minimum essential increase in DISES positions in FY 2011 and conditional increases in subsequent fiscal years in Under Secretary of Defense (Intelligence) (USD(I)) and DoD intelligence components.

The Administration's draft FY 2006 defense authorization bill proposed increasing the maximum number of DISES employees by 150 over two years. Section 1125 of the National Defense Authorization Act for FY 2006 increased the maximum number of DISES employees by 50, to 594. Subsequent proposals to include the remaining requested 100 DISES allocations in the National Defense Authorization Acts for FY 2007 and FY 2008 were not accepted. The Senate-passed version of the Duncan Hunter National Defense Authorization Act for FY 2009 included conditional DISES increase language similar to that proposed above, but without a provision for an immediate increase. The Senate's conditional increase provision was not included in the final bill.

DoD provided to Congress in April 2007 an evaluation of the use of DISES in DoD (pursuant to section 1102 of the John Warner National Defense Authorization Act for FY 2007), with follow-up analysis submitted in April 2008 in response to Senate Armed Services Committee report language. The analysis demonstrates the continued need for additional DISES allocations. In June of 2008, the Department submitted a more detailed and complete report specifically addressing the strategic human capital plan requirements of the National Defense Authorization Acts of FY 2006 and FY 2007, as highlighted in Senate Armed Services Committee report language for sections 1101 and 1102 of the Senate-passed version of the Duncan Hunter National Defense Authorization Act for FY 2009.

The Department primarily intends to use the requested authority to upgrade existing positions, which is necessary to provide senior leadership and oversight for defense intelligence organizations that have greatly increased their missions and activities in support of the global war on terrorism, new requirements generated by the Intelligence Reform Act to support the Office of the Director of National Intelligence and the new intelligence centers, DoD's implementation of the recommendations of the 9-11 Commission and the WMD Commission, and the remodeling of defense intelligence. The proposed conditional maximum number of 694 matches the unfilled, validated DISES requirements reported in the FY 2009 request. Overall defense intelligence authorizations (military and civilian) increased by 23.5 percent from FY 2001 to FY 2009, but the DISES have increased only 9.2 percent since FY 2001. The Department projects the overall defense intelligence authorization level will increase a total of more than 26 percent by FY 2012.

Budget Implications: This proposal has no significant budgetary implications since the projected costs for FY 2011, and for each of the fiscal years through FY2015, are well below the

\$500,000 threshold established by the guidelines for the DoD FY 2011 Legislative Program. Projected additional payroll expenses through FY 2015 shown in the table below are based on: (1) the additional salary expenses for FY 2011 projected across the Future Years Defense Program, with a 2 percent annual increase in the Executive Schedule rate range; and (2) projected 1.5 percent increases in the number of DISES in FY 2013 and FY 2015 (i.e., an additional ten DISES in each of those fiscal years), consistent with proposed legislative language tying DISES increases after FY 2011 to the rate of increase in the DoD SES, which occurs through a biennial review and approval process. Half of the projected DISES increases for FY 2013 and FY 2015 are expected to involve promotion or replacement of existing GG-15 or equivalent positions, so the table reflects associated pay increase expenses as described above. Breakout of expenses by Component is not available, because the allocation of any additional DISES will be determined by the USD(I) when the increases are approved per DoD Directive 5143.01 to meet the highest priority requirements at the time. The additional payroll expenses are to be absorbed by the Components' civilian personnel accounts.

PROJECTED COSTS (\$K)				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
\$146.7	\$149.6	\$203.4	\$207.5	\$264.6

RESOURCE REQUIREMENTS (\$Millions)								
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Appropriation From	Budget Activity	Dash-1 Line Item
Army	\$0.03	\$0.03	\$0.04	\$0.05	\$0.06	O&M, Army	BA04	12-121
Navy	\$0.02	\$0.02	\$0.03	\$0.03	\$0.04	O&M, Navy	BA04	1C-1C3C
Air Force	\$0.03	\$0.03	\$0.04	\$0.05	\$0.06	O&M, Air Force	BA04	1G-012A
Defense Intelligence Agency	\$0.05	\$0.05	\$0.06	\$0.06	\$0.08	O&M, Defense-Wide	BA04	4G-4GTU
Defense Security Service	\$0.02	\$0.02	\$0.02	\$0.02	\$0.03	O&M, Defense-Wide	BA04	4G-4GTE
Total	\$0.15	\$0.15	\$0.20	\$0.21	\$0.26			

Cost Methodology: Of the requested 50 DISES increase for FY 2011, only 15 (30 percent) are expected to result in pay and benefits increases by the elevation of existing GG-15s or equivalent, or by external recruitment to replace a retiring/departing GG-15 or equivalent with a DISES. In such cases, the increase in salary and benefits costs will be relatively minimal, as calculated in the cost estimate below. In the case of an external recruitment, the salary and benefits of a new DISES could actually be less than the GG-15 or equivalent that is replaced. The vast majority of the new DISES requested (35; 70 percent) are expected to be filled by converting existing Defense Intelligence Senior Level (DISL) employees to DISES, with no resultant salary or benefits increases, since DISES and DISL positions are in pay-for-

performance systems with identical salary ranges. No new funds or additional end strength of civilian employees are requested. Components will absorb any incremental costs in their civilian personnel accounts. Costs will be split between four budgets -- MIP, NIP, ISSP, and departmental budgets. Estimated costs for FY 2011 are \$146,655, using a starting salary average at GG-15 Step 5 at the locality pay rate of the Washington, D.C. area, assuming a 6 percent increase upon the promotion of 15 GG-15s (not required) and estimating benefits increases as 19 percent of the pay increase, with no salary or benefits costs associated with the conversion of 35 DISLs to DISES.

Elevation from Mid-Band of GG-15/ DCIPS Pay Band 5	
$\$136,941 \times 0.06 = \$8,216$	Pay increase of 6 percent on accession to senior ranks
$(\$8,216 \times 15) + (\$0 \times 35) = \$123,240$	Increase x 15 new DISES positions, with no costs for 35 DISL to DISES conversions
$\$123,240 \times 0.19 = \$23,415$	Benefits, calculated at 19 percent of increase
$\$146,655$	Total pay and benefits increase for FY2011

Changes to Existing Law: This section would make the following changes to section 1606(a) of title 10, United States Code:

§ 1606. Defense Intelligence Senior Executive Service

(a) ESTABLISHMENT.—(1) The Secretary of Defense may establish a Defense Intelligence Senior Executive Service for defense intelligence positions established pursuant to section 1601 (a) of this title that are equivalent to Senior Executive Service positions. ~~The number of positions in the Defense Intelligence Senior Executive Service may not exceed 594.~~

(2)(A) The number of positions in the Defense Intelligence Senior Executive Service in fiscal year 2011 may not exceed 644.

(B) The number of positions in the Defense Intelligence Senior Executive Service in any fiscal year after fiscal year 2011 may not exceed the lesser of the following:

(i) The number of such positions authorized by paragraph (2)(A), as adjusted by the percentage specified in subparagraph (C) for such fiscal year.

(ii) 694.

(C) The percentage specified in this subparagraph for a fiscal year is the percentage by which the authorized number of Department of Defense positions in the Senior Executive Service has been increased as of the end of the preceding fiscal year over the number of such positions authorized on September 30, 2010.

(3) The Secretary may give priority for the allocation of any increase in the number of authorized positions in the Defense Intelligence Senior Executive Service to those Department of Defense intelligence components in which the ratio of senior executives to employees other than senior executives is the lowest.

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