

DoD Senior Level and Scientific & Professional Pay-for-Performance Appraisals FY05 – FY09



***Prepared by
The Office of the Deputy Under Secretary of Defense
Civilian Personnel Policy
March 2010***

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Contents





FY09 Year in Review

□ FY09 ratings distribution: →

- 19% rated got a 3; 54% rated got a 4 ; 27% rated got a 5

□ The **FY09 PAEP of 1.5%** resulted in:

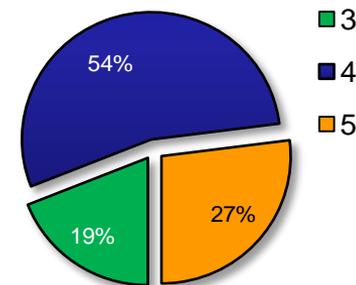
- Total performance-based bonus payment was the same, but the allocation between salary adjustment and bonus was retroactively shifted.
- Average Performance Pay Adjustment for SL/ST **shifted down** from \$3,998 to \$3,094.
- Average Performance Bonus for SL/ST **shifted up** from \$13,002 to \$13,561.

□ In FY09, **97.9% of SL/ST received a bonus.**

- SL/ST average basic pay is approximately 3% below SES average basic pay.

□ **0 SL/ST rated at Level 2 in FY09.**

FY09 Ratings Distribution

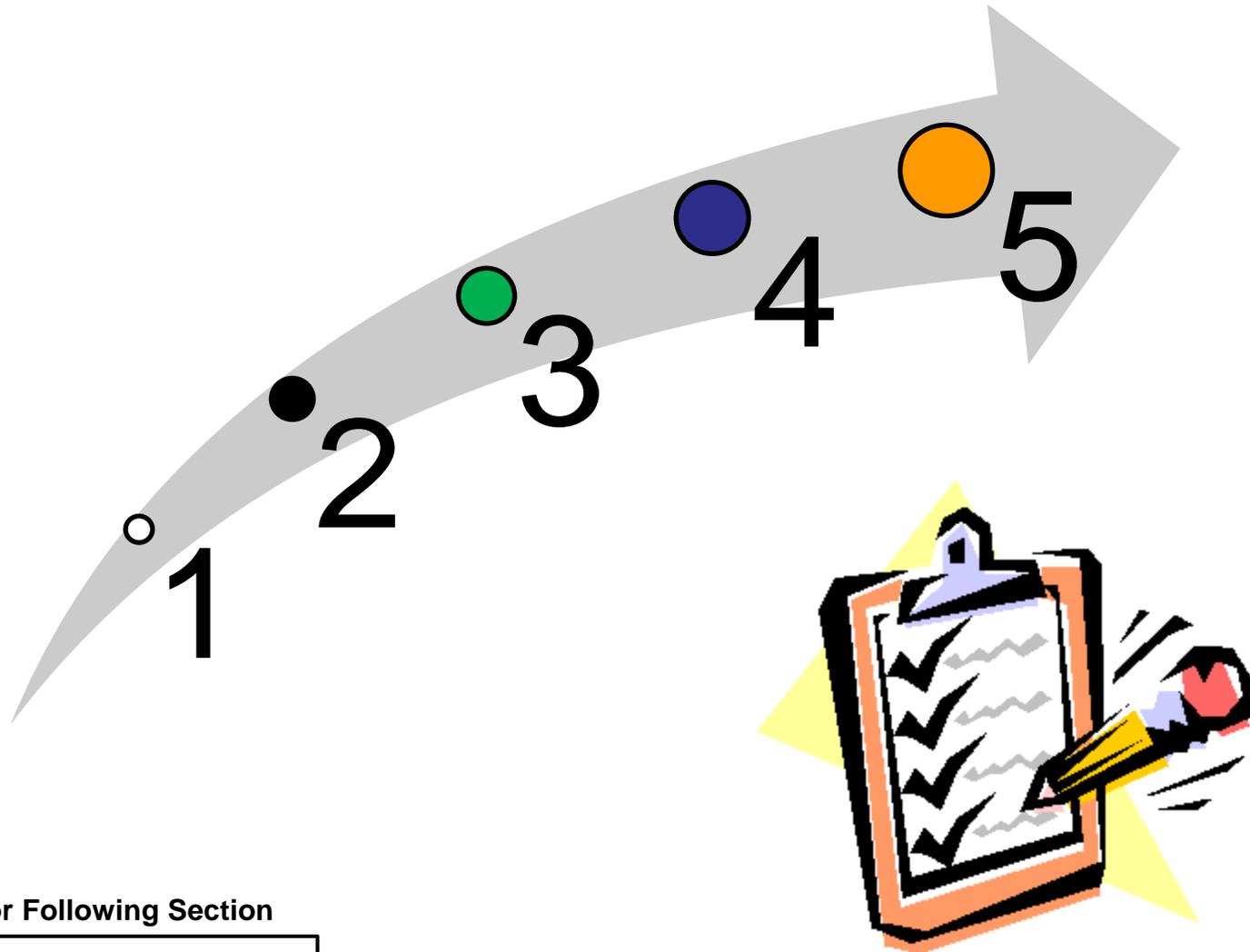




FY09 Year in Review (cont'd)

- ❑ **Common Pay Pool Funding Factor of up to 13%** remained steady from last year, FY08
 - Remaining steady from last year shows the Department has acknowledged the current economic state as well as public sentiment toward executive pay.
- ❑ As a result of the **Senior Professional Performance Act of 2008**:
 - SL/ST received a significant pay adjustment in April 2009 to add locality pay into their basic pay salary.
 - Because SL/ST can only receive one performance pay adjustment per year, individual **basic pay adjustments in January 2010 may not exceed 1.5%** of basic pay.
 - The balance of their remaining pay adjustment (above 1.5%) can then be paid out after April 11, 2010.
 - **January Adjustment:** Average of 1.50% pay adjustment (\$2,400)
 - **Total Pay Adjustment:** Average of 1.95% pay adjustment (\$3,094)
- ❑ Benchmark definitions for each performance rating level to help guide and inform rating decisions have been developed and distributed.

Ratings



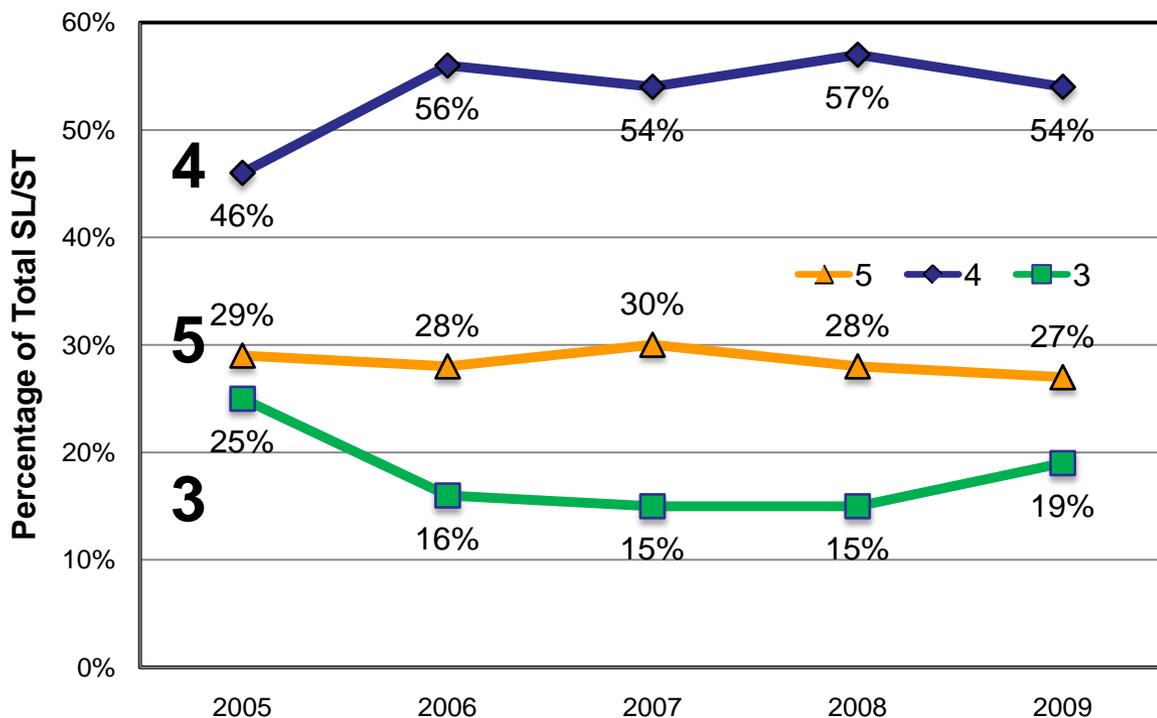
Legend For Following Section

2 3 4 5



Ratings Year-To-Year Trends, FY05 – FY09

DoD SL/ST Ratings, FSL/ST – FY09



Level 3 Trends

- Consistently around 18% since FY06
- Increased from 15% in FY08 to 19% in FY09
- Average of 18.0% of DoD SL/ST have been rated 3 since FY05
- Standard Deviation of 4.2%

Level 4 Trends

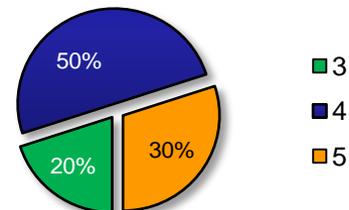
- Consistently around 55% since FY06
- Decreased from 57% in FY08 to 54% in FY09
- Average of 53.4% of DoD SL/ST have been rated 4 since FY05
- Standard Deviation of 4.3%

Level 5 Trends

- Consistently around 28% since FY07
- Decreased from 28% in FY08 to 27% in FY09
- Average of 28.4% of DoD SL/ST have been rated 5 since FY05
- Standard Deviation of 1.1%

- ❑ On average, 50% of DoD SL/ST typically get a 4, 30% get a 5, and all but a few of the remaining 20% get a 3.
- ❑ Very similar to SES stratification, but much more variation year-to-year (St. Dev. ~4% in SL/ST vs. ~1% in SES)

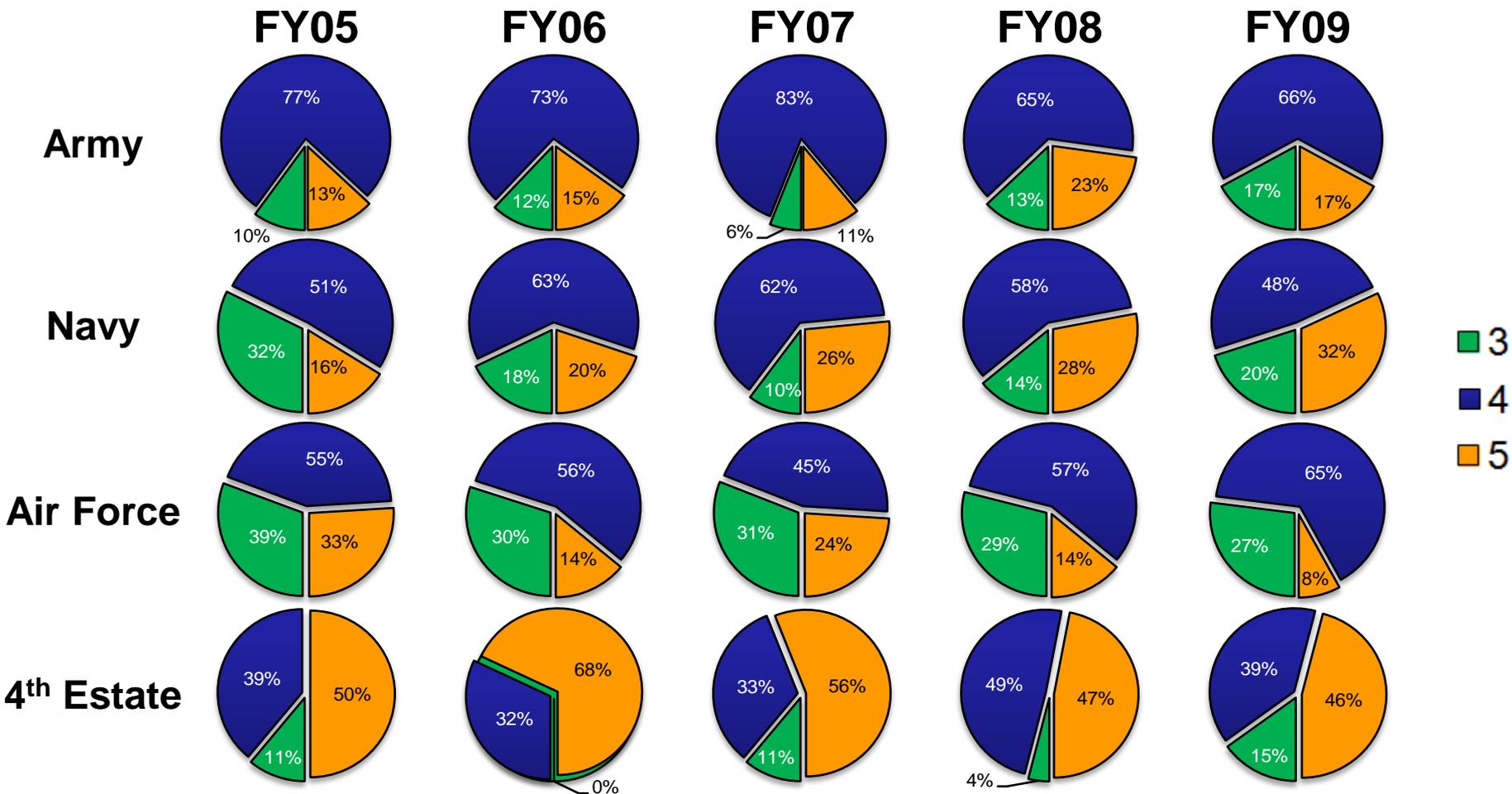
Typical Ratings Distribution



187 SL/ST rated in FY09



Ratings by Component, FY05 – FY09



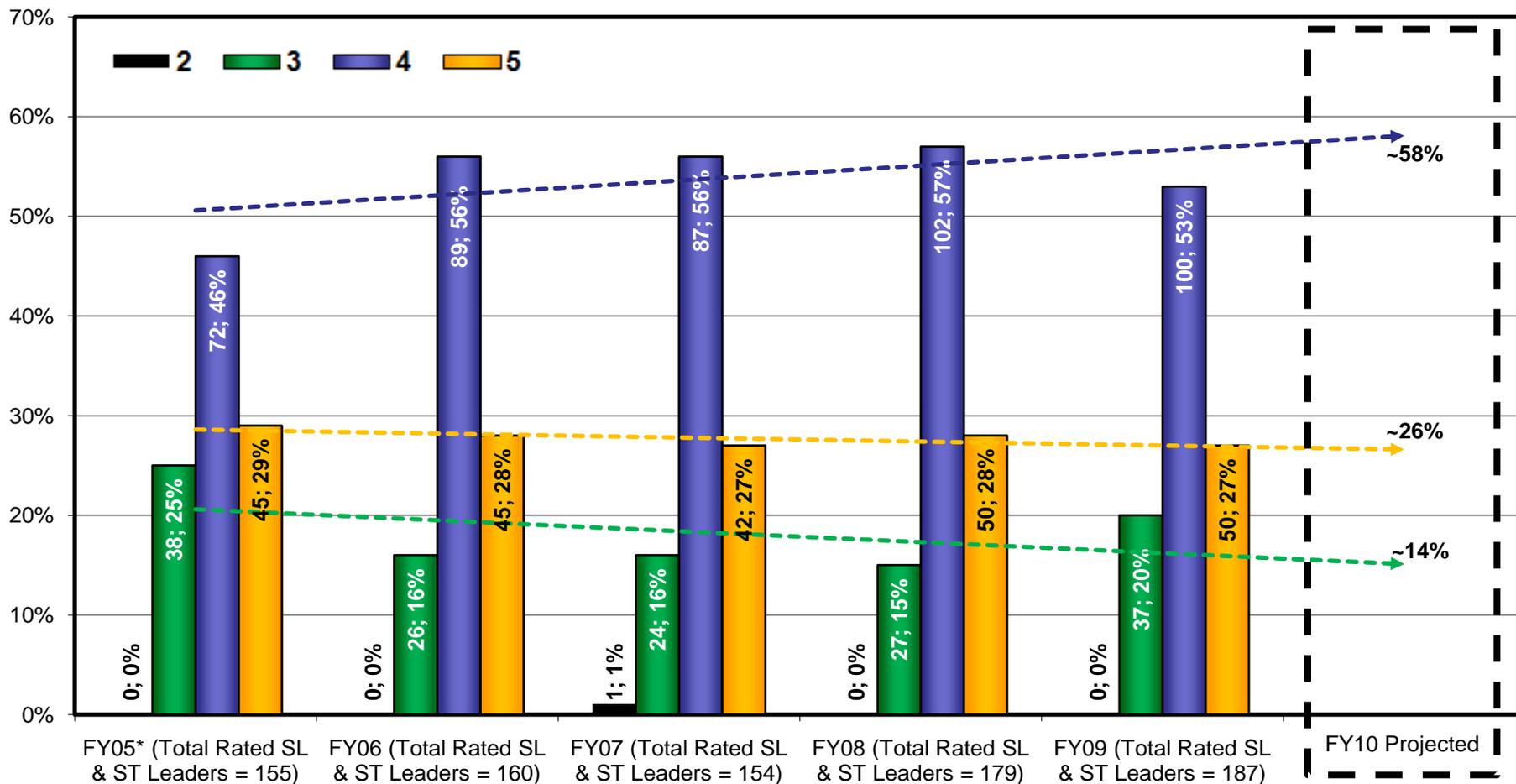
- ❑ There is **no consistent rating pattern**, particularly when comparing between Components.
- ❑ Ratings are not progressing toward a pattern of common value among the Components.
- ❑ On average, approximately 1/3 of SL/ST are receiving the highest rating (5).
- ❑ **Level 3 as a presumptive rating is not happening in either SES or SL/ST.**

4th Estate consistently rates **over 50%** of their SL/ST the highest rating (5).

187 SL/ST rated in FY09



Distribution of DoD SL/ST Ratings Projected 1 Year Into Future, FY05 – FY10



- ❑ 4s are trending slightly up overall, despite a drop from FY08 to FY09
- ❑ We are trending away from a 5-level rating system in both SL/ST and SES.

Share Distribution



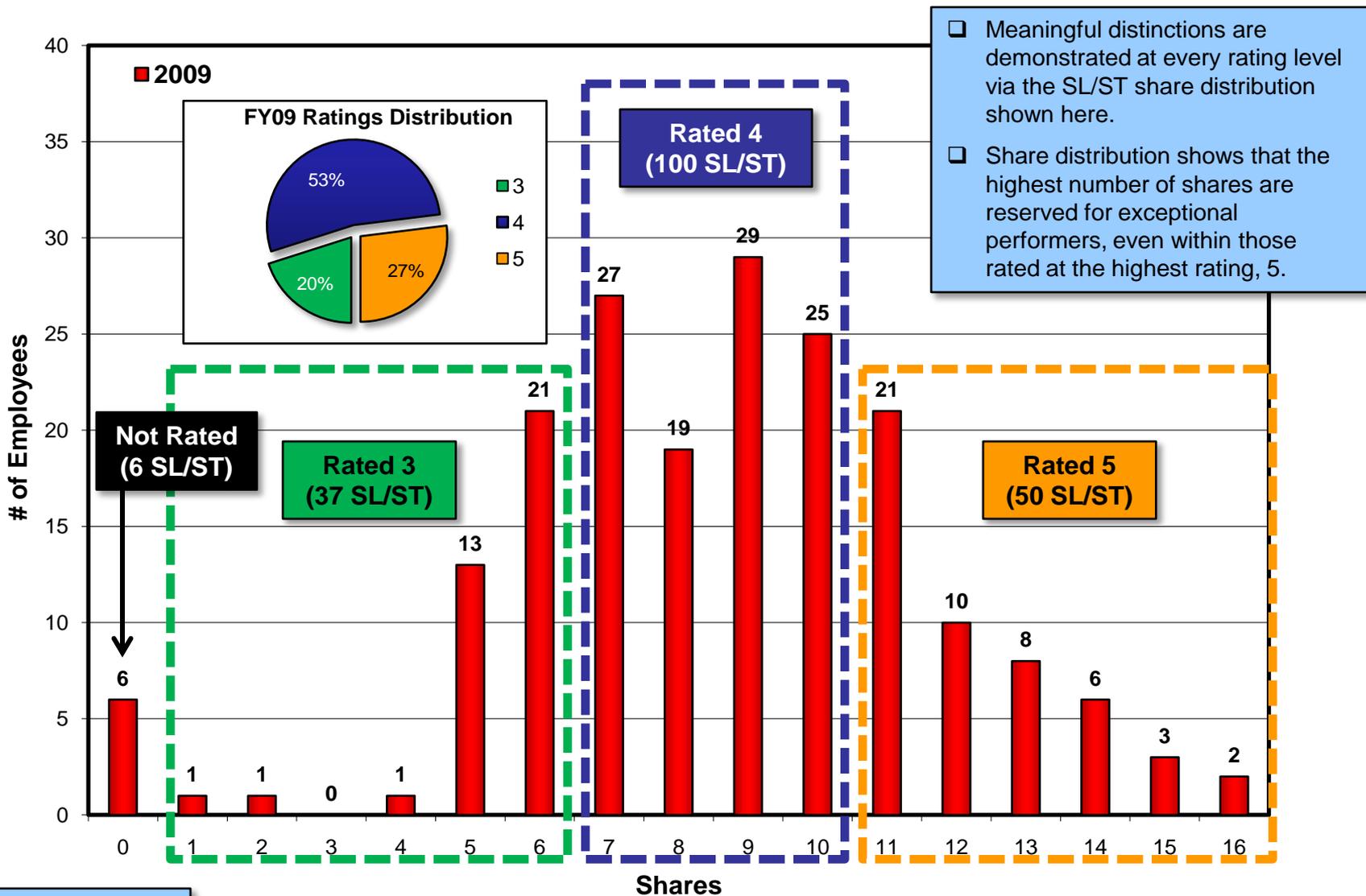
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2 3 4 5

2005 2006 2007 2008 2009



SL/ST Share Distribution *By Rating*, FY09



FY09 Salaries

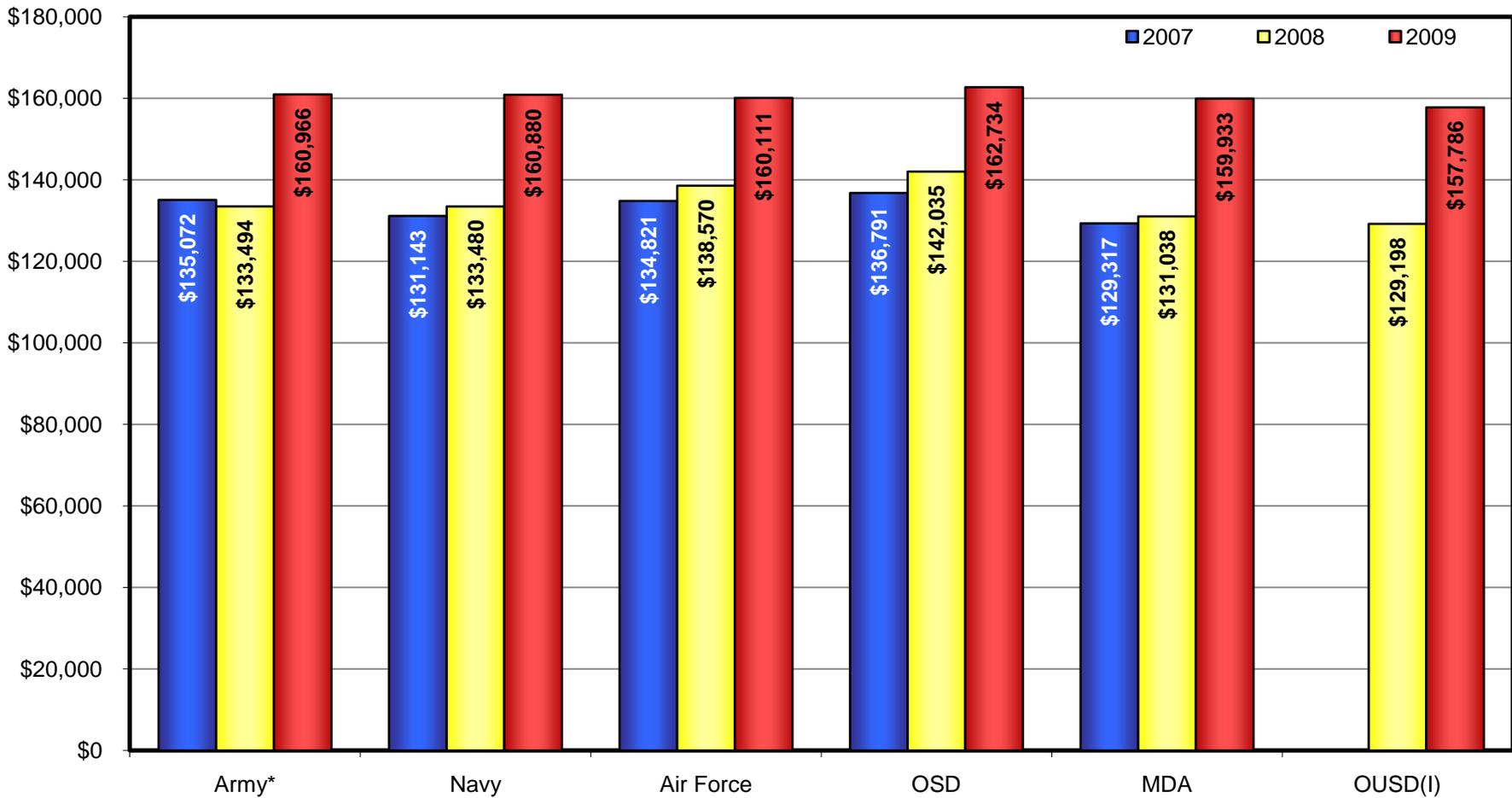


Legend For Following Section

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DoD All Rated SL/ST Average Basic Pay *Before Adjustment* By Component, FY05 – FY09



187 SL/ST rated in FY09

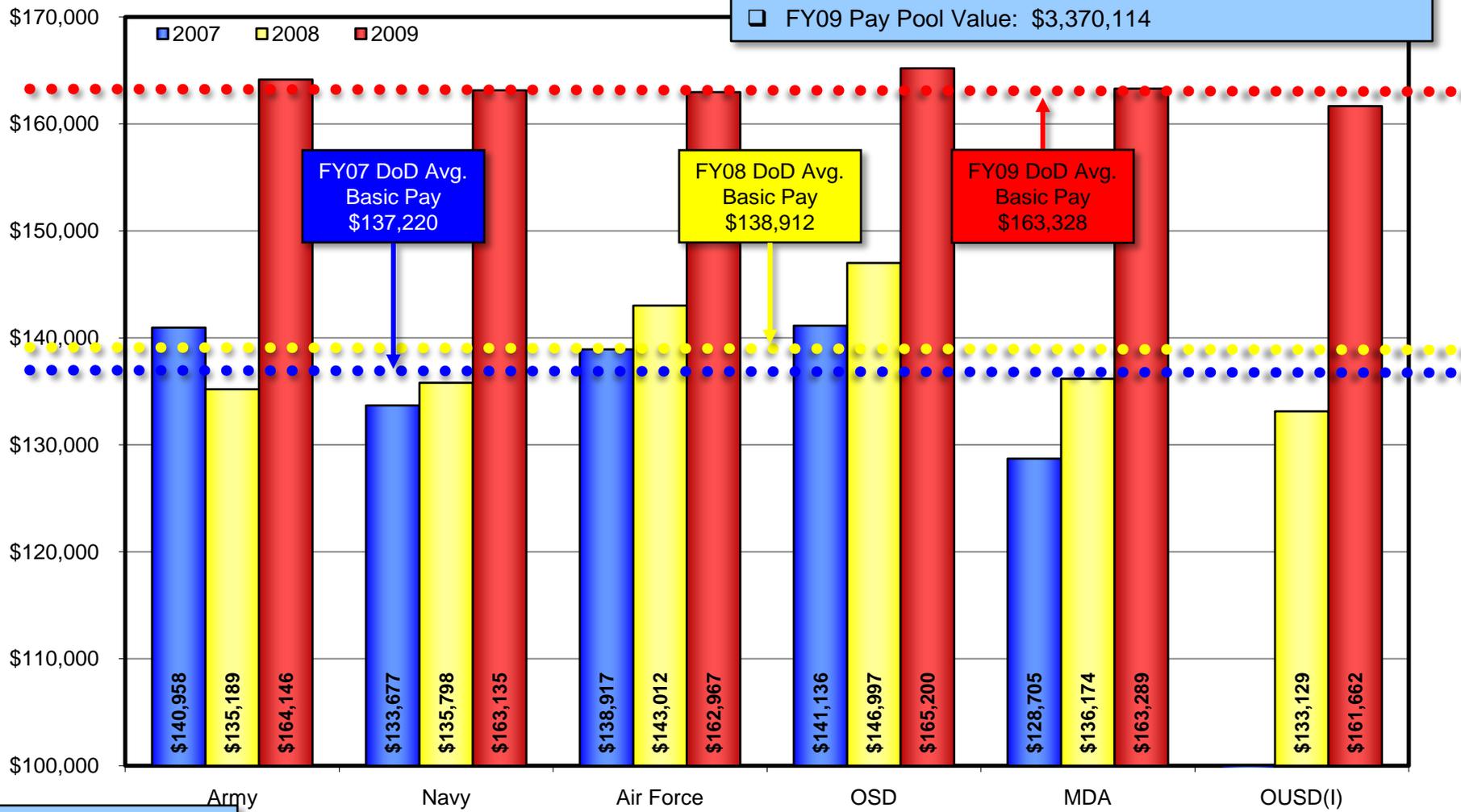
OUSD(I) not included in FY07

*There are errors in the FY08 OPM data for Army, hence the discrepancy in their lower salary.



DoD All Rated SL/ST Average Basic Pay *After Adjustment* by Component, FY07 – FY09

Large increase from FY08 to FY09 is because of inclusion of locality pay into base salaries for SL/ST.
 FY09 Pay Pool Value: \$3,370,114



187 SL/ST rated in FY09

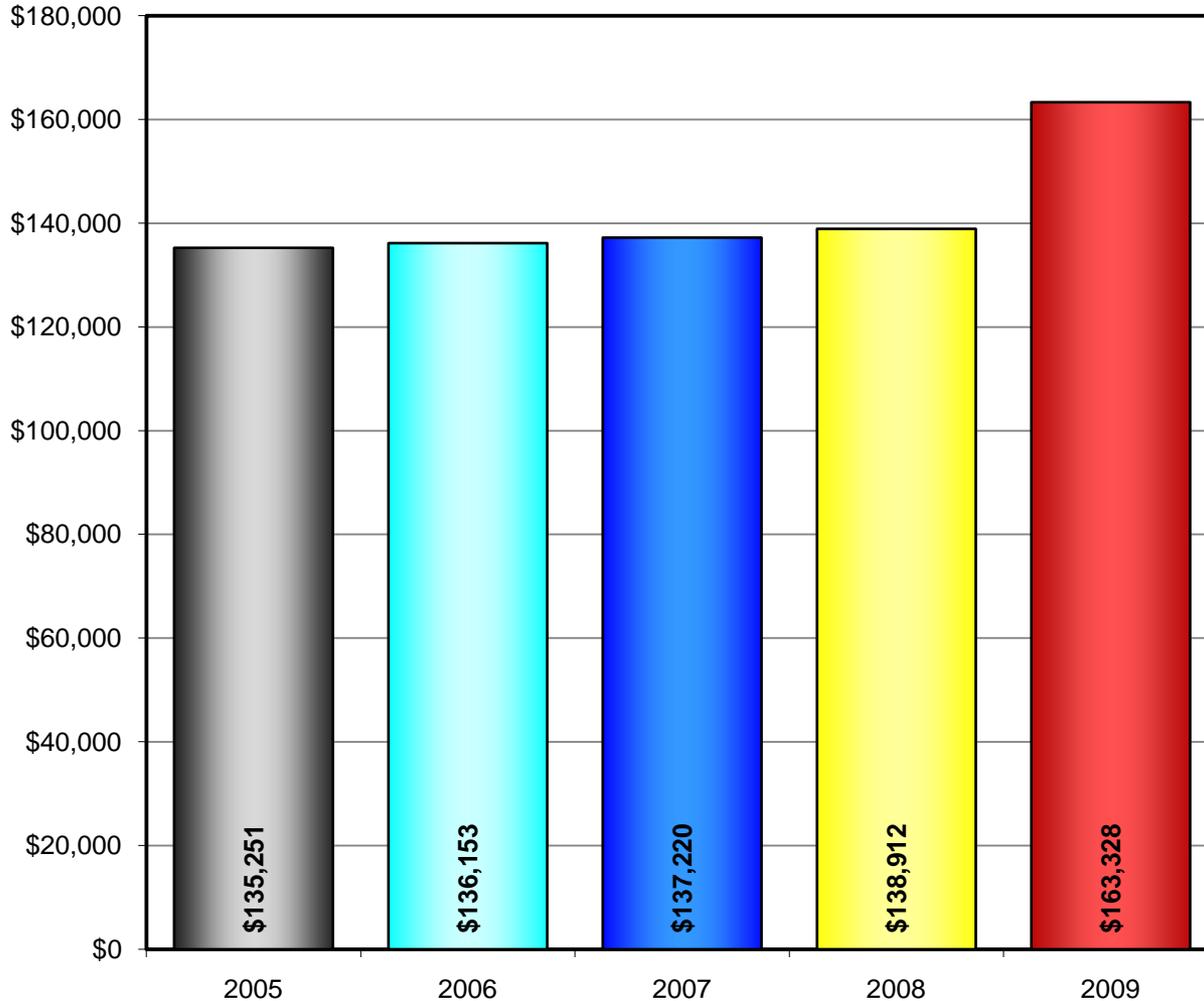
*OUSD(I) not included in FY07

*There are errors in the FY08 OPM data for Army, hence the discrepancy in their lower salary.



DoD SL/ST Average Basic Pay After Adjustment Trends, FY05 – FY09

Total DoD SL/ST Average Basic Pay
(After FY09 Pay Adjustments)



Large increase from FY08 to FY09 is because of inclusion of locality pay into base salaries for SL/ST.

2010 projected data is not shown because the projection is inaccurate due to the large jump in basic pay (due to the inclusion of locality pay) from FY08 to FY09.

FY09 SL/ST average basic pay is approximately 2% lower than FY09 SES average basic pay.

187 SL/ST rated in FY09

Performance Pay Adjustments

This section shows data for the Total Pay Adjustment earned by the SL/ST – not the 1.5% that was paid out in January 2010.



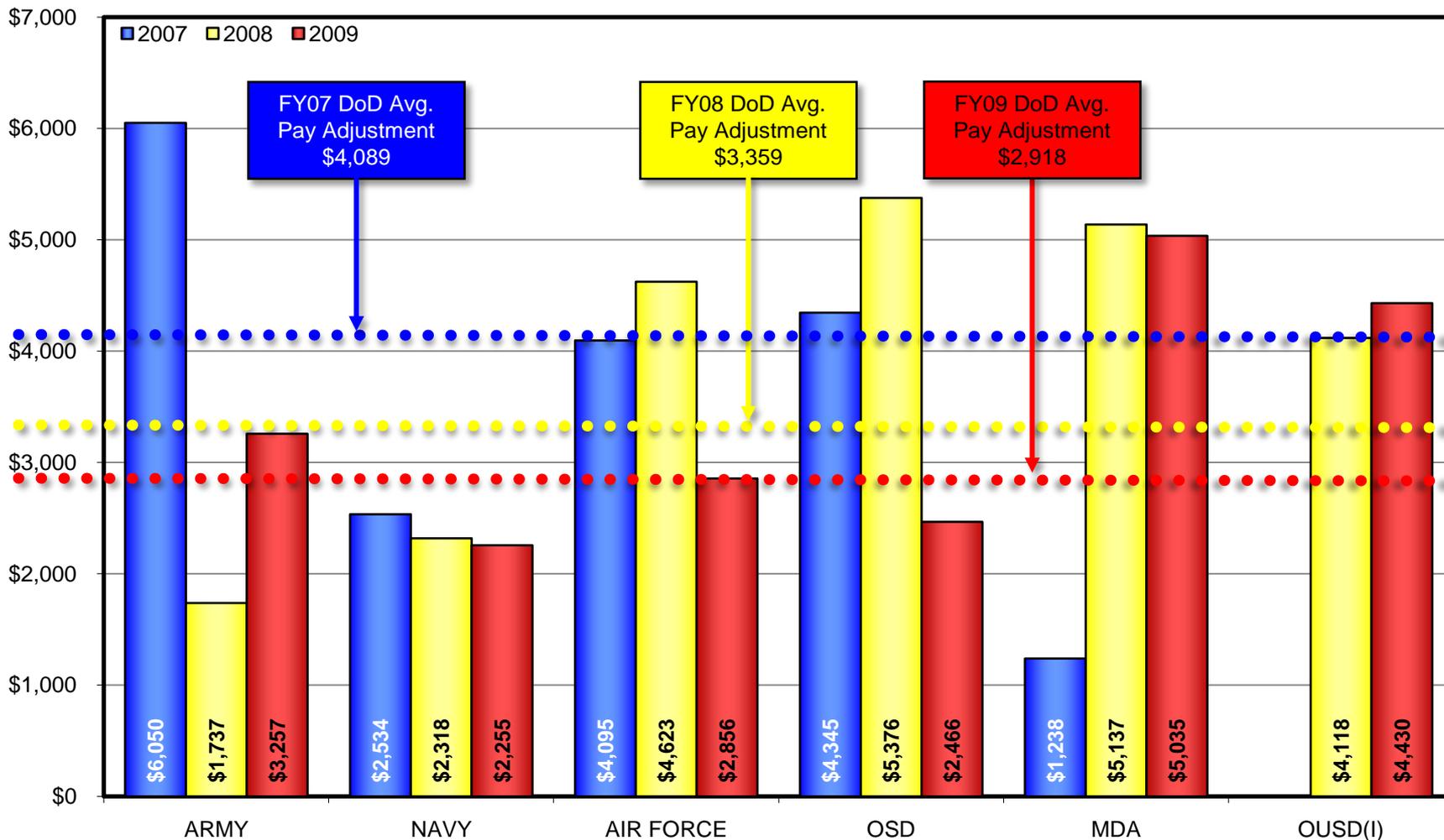
Legend For Following Section

■ 2 ■ 3 ■ 4 ■ 5

■ 2005 ■ 2006 ■ 2007 ■ 2008 ■ 2009



DoD SL/ST Average Performance Pay Adjustment by Component, FY07 – FY09



187 SL/ST rated in FY09

OUSD(I) not included in FY07



DoD SL/ST Average Performance Pay Adjustment by Rating, FY07 – FY09

FY07 Trends

- 154 rated SL/ST
- Those rated 4 received a 60% larger pay adjustment than those rated 3
- Those rated 5 received a 4% larger pay adjustment than those rated 4

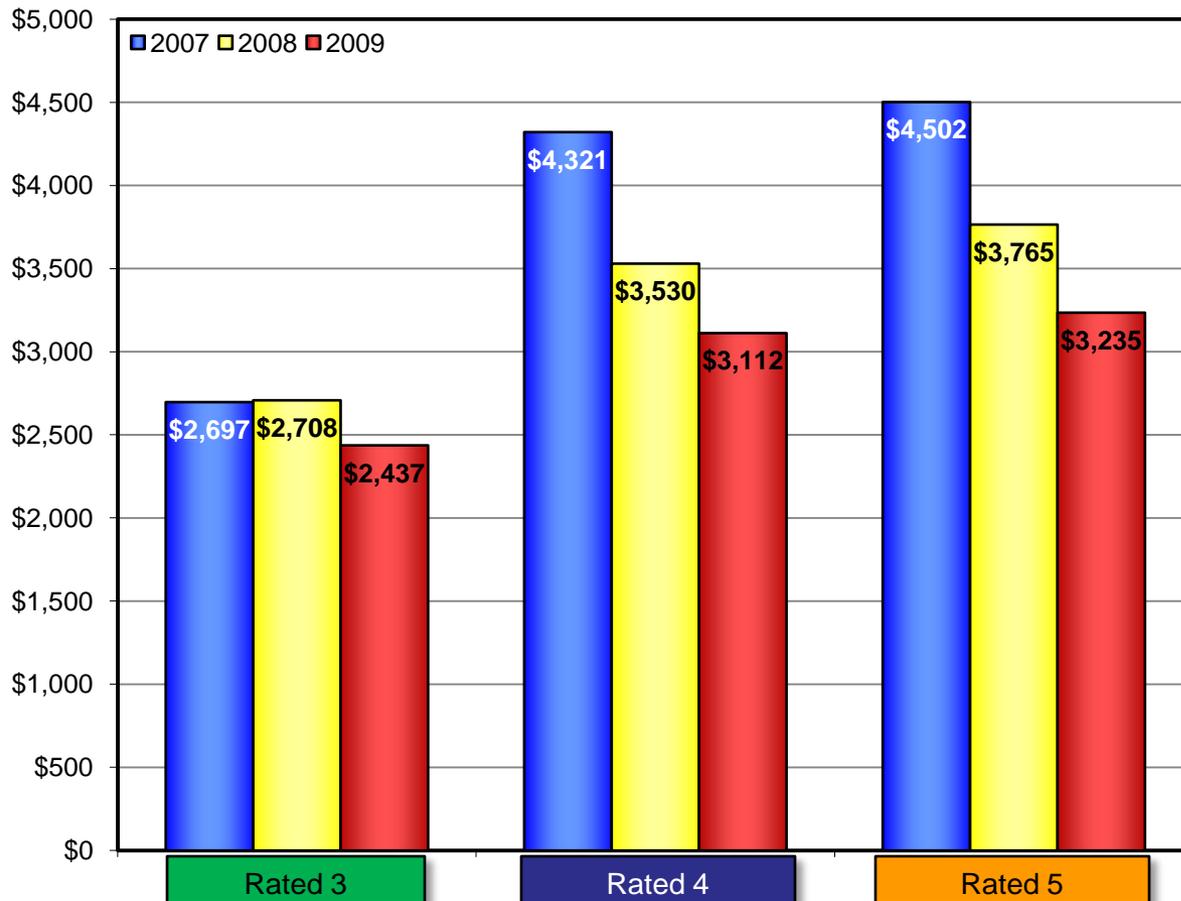
FY08 Trends

- 179 rated SL/ST
- Those rated 4 received a 30% larger pay adjustment than those rated 3
- Those rated 5 received a 7% larger pay adjustment than those rated 4

FY09 Trends

- 187 rated SL/ST
- Those rated 4 received a 28% larger pay adjustment than those rated 3
- Those rated 5 received a 4% larger pay adjustment than those rated 4
- FY09 Pay Adjustments are approximately 10% - 15% lower than FY08 Pay Adjustments

Average Performance Pay Adjustment by Rating Level



- ❑ The difference in Performance Pay Adjustment dollar amounts among the different ratings has been decreasing since FY07.
- ❑ There is a large increase (30% - 60%) in Adjustment from Rating 3 to Rating 4, but only a small increase (less than 10%) in Adjustment from Rating 4 to Rating 5.

187 SL/ST rated in FY09



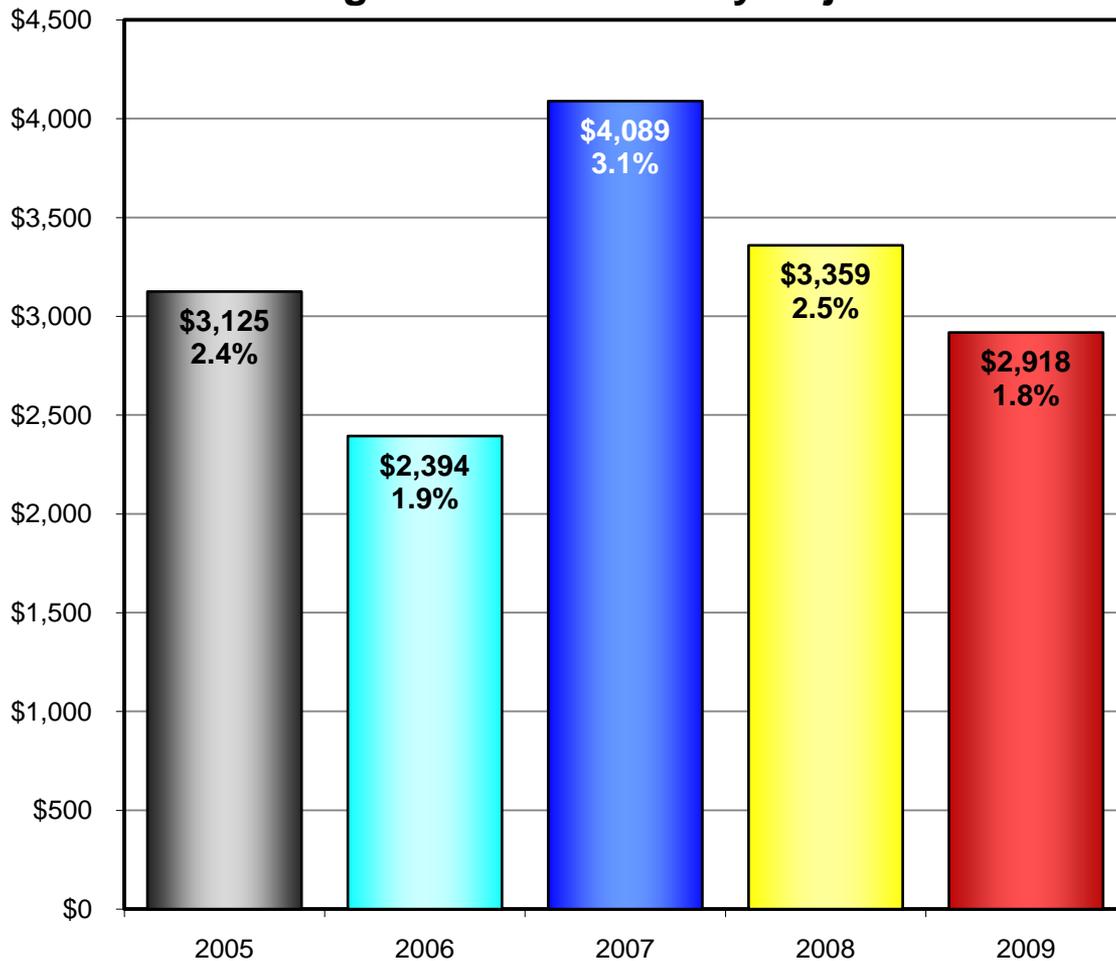
DoD SL/ST Average Performance Pay Adjustment Trends, FY05 – FY09

187 SL/ST rated in FY09

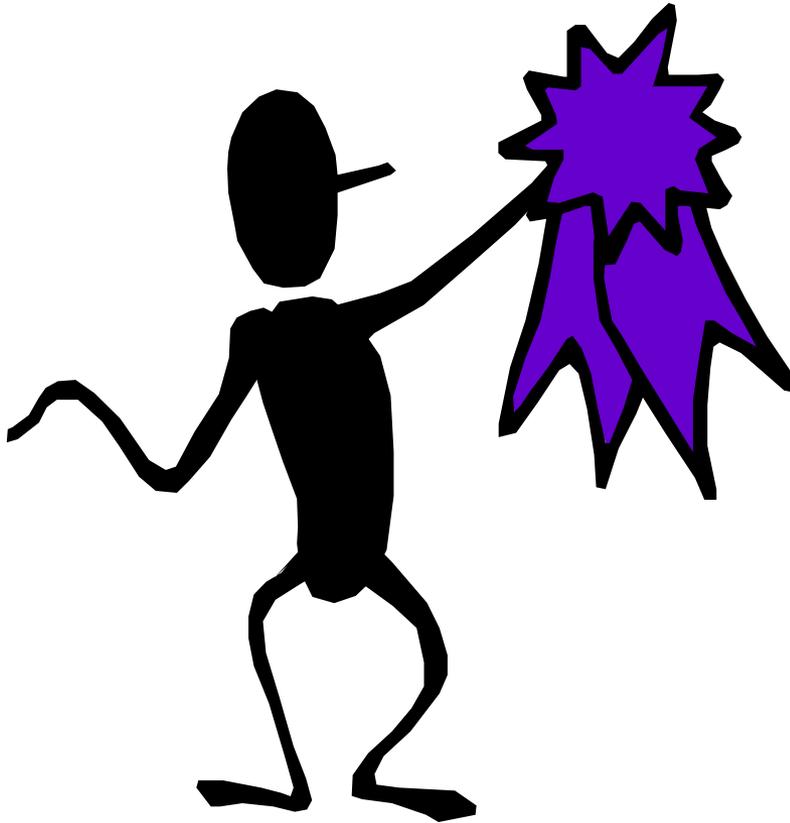
FY09 Pay Adjustment is approx. 15% lower than FY08 Pay Adjustment

❑ In FY09, SL/ST could only receive a 1.5% Performance Pay Adjustment in January due to their locality pay being incorporated into their basic pay. Any SL/ST receiving more than 1.5% can receive the balance of their adjustment after April 11, 2010.

Average Performance Pay Adjustment



Performance Bonuses



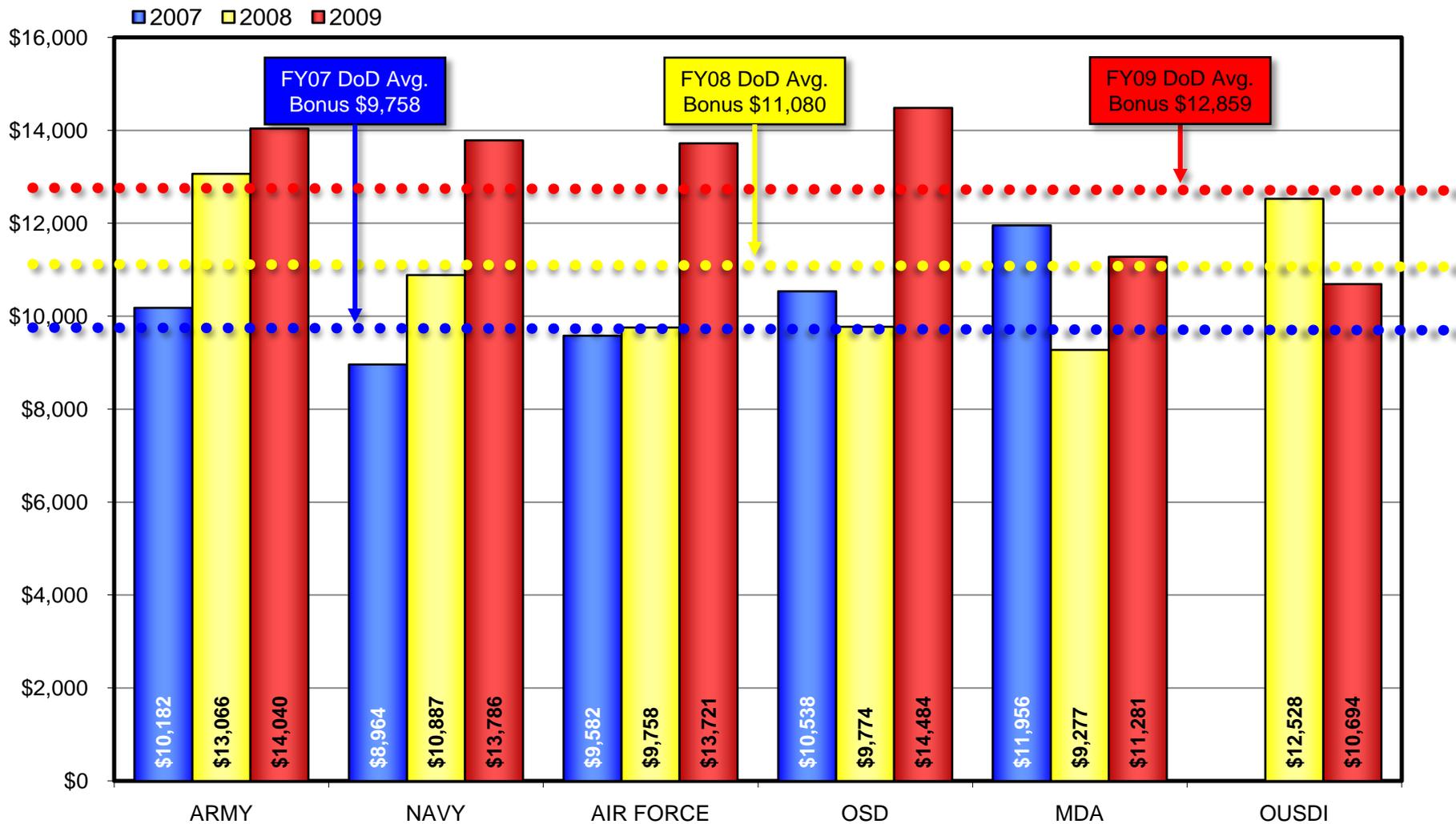
Legend For Following Section

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■ 2005 ■ 2006 ■ 2007 ■ 2008 ■ 2009



DoD SL/ST Average Bonus by Component, FY07 – FY09



187 SL/ST rated in FY09

OUSDI(l) not included in FY07



DoD SL/ST Average Bonus by Rating, FY07 – FY09

FY07 Trends

- 154 rated SL/ST
- Those rated 4 received a 93% larger performance bonus that those rated 3
- Those rated 5 received a 63% larger performance bonus that those rated 4

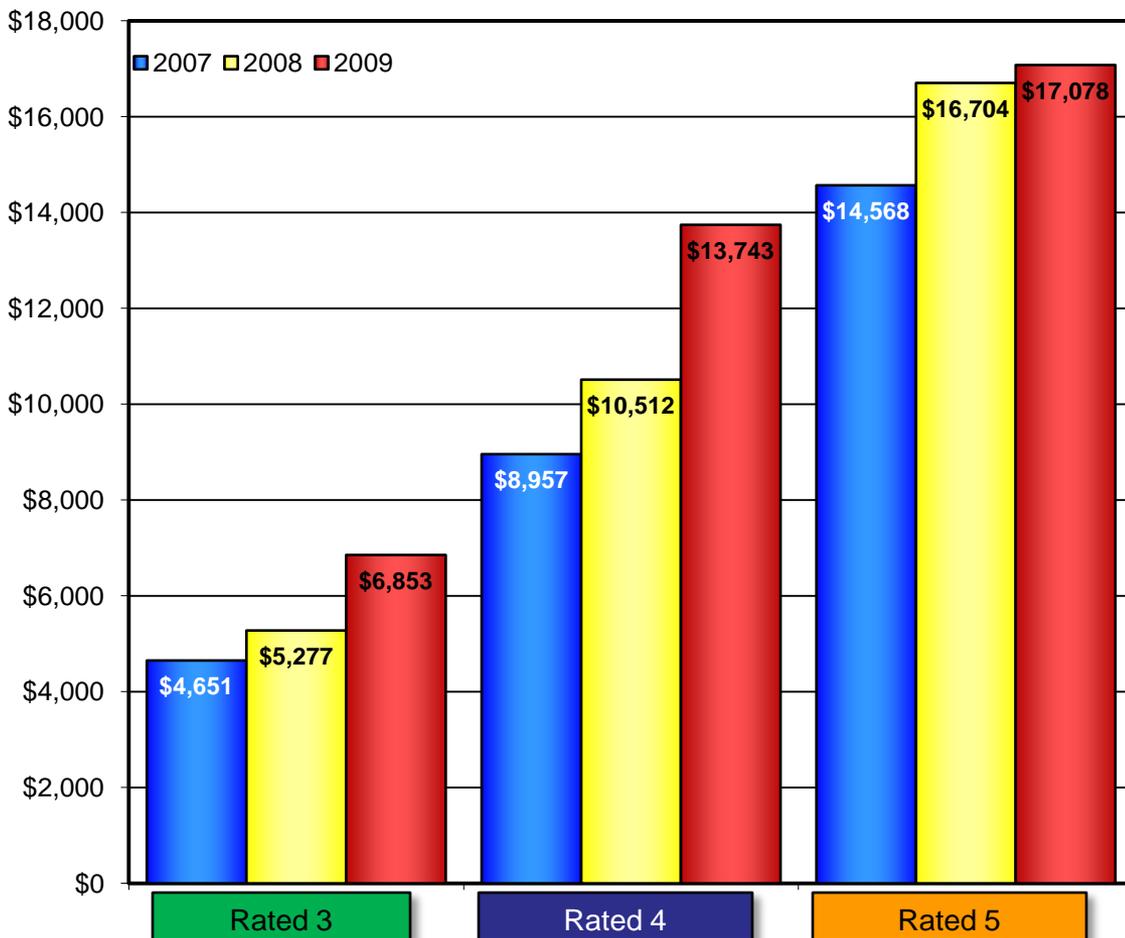
FY08 Trends

- 179 rated SL/ST
- Those rated 4 received a 99% larger performance bonus that those rated 3
- Those rated 5 received a 59% larger performance bonus that those rated 4

FY09 Trends

- 187 rated SL/ST
- Those rated 4 received a 100% larger performance bonus that those rated 3
- Those rated 5 received a 25% larger performance bonus that those rated 4
- FY09 Performance Bonuses are approximately 30% higher than FY08 Performance Bonuses for those rated 3 and 4

Average Performance Bonus by Rating Level



187 SL/ST rated in FY09



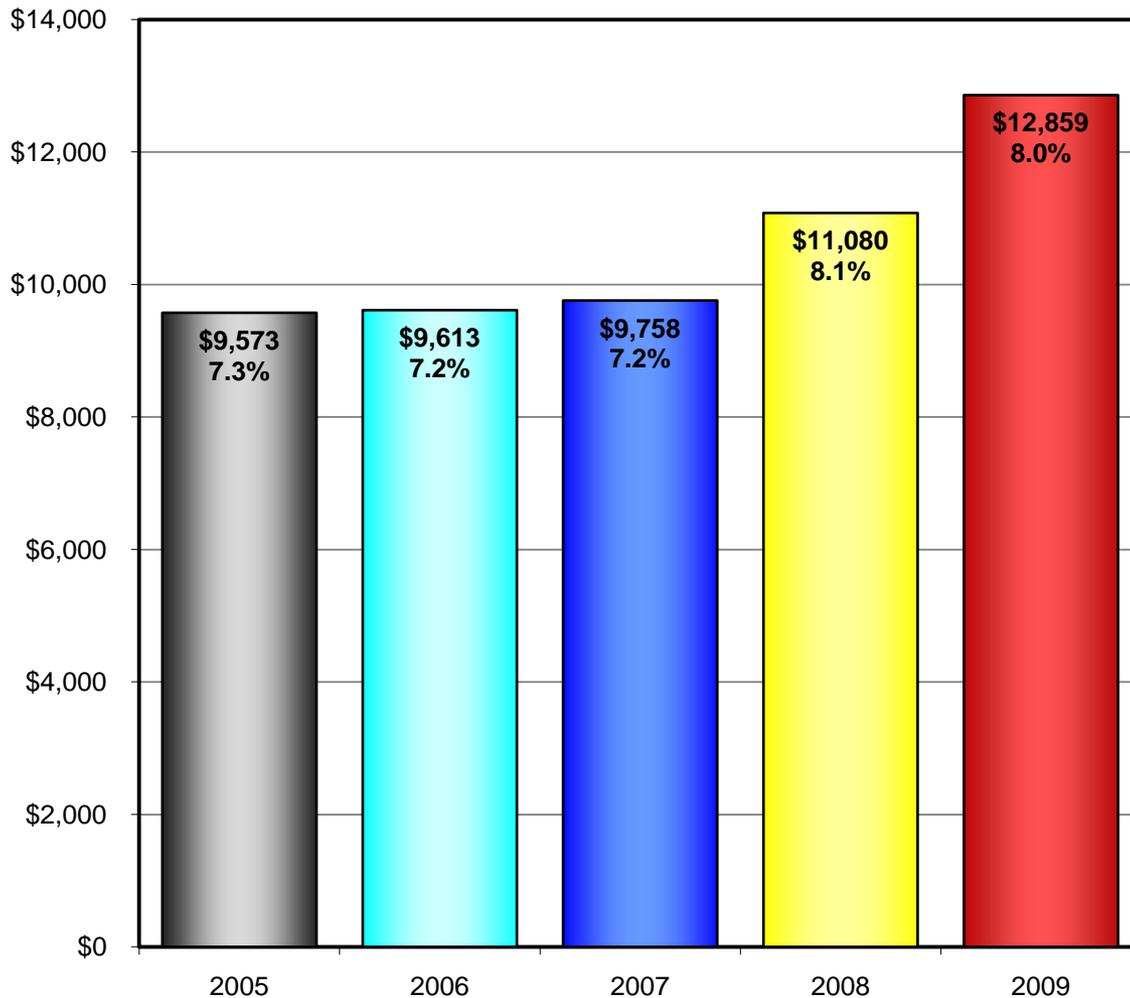
DoD SL/ST Average Performance Bonus Trends, FY05 – FY09

187 SL/ST rated in FY09

FY09 Bonus is approximately 16% higher than FY08 Bonus

97.9% of Rated SL/ST received a Bonus in FY09

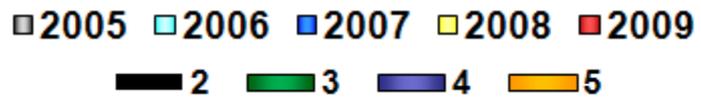
Average Bonus



Total Performance Payout



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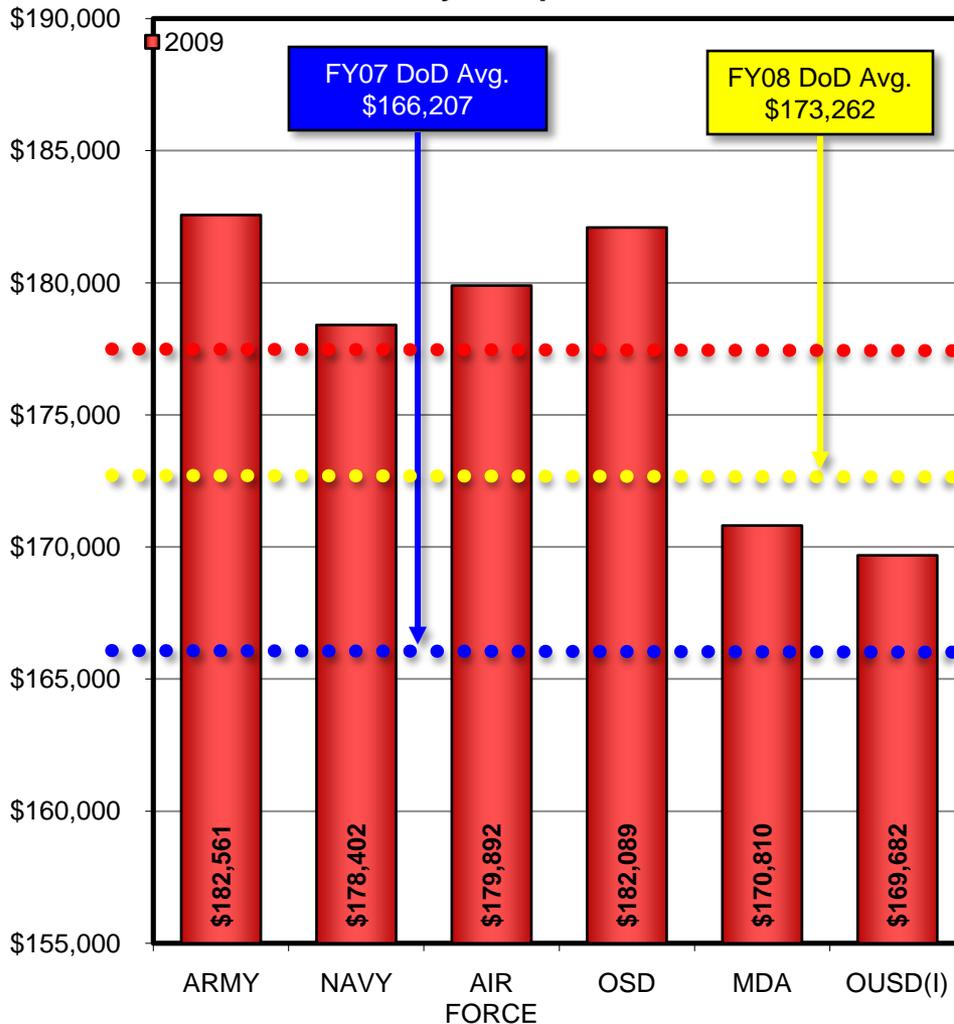




DoD SL/ST Total Compensation by Component and Rating, FY09

Average Total Compensation by Component

Average Total Compensation by Rating Level



187 SL/ST rated in FY09

FY09 Additional Back-Up Analyses



Legend For Following Section

■ 2 ■ 3 ■ 4 ■ 5

■ 2005 ■ 2006 ■ 2007 ■ 2008 ■ 2009



Information about Data

SL/ST Data includes:

- Army, Air Force, Navy, OSD, OUSD(I), and MDA
- MDA not included in FY05 or FY06
- OUSD(I) not included in FY07

Validation of prior years' data:

- FY05 and FY06 data were assumed accurate.
- FY07 and FY08 data were validated against each year's final OPM data call submission.
 - FY07 and FY08 data in this presentation were then updated to accurately reflect the OPM submission data.
 - FY08 Before Adjustment Basic Pay information was approximated for some Components because OPM data was not accurate.
 - Army's FY08 information was especially inaccurate, hence some discrepancies can be seen in this presentation.
- FY09 data came from each Component's final OPM submission.

Unless otherwise noted, all calculated numbers follow the below guidelines:

- All rated, SL/ST members' data was used.
- Zeros have been included in all averages.
- Most calculations were rounded to the nearest whole number. If any set of percentages don't add up to *exactly* 100%, is due to rounding.
- All currency figures are in US Dollars (\$).

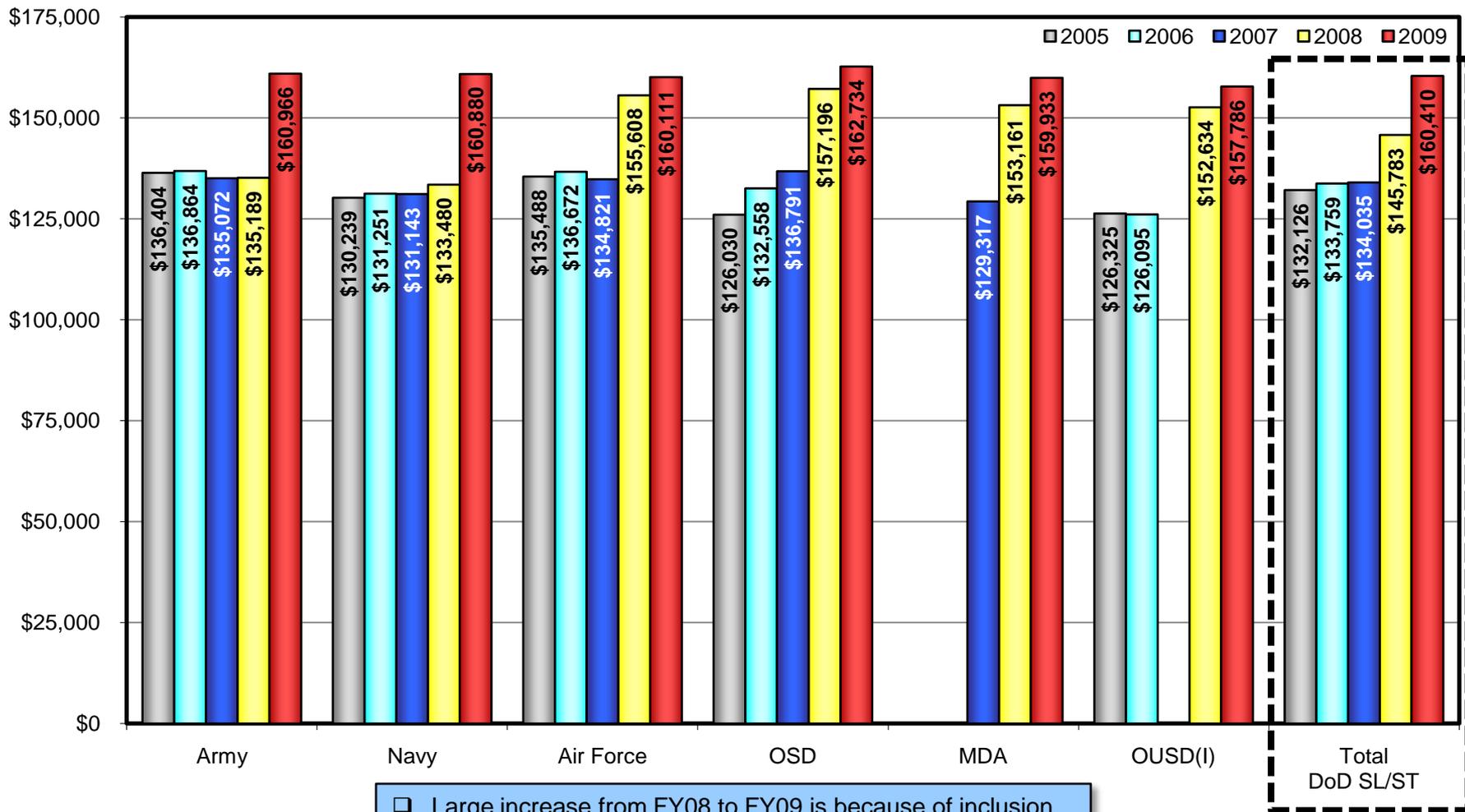


DoD SL/ST Performance Payout Results, FY05 – FY09

Results at a Glance (for DoD-Wide, Rated SL/ST)	FY05	FY06	FY07	FY08		FY09	
Total Number of SL/ST Total Number of SL/ST rated	155	160	155 154	185 179	193 187		
Number of Executives Rated / Not Rated	*	*	154 / 1	179 / 6		187 / 6	
Performance Rating Levels	Level 2 (0%) Level 3 (25%) Level 4 (46%) Level 5 (29%)	Level 2 (0%) Level 3 (16%) Level 4 (56%) Level 5 (28%)	Level 2 (1%) Level 3 (16%) Level 4 (56%) Level 5 (27%)	Level 2 (0%) Level 3 (15%) Level 4 (57%) Level 5 (28%)	Level 2 (0%) Level 3 (20%) Level 4 (53%) Level 5 (27%)		
Total Salaries of SL/ST	\$19,223,969	\$20,082,052	\$20,775,376	\$26,969,775		\$30,959,163	
Pay Pool Funding Factor (Pay Progression + PAEP + Performance Budget)	N/A	10%	12%	Army Navy AF OSD MDA OUSDI	11.0% 13.0% 11.0% 11.0% 11.0% 12.8%	Army Navy AF OSD MDA OUSDI	11.0% 10.5% 11.0% 11.0% 11.0% 11.0%
Pay Pool Value (Pay Pool Funding Factor * Total Salaries of all covered executives)	N/A	\$2,008,205	\$2,493,045	\$3,141,911		\$3,370,114	
Unspent Pay Pool (\$)	N/A	\$262,921	\$360,534	\$470,615		\$325,236	
Unspent Pay Pool (as % of Total Salaries)	N/A	1.31%	1.74%	1.74%		1.05%	
Total Performance Pay Adjustment Payouts (\$)	\$490,343	\$340,942	\$629,738	\$621,460		\$563,133	
Average Performance Pay Adjustment (\$)	*	*	\$4,089	\$3,472		\$2,918	
Average Salary after Performance Adjustments	*	*	\$138,111	\$138,912		\$163,328	
Total Performance Pay Increase Payouts (as % of Total Salaries)	2.55%	1.70%	3.03%	2.30%		1.82%	
Total Performance Bonus Payouts (\$)	\$1,391,370	\$1,404,342	\$1,502,773	\$2,049,836		\$2,481,745	
Average Performance Bonus Payout (\$)	*	*	\$9,758	\$11,452		\$12,859	
Total Performance Bonus (as % of Total Salaries)	7.24%	7.24%	7.23%	7.60%		8.02%	
Percent of Rated SL/ST Members Receiving Bonus	*	*	98.1%	93.0%		94.8%	



DoD SL/ST Average Basic Pay *Before Adjustment* By Component, FY05 – FY09

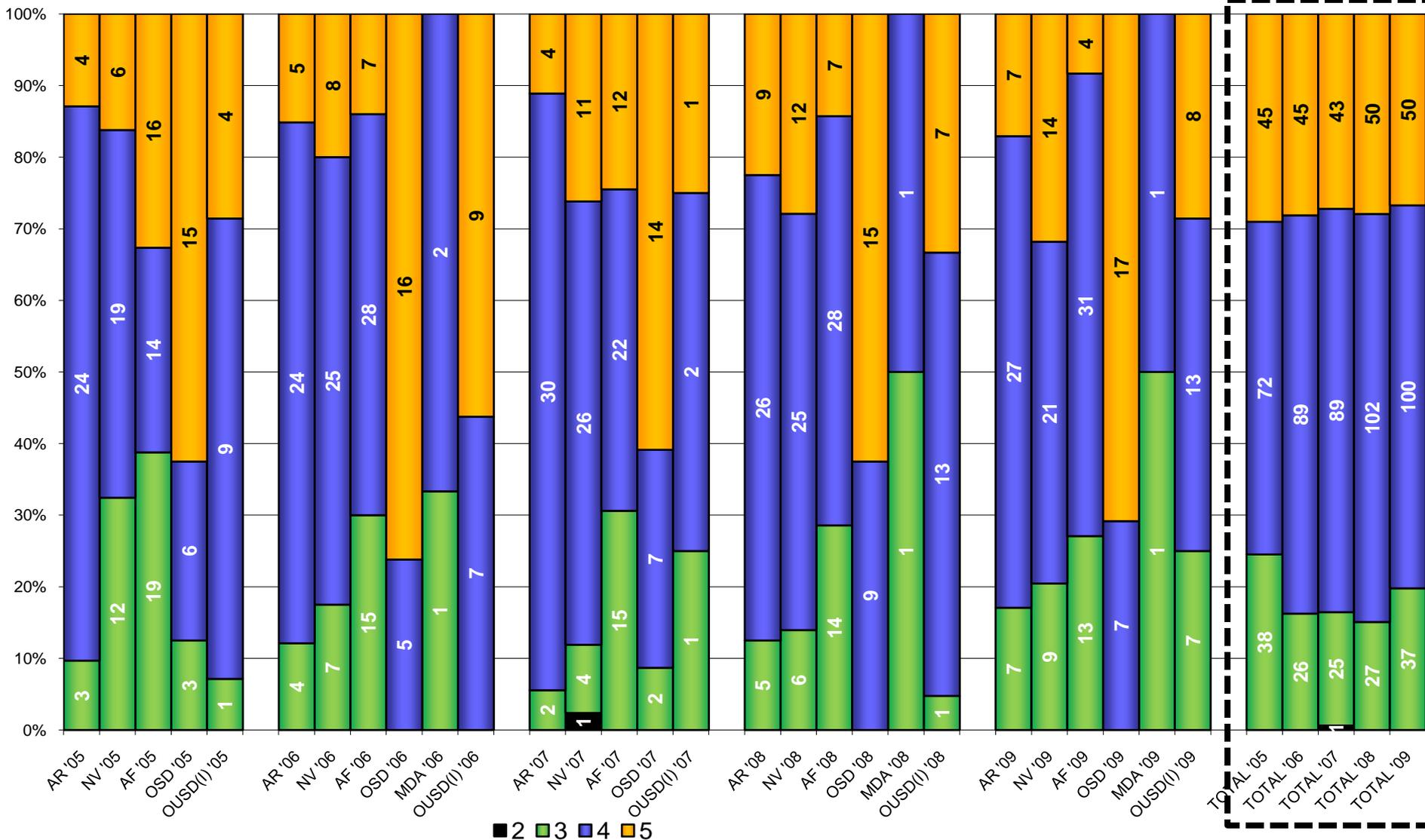


Large increase from FY08 to FY09 is because of inclusion of locality pay into base salaries for SL/ST.
 FY09 Pay Pool Value: \$3,370,114

MDA not included in FY05 or FY06
OUSD(I) not included in FY07



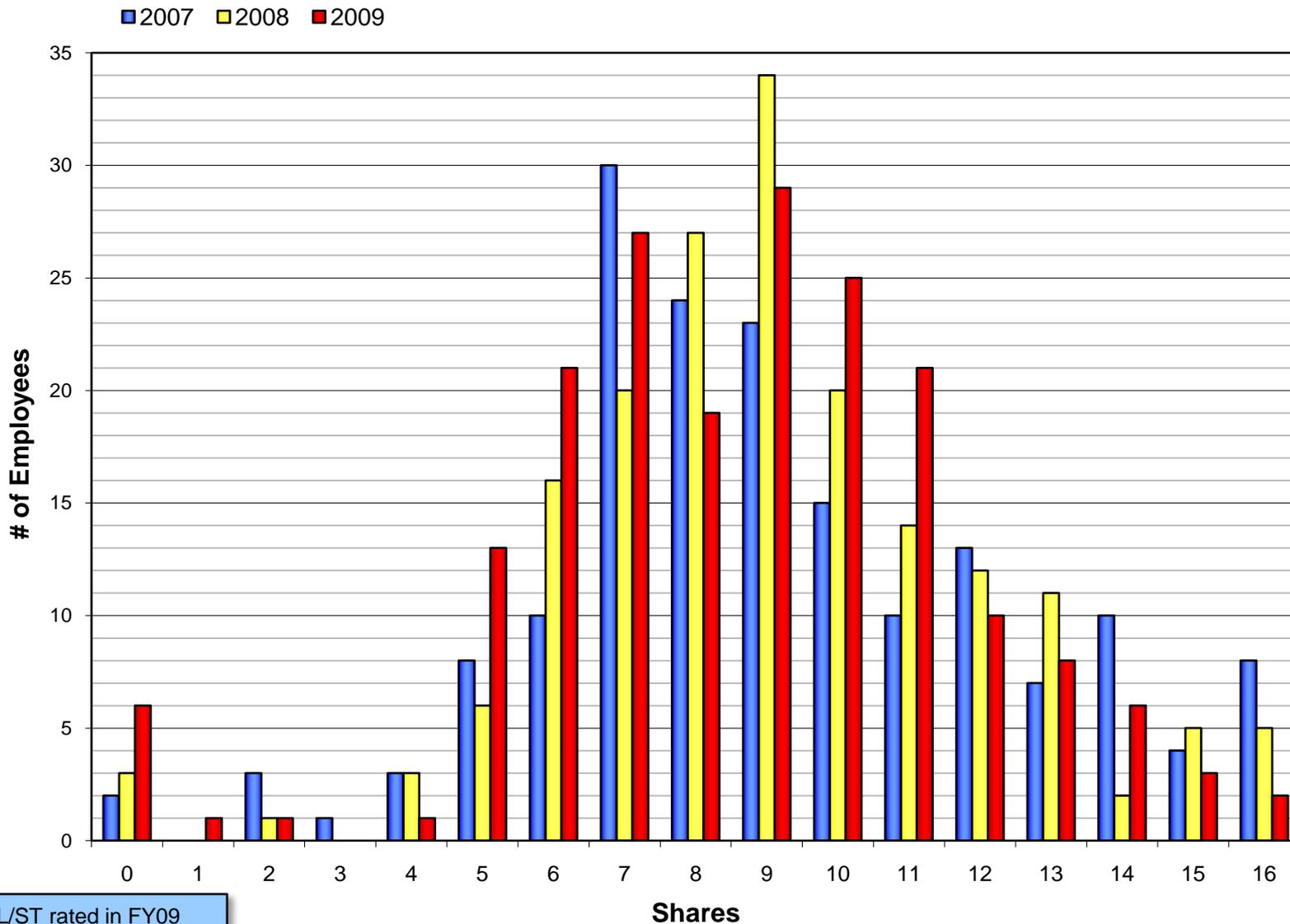
Ratings by Component, FY05 – FY09



MDA not included in FY05 or FY07

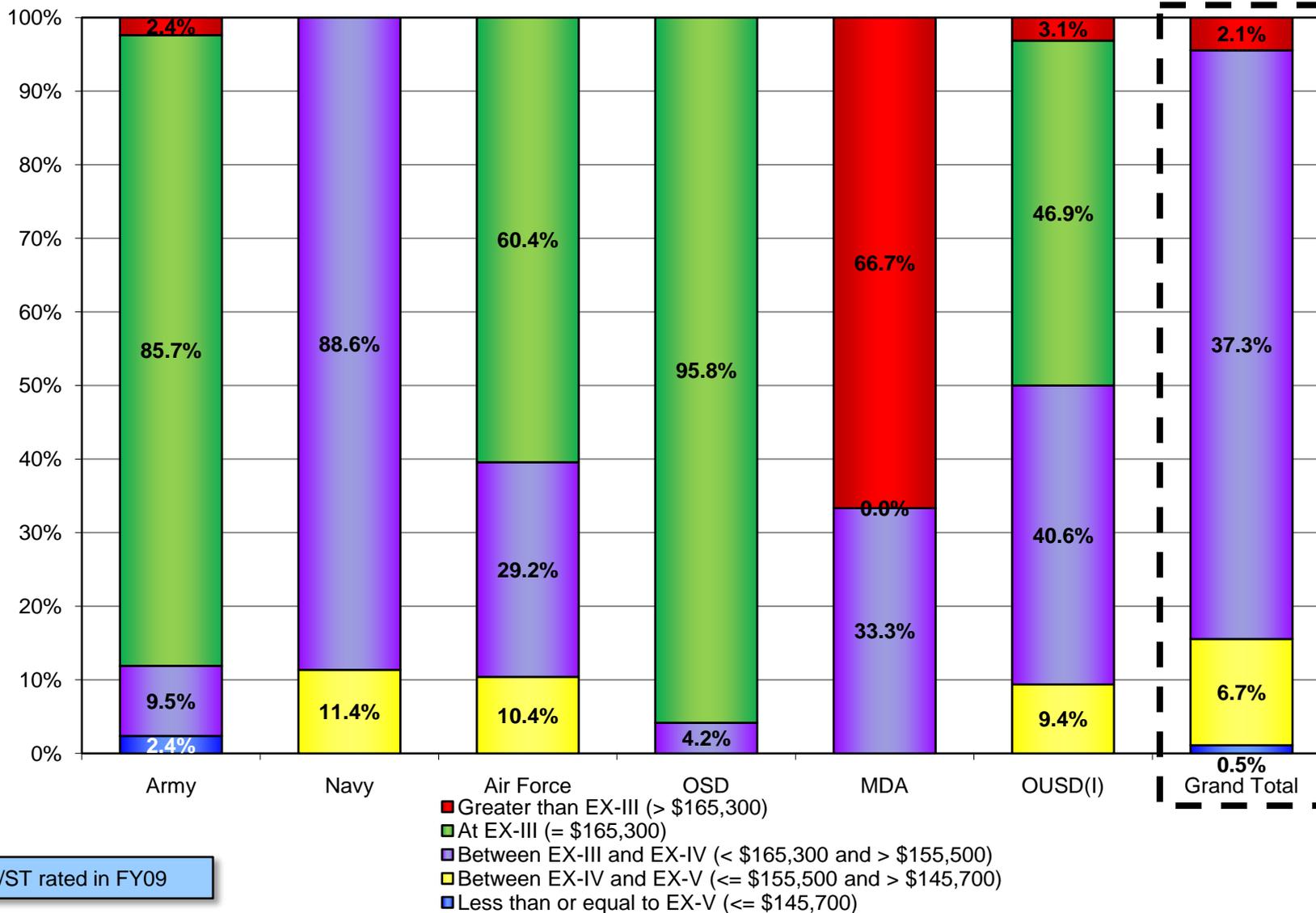


Distribution of Shares SL/ST Ratings, FY07 – FY09





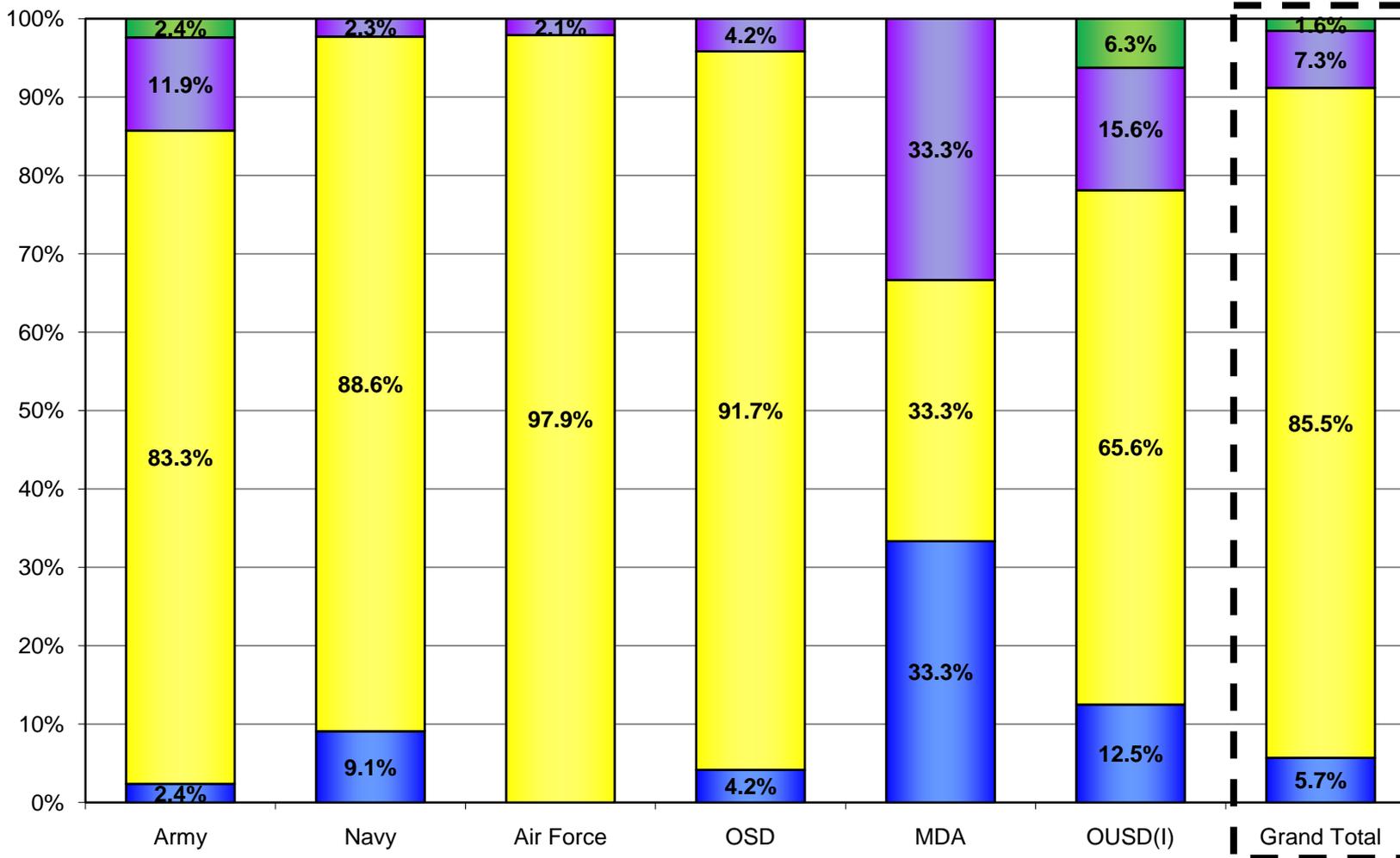
SL/ST Basic Pay After Adjustment, FY09



187 SL/ST rated in FY09



SL/ST Performance Pay Adjustments, FY09

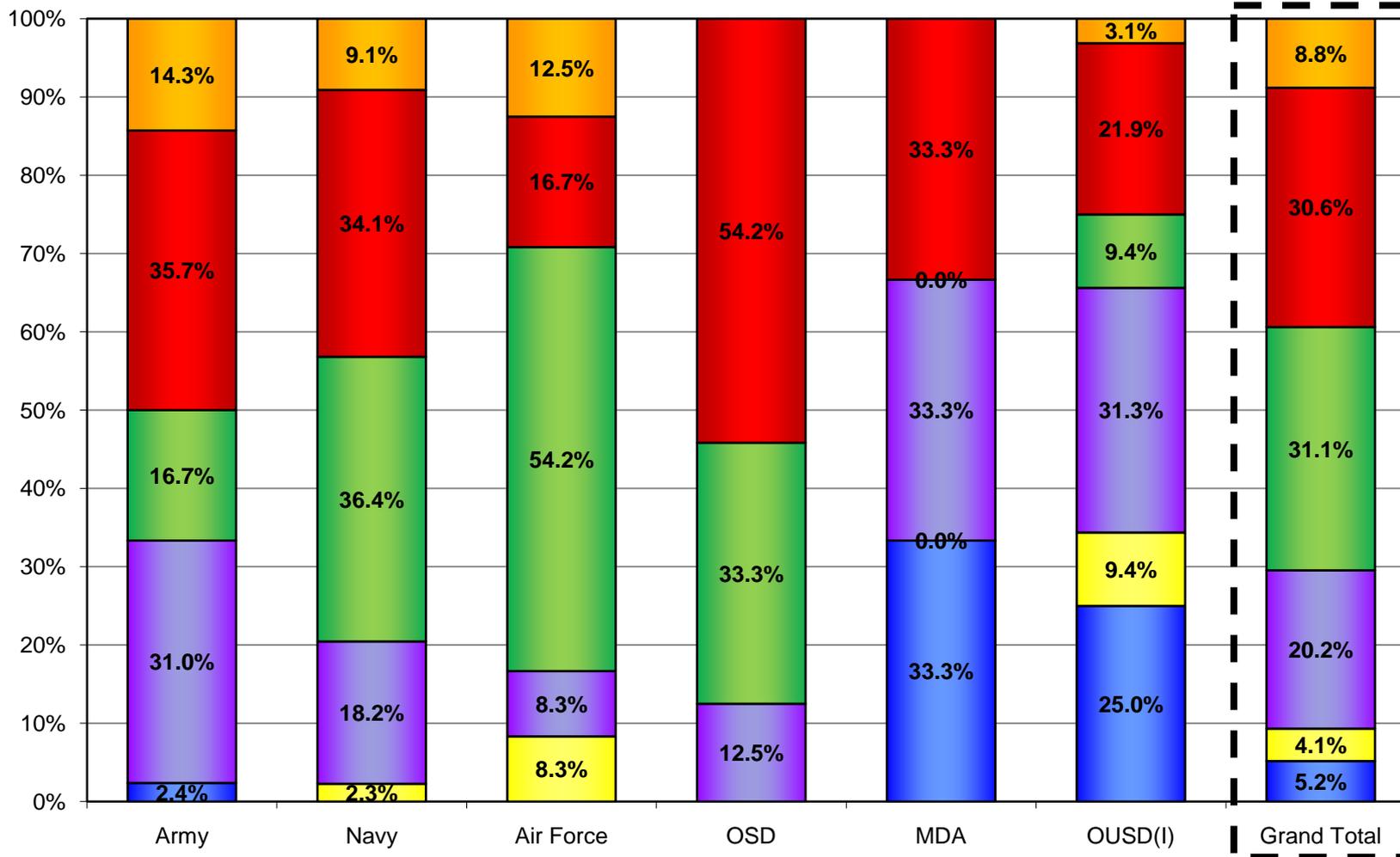


187 SL/ST rated in FY09

■ > \$10,000
 ■ \$5,001 - \$10,000
 ■ \$1 - \$5,000
 ■ \$0



SL/ST Performance Bonuses, FY09

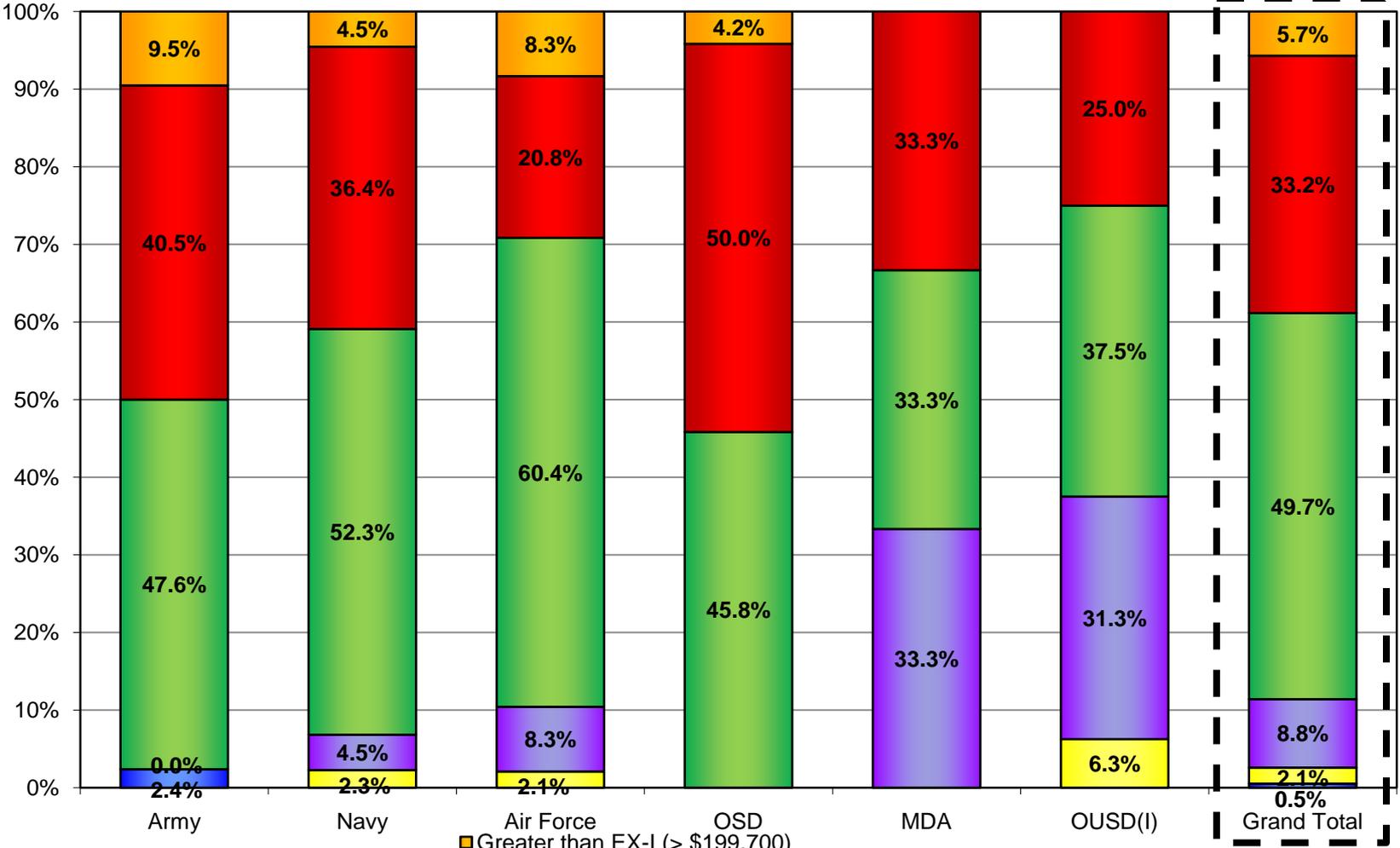


■ > \$20,000
 ■ \$15,001 - \$20,000
 ■ \$10,001 - \$15,000
 ■ \$5,001 - \$10,000
 ■ \$1 - \$5,000
 ■ \$0

187 SL/ST rated in FY09



SL/ST Total Compensation, FY09



- Greater than EX-I (> \$199,700)
- Between EX-I and EX-II (<= \$199,700 and > \$179,700)
- Between EX-II and EX-III (<= \$179,700 and > \$165,300)
- Between EX-III and EX-IV (<= \$165,300 and > \$155,500)
- Between EX-IV and EX-V (<= \$155,500 and > \$145,700)
- Less than or equal to EX-V (<= \$145,700)

Total Aggregate Compensation for all Executives under VP's salary cap of \$230,700

187 SL/ST rated in FY09

FY09 SL/ST Component-Specific Appendices



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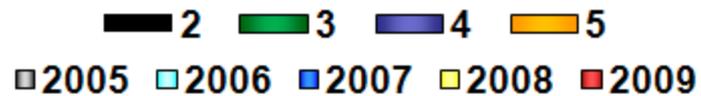


(31 Slides summarizing each Component's data follow this)

Air Force



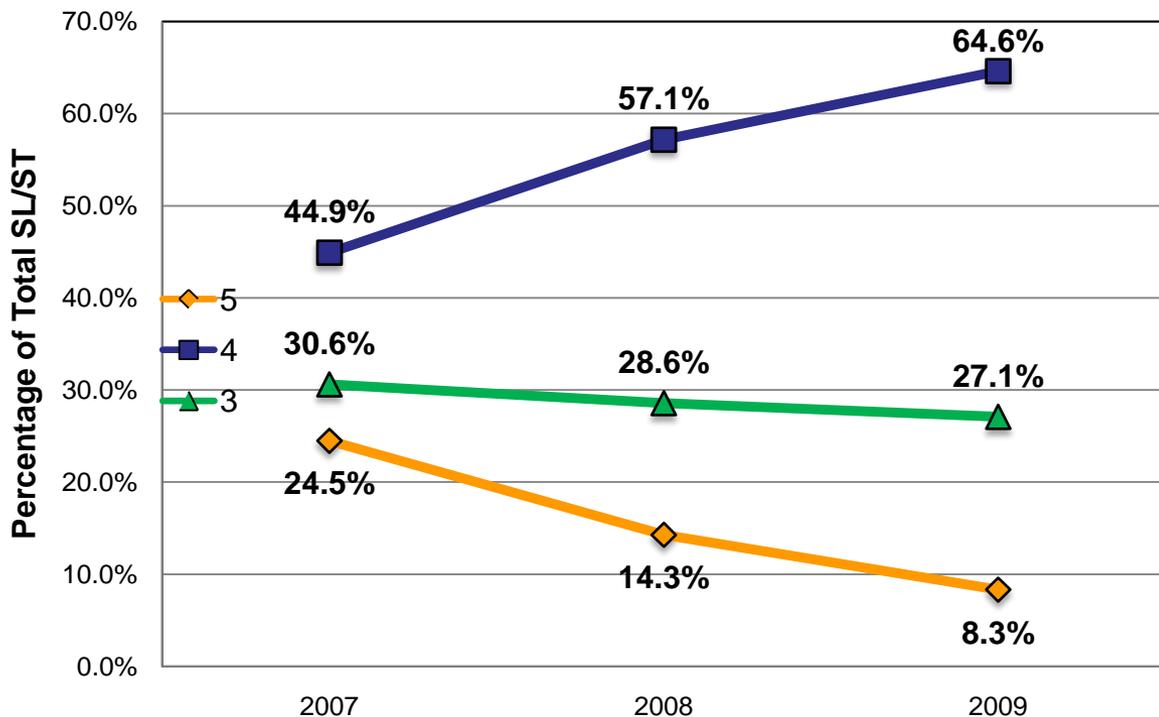
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Air Force Ratings Year-to-Year Trends, FY07 – FY09

Air Force SL/ST Ratings, FY07 – FY09



Level 3 Trends

- Decreased slightly from 29% in FY08 to 27% in FY09
- Average of 28.8% of Air Force SL/ST have been rated 3 since FY07
- Standard Deviation of 1.8%

Level 4 Trends

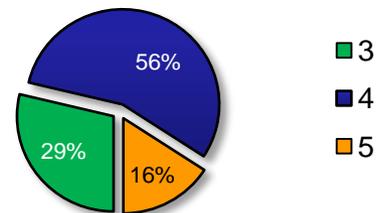
- Increased from 57% in FY08 to 65% in FY09
- Average of 55.5% of Air Force SL/ST have been rated 4 since FY07
- Standard Deviation of 9.9%

Level 5 Trends

- Decreased from 14% in FY08 to 8% in FY09
- Average of 15.7% of Air Force SL/ST have been rated 5 since FY07
- Standard Deviation of 8.2%

On average for the last 3 years, **56%** of AF SL/ST got a 4, **16%** got a 5, and **29%** got a 3.

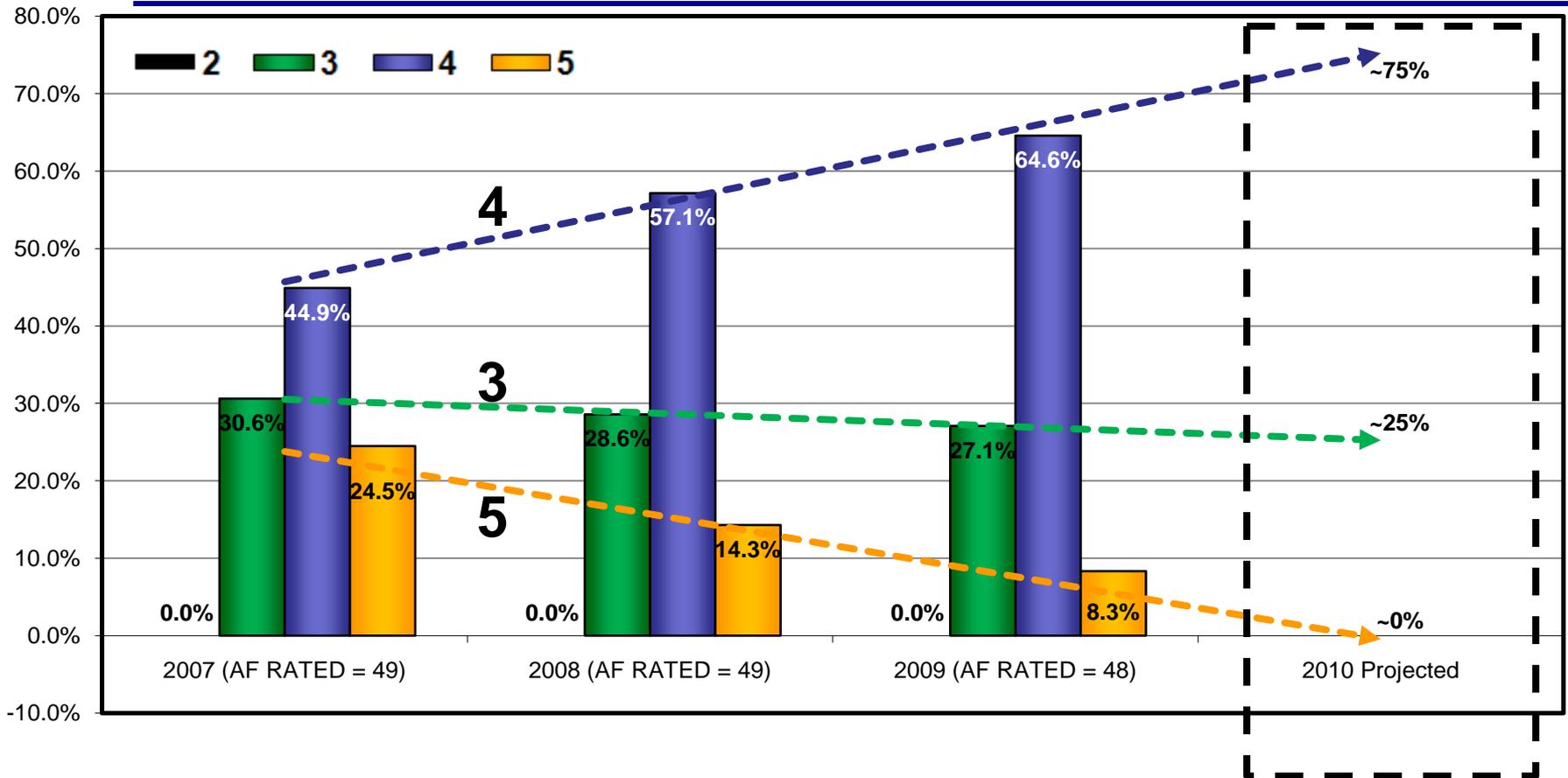
Average AF Ratings Distribution



48 AF SL/ST rated in FY09



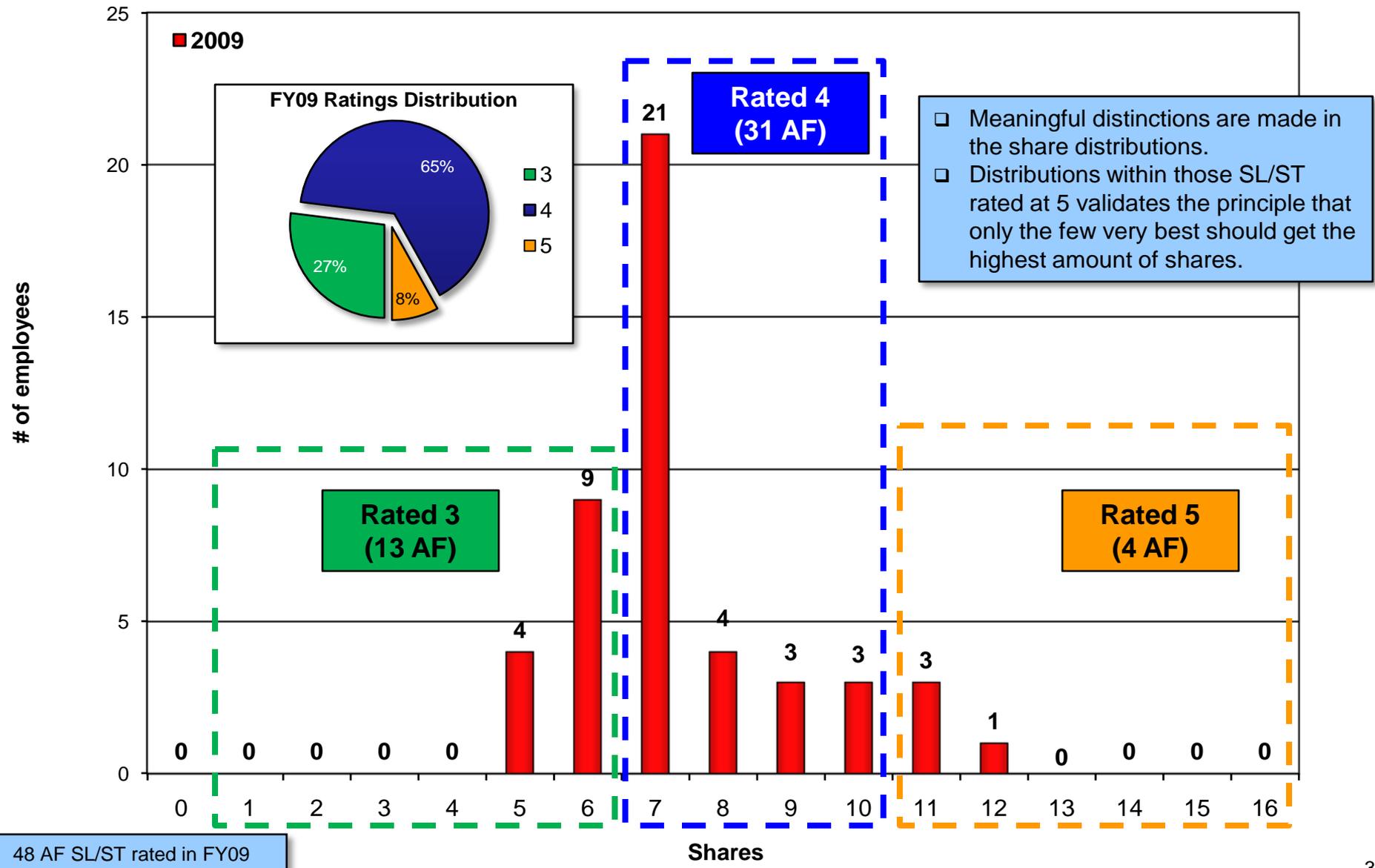
Distribution of Air Force SL/ST Ratings Projected 1 Year Into Future, FY07 – FY10



- ❑ Projection of ratings in FY10 shows a pretty clear trend:
 - ❑ 4s are trending strongly up
 - ❑ 3s and 5s are trending down



Air Force SL/ST Share Distribution by Rating, FY09





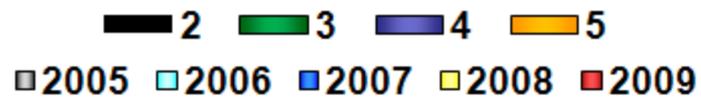
Air Force Performance Payout Results at a Glance, FY07 – FY09

Results at a Glance (For Rated SL/ST, unless otherwise noted):	FY07	FY08	FY09
Total Number (#) of SL/ST/DISES Leaders	49	51	48
Total # Rated SL/ST/DISES (career, non-career and limited term)	49	49	48
Number of Executives Rated / Not Rated	49 / 0	49 / 2	48 / 0
Performance Rating Levels	Level 2 (0%) Level 3 (31%) Level 4 (45%) Level 5 (25%)	Level 2 (0%) Level 3 (29%) Level 4 (57%) Level 5 (14%)	Level 2 (0%) Level 3 (27%) Level 4 (65%) Level 5 (8%)
Total Salaries ALL SL/ST	\$6,606,211	\$7,936,024	\$7,685,323
Pay Pool Funding Factor (Pay Progression + PAEP + Performance Budget)	12%	11%	11%
Pay Pool Value (Pay Pool Funding Factor X Total Salaries of all covered executives)	\$792,745	\$872,963	\$845,386
Unspent Pay Pool	\$122,589	\$148,761	\$49,675
Unspent Pay Pool (as % of Total Salaries)	1.9%	1.9%	0.6%
Total Performance (Basic) Pay Increase Payouts	\$200,632	\$226,525	\$137,081
Average Performance (Basic) Pay Increase	\$4,180	\$4,623	\$2,856
Average Salary (after Performance Adjustments) ("New Basic Pay")	\$138,917	\$143,012	\$162,967
Total Performance Pay Increase Payouts (as % of Total Salaries)	3.0%	2.9%	1.8%
Total Performance Bonus Payouts	\$469,524	\$497,677	\$658,630
Average Bonus in dollars (\$)	\$9,582	\$11,574	\$13,721
Total Performance Bonus (as % of Total Salaries)	7.1%	6.3%	8.6%
Percent of Rated SL/ST Members Receiving a Bonus	100%	87.8%	100%

Army



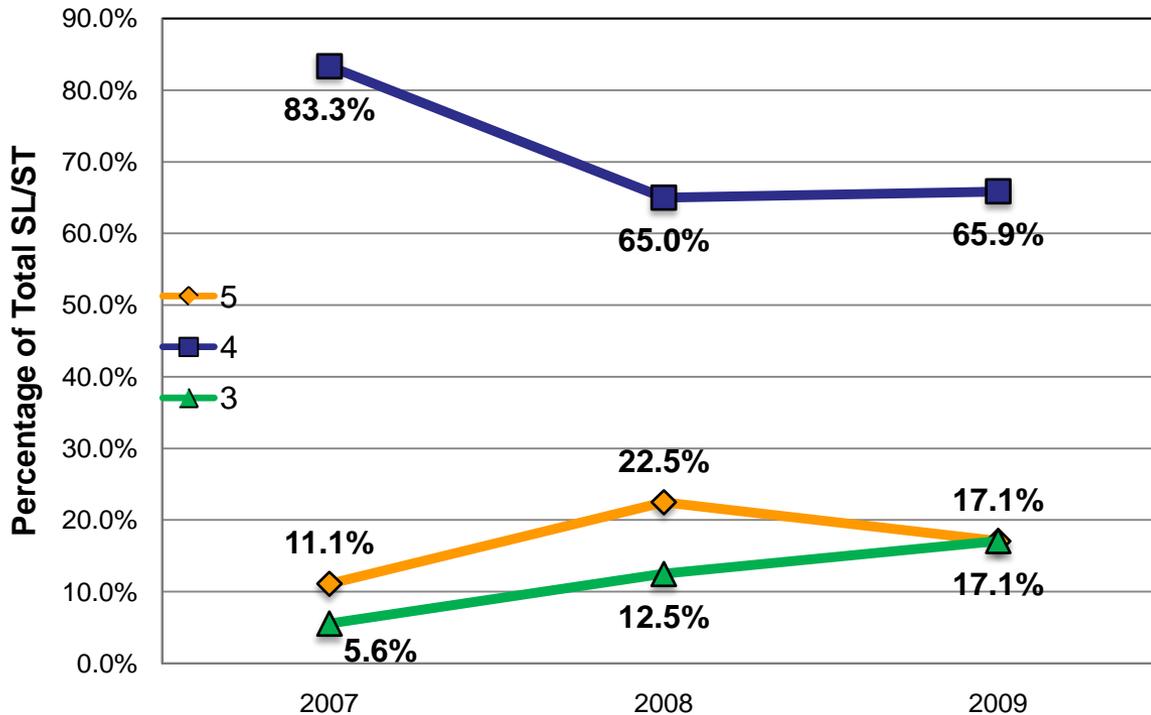
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Army Ratings Year-to-Year Trends, FY07 – FY09

Army SL/ST Ratings, FY07 – FY09



Level 3 Trends

- Increased slightly from 13% in FY08 to 17% in FY09
- Average of 11.7% of Army SL/ST have been rated 3 since FY07
- Standard Deviation of 5.8%

Level 4 Trends

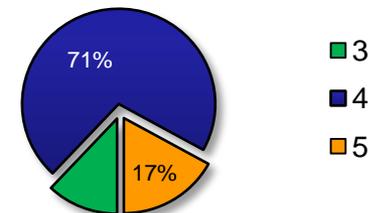
- Stayed constant around 65%
- Average of 71.4% of Army SL/ST have been rated 4 since FY07
- Standard Deviation of 10.4%

Level 5 Trends

- Decreased from 23% in FY08 to 17% in FY09
- Average of 16.9% of Army SL/ST have been rated 5 since FY07
- Standard Deviation of 5.7%

On average for the last 3 years, 71% of Army SL/ST got a 4, 17% got a 5, and 12% got a 3.

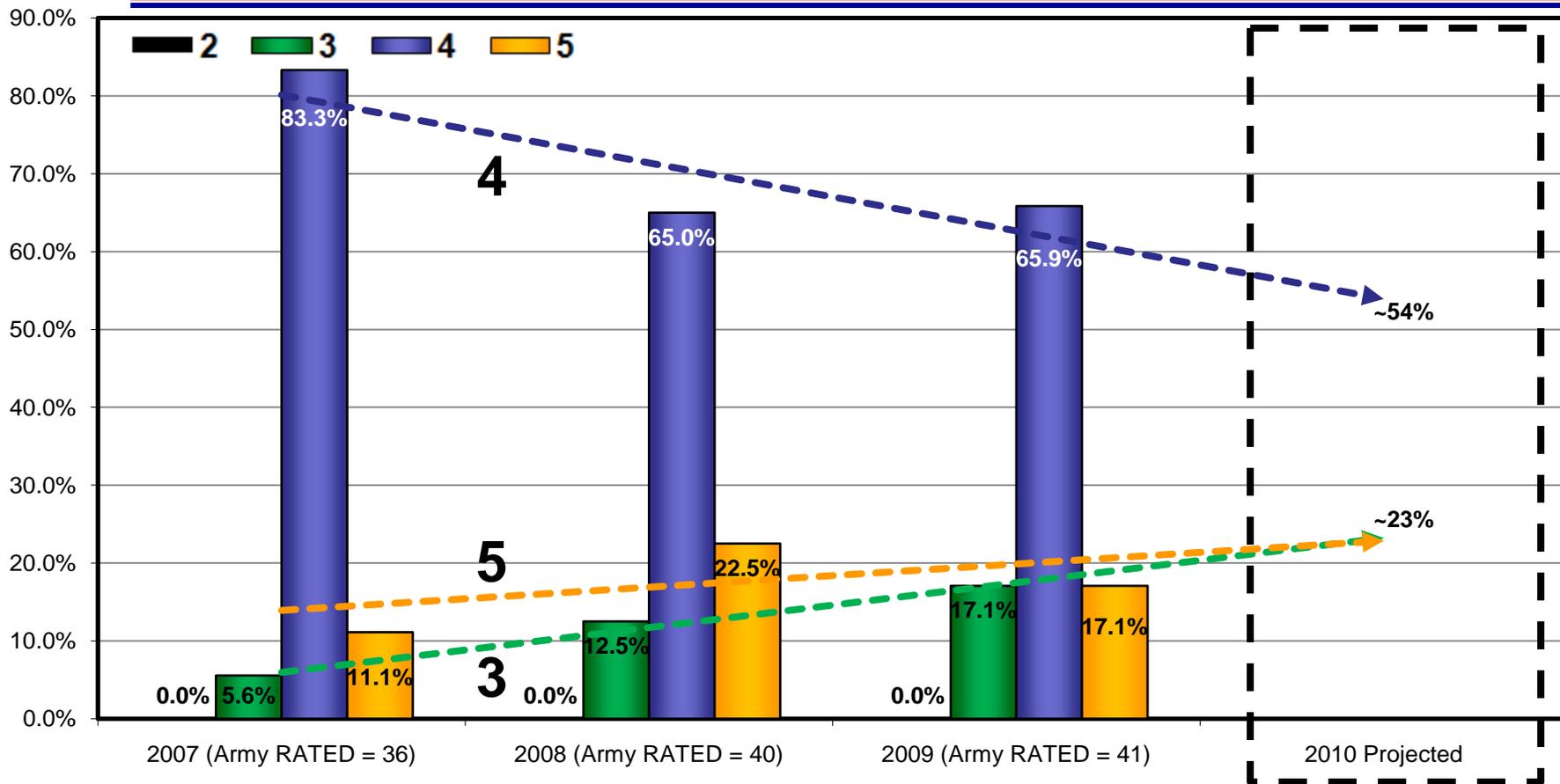
Average Army Ratings Distribution



41 Army SL/ST rated in FY09



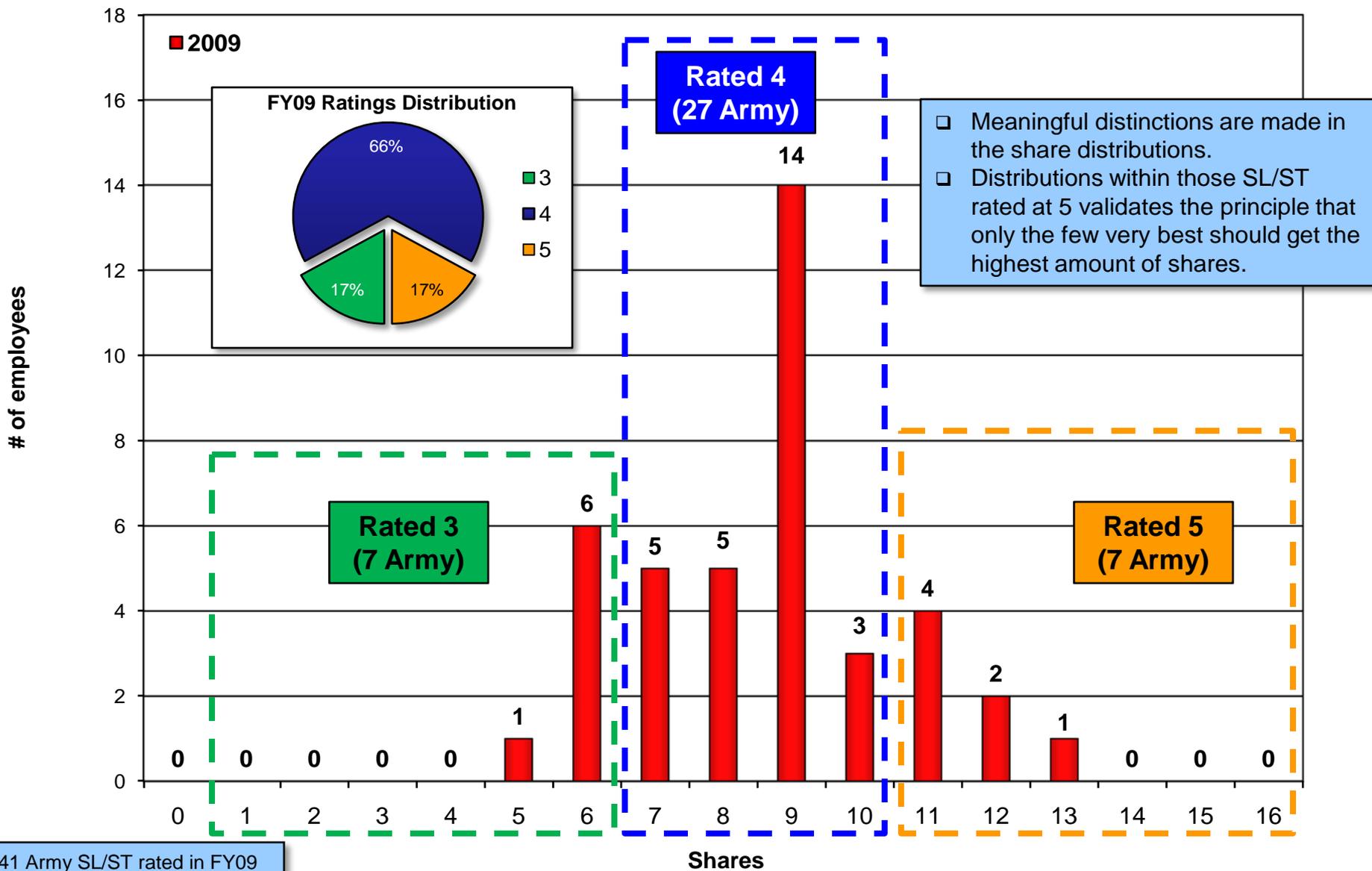
Distribution of Army SL/ST Ratings Projected 1 Year Into Future, FY07 – FY10



- ❑ Projection of ratings in FY10 shows a pretty clear trend:
 - ❑ 4s are trending down
 - ❑ 3s and 5s are trending up



Army SL/ST Share Distribution by Rating, FY09





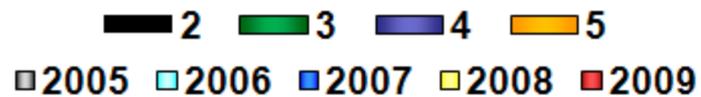
Army Performance Payout Results at a Glance, FY07 – FY09

Results at a Glance (For Rated SL/ST, unless otherwise noted):	FY07	FY08	FY09
Total Number (#) of SL/ST/DISES Leaders	37	41	42
Total # Rated SL/ST/DISES (career, non-career and limited term)	36	40	41
Number of Executives Rated / Not Rated	36 / 1	40 / 1	41 / 1
Performance Rating Levels	Level 2 (0%) Level 3 (6%) Level 4 (83%) Level 5 (11%)	Level 2 (0%) Level 3 (13%) Level 4 (65%) Level 5 (22%)	Level 2 (0%) Level 3 (17%) Level 4 (66%) Level 5 (17%)
Total Salaries ALL SL/ST	\$4,869,506	\$5,542,761	\$6,760,588
Pay Pool Funding Factor (Pay Progression + PAEP + Performance Budget)	12%	11%	11%
Pay Pool Value (Pay Pool Funding Factor X Total Salaries of all covered executives)	\$584,341	\$609,704	\$743,665
Unspent Pay Pool	\$-1	\$4,488	\$20,445
Unspent Pay Pool (as % of Total Salaries)	0.0%	0.1%	0.3%
Total Performance (Basic) Pay Increase Payouts	\$217,783	\$69,494	\$133,529
Average Performance (Basic) Pay Increase	\$6,405	\$3,475	\$3,257
Average Salary (after Performance Adjustments) ("New Basic Pay")	\$141,314	\$135,189	\$164,146
Total Performance Pay Increase Payouts (as % of Total Salaries)	4.5%	1.3%	2.0%
Total Performance Bonus Payouts	\$366,559	\$535,722	\$589,691
Average Bonus in dollars (\$)	\$10,182	\$13,393	\$14,383
Total Performance Bonus (as % of Total Salaries)	7.5%	9.7%	8.7%
Percent of Rated SL/ST Members Receiving a Bonus	100%	100%	100%

Navy



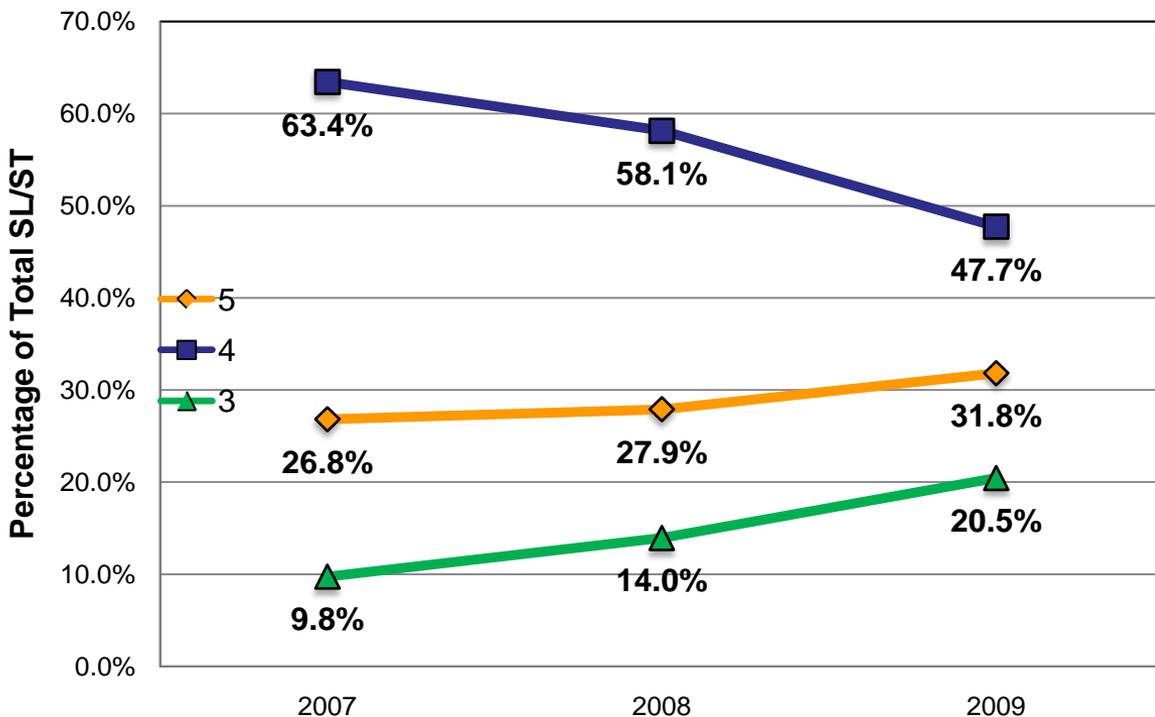
Legend For Following Section





Navy Ratings Year-to-Year Trends, FY07 – FY09

Navy SL/ST Ratings, FY07 – FY09



Level 3 Trends

- Increased from 14% in FY08 to 21% in FY09
- Average of 14.7% of Navy SL/ST have been rated 3 since FY07
- Standard Deviation of 5.4%

Level 4 Trends

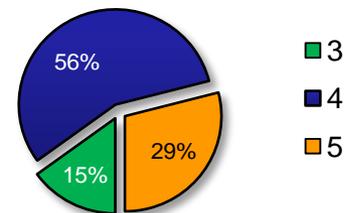
- Decreased from 58% in FY08 to 48% in FY09
- Average of 56.4% of Navy SL/ST have been rated 4 since FY07
- Standard Deviation of 8.0%

Level 5 Trends

- Increased from 28% in FY08 to 32% in FY09
- Average of 28.9% of Navy SL/ST have been rated 5 since FY07
- Standard Deviation of 2.6%

On average for the last 3 years, **56%** of Navy SL/ST got a 4, **29%** got a 5, and **15%** got a 3.

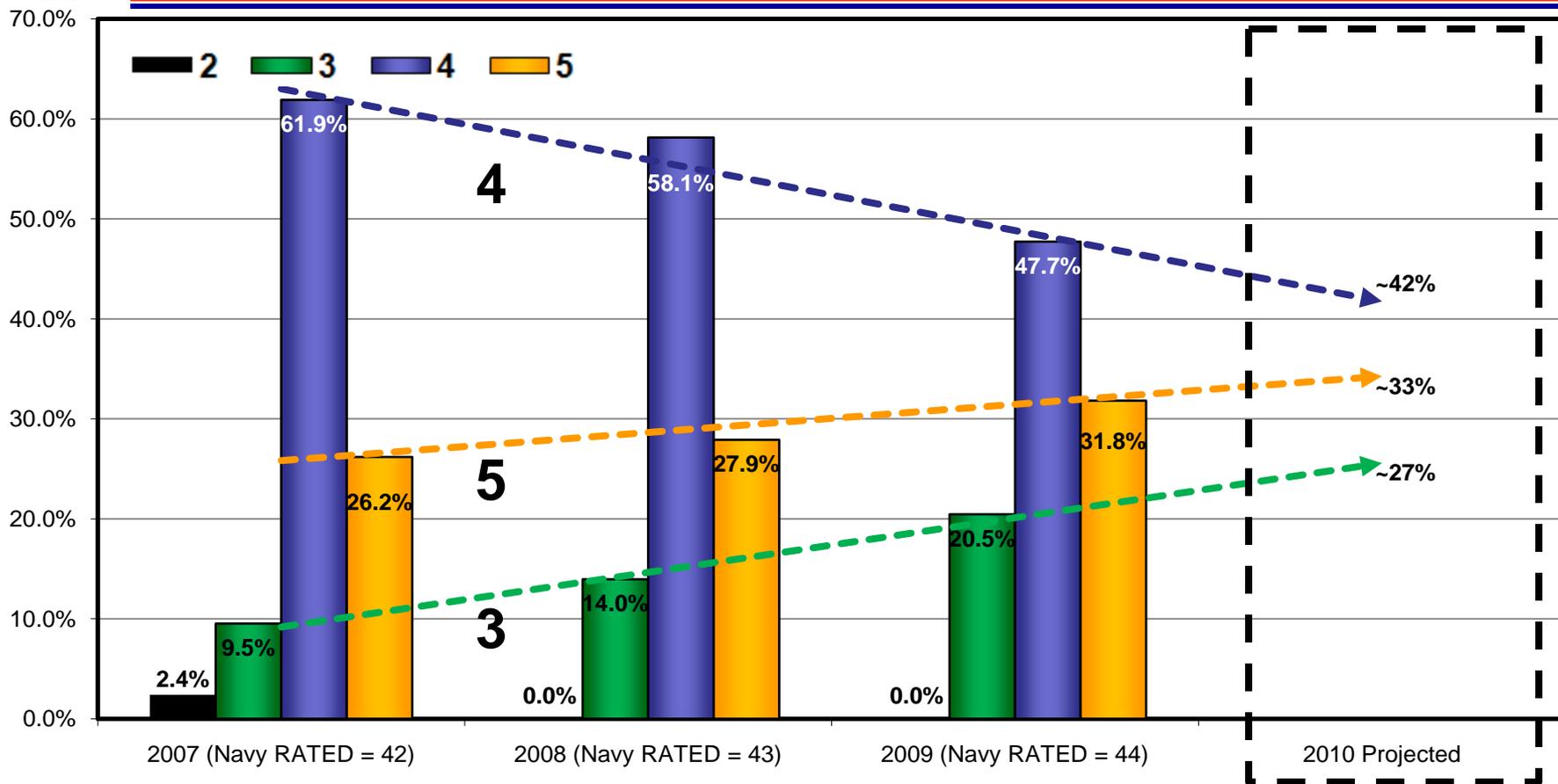
Average Navy Ratings Distribution



44 Navy SL/ST rated in FY09



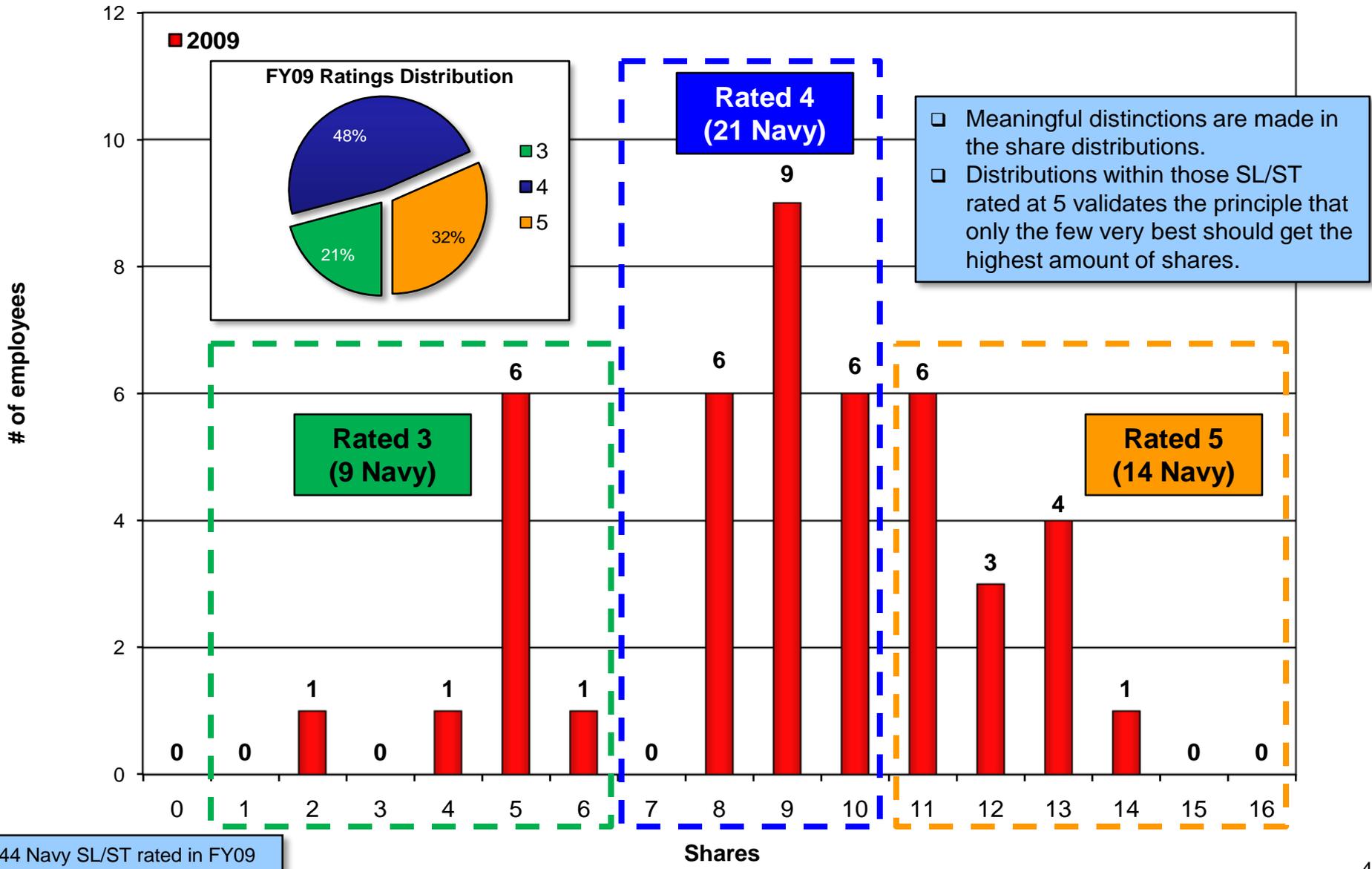
Distribution of Navy SL/ST Ratings Projected 1 Year Into Future, FY07 – FY10



- ❑ Projection of ratings in FY10 shows a pretty clear trend:
 - ❑ 4s are trending down
 - ❑ 3s and 5s are trending up



Navy SL/ST Share Distribution by Rating, FY09





Navy Performance Payout Results at a Glance, FY07 – FY09

Results at a Glance (For Rated SL/ST, unless otherwise noted):	FY07	FY08	FY09
Total Number (#) of SL/ST/DISES Leaders	42	43	44
Total # Rated SL/ST/DISES (career, non-career and limited term)	42	43	44
Number of Executives Rated / Not Rated	42 / 0	43 / 0	44 / 0
Performance Rating Levels	Level 2 (2%) Level 3 (10%) Level 4 (62%) Level 5 (26%)	Level 2 (0%) Level 3 (14%) Level 4 (58%) Level 5 (28%)	Level 2 (0%) Level 3 (21%) Level 4 (48%) Level 5 (32%)
Total Salaries ALL SL/ST	\$5,508,022	\$5,739,634	\$7,078,709
Pay Pool Funding Factor (Pay Progression + PAEP + Performance Budget)	12%	13%	10.5%
Pay Pool Value (Pay Pool Funding Factor X Total Salaries of all covered executives)	\$660,963	\$746,152	\$743,264
Unspent Pay Pool	\$178,023	\$178,341	\$37,444
Unspent Pay Pool (as % of Total Salaries)	3.2%	3.1%	0.5%
Total Performance (Basic) Pay Increase Payouts	\$106,442	\$99,661	\$99,227
Average Performance (Basic) Pay Increase	\$3,548	\$3,020	\$2,481
Average Salary (after Performance Adjustments) ("New Basic Pay")	\$133,677	\$135,798	\$163,135
Total Performance Pay Increase Payouts (as % of Total Salaries)	1.9%	1.7%	1.4%
Total Performance Bonus Payouts	\$376,498	\$468,150	\$606,593
Average Bonus in dollars (\$)	\$9,183	\$11,146	\$13,786
Total Performance Bonus (as % of Total Salaries)	6.8%	8.2%	8.6%
Percent of Rated SL/ST Members Receiving a Bonus	97.6%	97.7%	100%

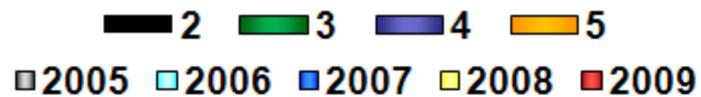
4th Estate



OSD



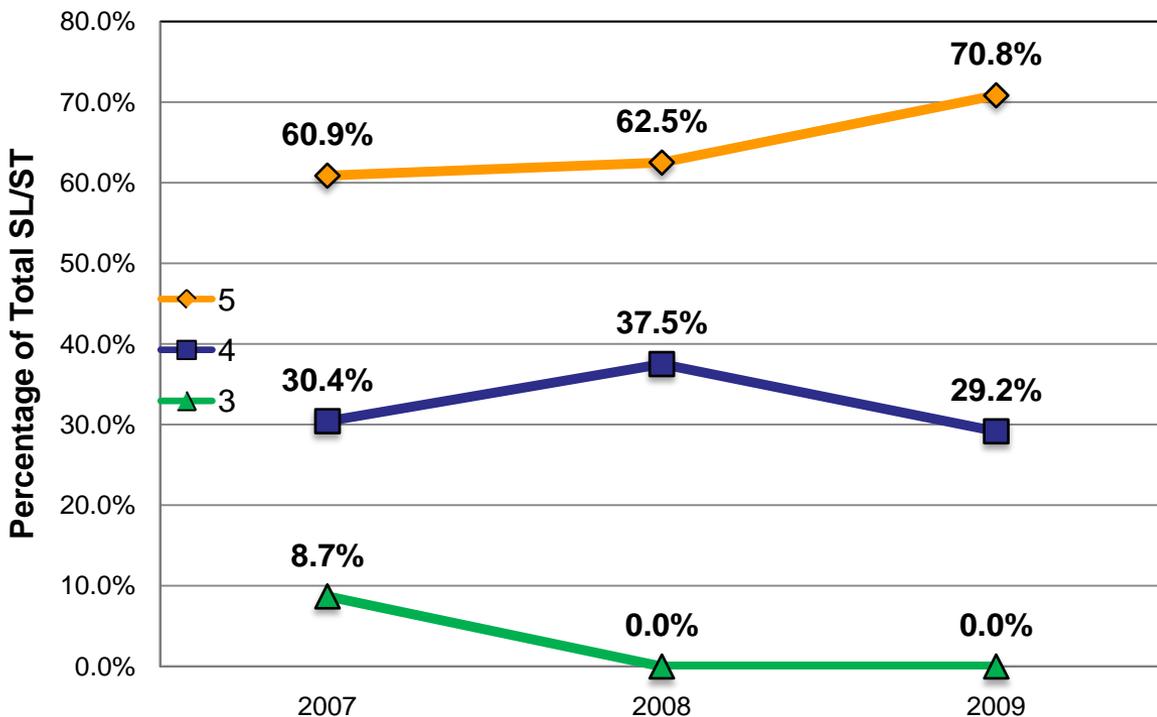
Legend For Following Section





OSD Ratings Year-to-Year Trends, FY07 – FY09

OSD SL/ST Ratings, FY07 – FY09



Level 3 Trends

- 0 SL/ST rated at 3 for FY08 and FY09
- Average of 2.9% of OSD SL/ST have been rated 3 since FY07
- Standard Deviation of 5.0%

Level 4 Trends

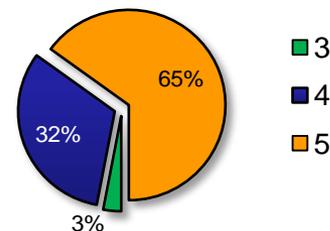
- Decreased from 37.5% in FY08 to 29.2% in FY09
- Average of 32.4% of OSD SL/ST have been rated 4 since FY07
- Standard Deviation of 4.5%

Level 5 Trends

- Increased from 63% in FY08 to 71% in FY09
- Average of 64.7% of OSD SL/ST have been rated 5 since FY07
- Standard Deviation of 5.3%

On average for the last 3 years, 32% of OSD SL/ST got a 4, 65% got a 5, and only 3% got a 3.

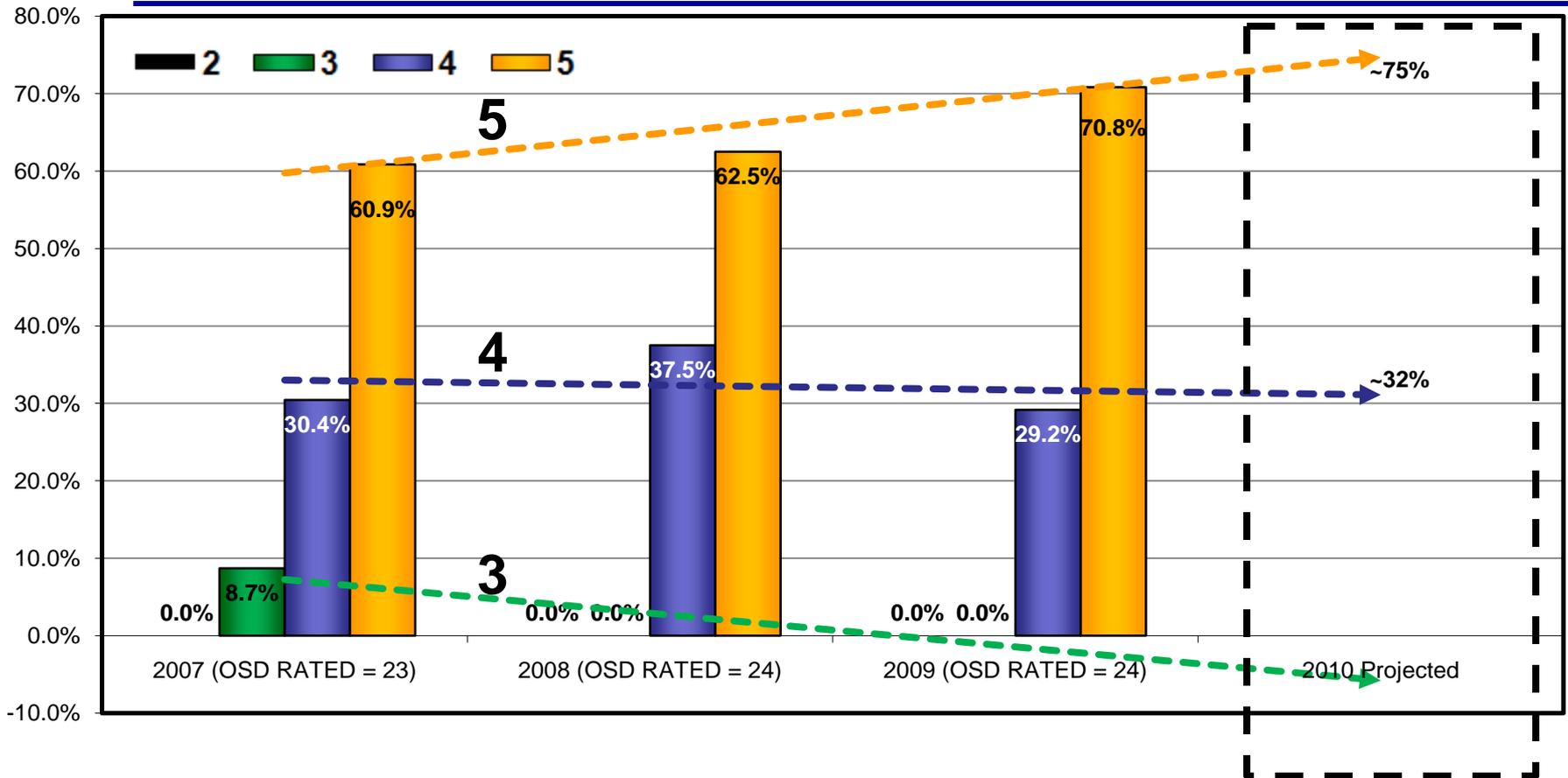
Average OSD Ratings Distribution



24 OSD SL/ST rated in FY09



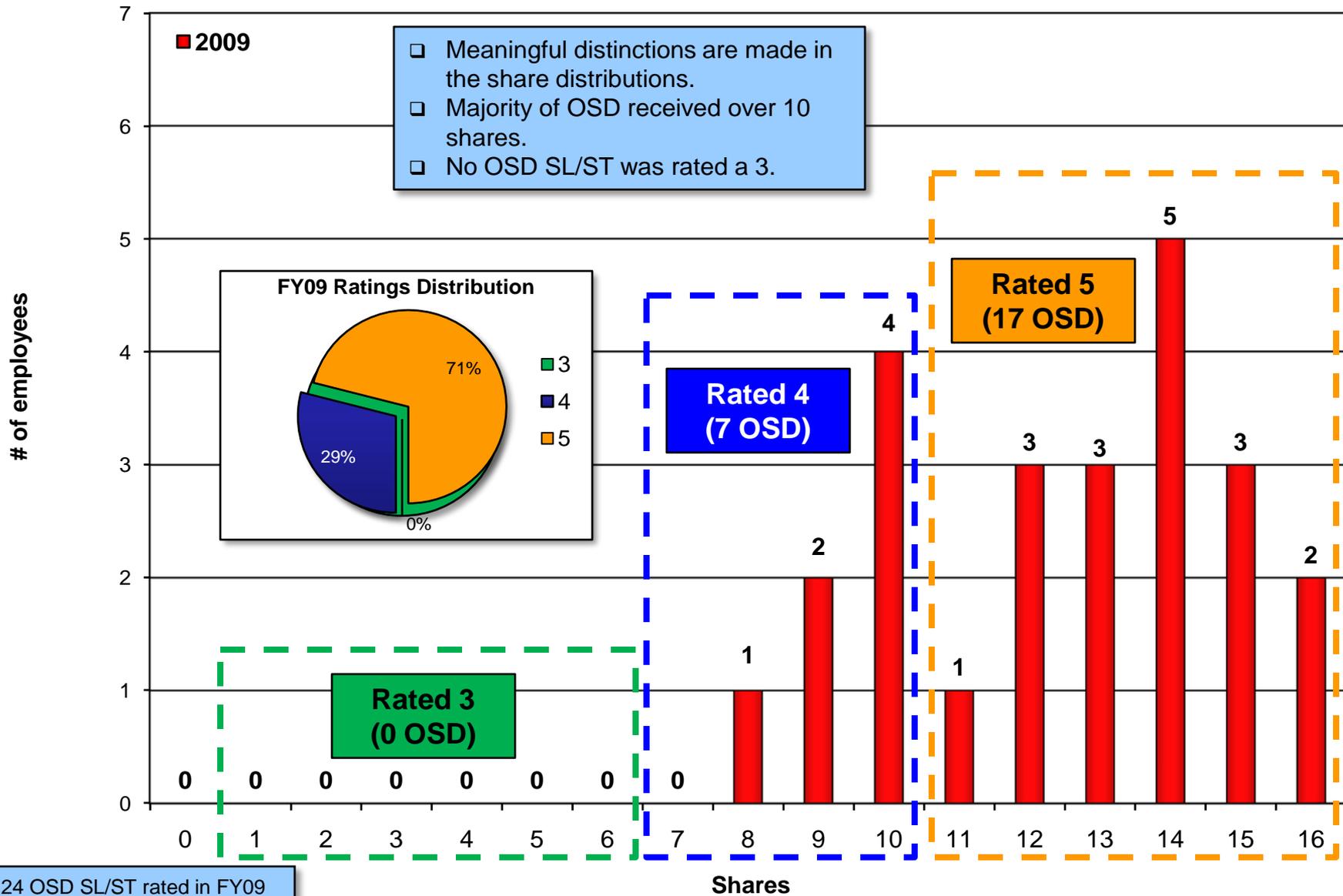
Distribution of OSD SL/ST Ratings Projected 1 Year Into Future, FY07 – FY10



- ❑ Projection of ratings in FY10 shows a pretty clear trend:
 - ❑ 5s are trending up
 - ❑ 3s are already at 0
 - ❑ 4s are almost constant



OSD SL/ST Share Distribution by Rating, FY09





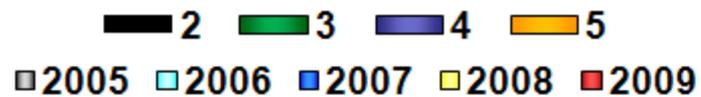
OSD Performance Payout Results at a Glance, FY07 – FY09

Results at a Glance (For Rated SL/ST, unless otherwise noted):	FY07	FY08	FY09
Total Number (#) of SL/ST/DISES Leaders	23	26	24
Total # Rated SL/ST/DISES (career, non-career and limited term)	23	24	24
Number of Executives Rated / Not Rated	23 / 0	24 / 0	24 / 0
Performance Rating Levels	Level 2 (0%) Level 3 (9%) Level 4 (30%) Level 5 (61%)	Level 2 (0%) Level 3 (0%) Level 4 (37%) Level 5 (63%)	Level 2 (0%) Level 3 (0%) Level 4 (29%) Level 5 (71%)
Total Salaries ALL SL/ST	\$3,146,197	\$4,087,090	\$3,905,606
Pay Pool Funding Factor (Pay Progression + PAEP + Performance Budget)	12%	11%	11%
Pay Pool Value (Pay Pool Funding Factor X Total Salaries of all covered executives)	\$377,544	\$449,580	\$429,617
Unspent Pay Pool	\$35,247	\$66,444	\$22,819
Unspent Pay Pool (as % of Total Salaries)	1.1%	1.7%	0.6%
Total Performance (Basic) Pay Increase Payouts	\$99,928	\$129,019	\$59,194
Average Performance (Basic) Pay Increase	\$4,345	\$5,376	\$2,574
Average Salary (after Performance Adjustments) ("New Basic Pay")	\$141,136	\$146,997	\$165,200
Total Performance Pay Increase Payouts (as % of Total Salaries)	3.2%	3.2%	1.5%
Total Performance Bonus Payouts	\$242,369	\$254,117	\$347,604
Average Bonus in dollars (\$)	\$10,538	\$10,588	\$14,484
Total Performance Bonus (as % of Total Salaries)	7.7%	6.2%	8.9%
Percent of Rated SL/ST Members Receiving a Bonus	100%	100%	100%

MDA



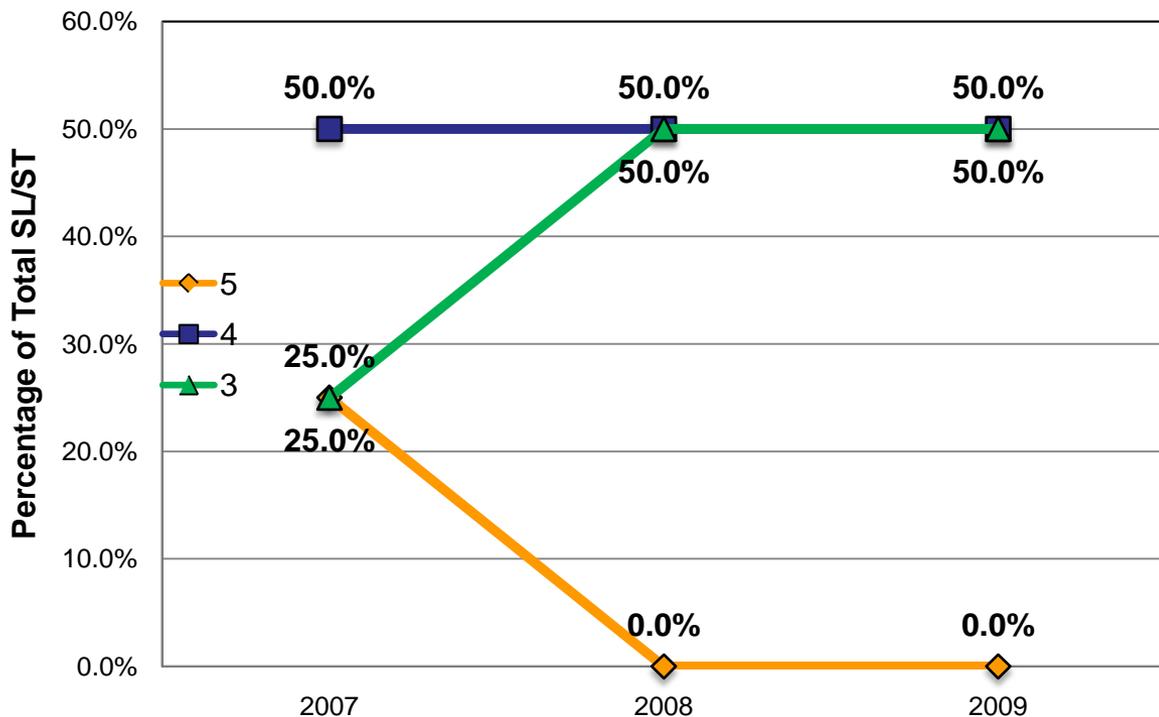
Legend For Following Section





MDA Ratings Year-to-Year Trends, FY07 – FY09

MDA SL/ST Ratings, FY07 – FY09



Level 3 Trends

- Stayed constant at 50% from FY08 to FY09
- Average of 41.7% of MDA SL/ST have been rated 3 since FY07
- Standard Deviation of 14.4%

Level 4 Trends

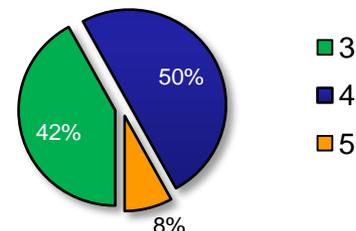
- Stayed constant at 50% since FY07
- Average of 50.0% of MDA SL/ST have been rated 4 since FY07
- Standard Deviation of 0%

Level 5 Trends

- Stayed constant at 0% from FY08 to FY09
- Average of 8.3% of MDA SL/ST have been rated 5 since FY07
- Standard Deviation of 14.4%

On average for the last 3 years, **50%** of MDA SL/ST got a 4, **8%** got a 5, and **42%** got a 3.

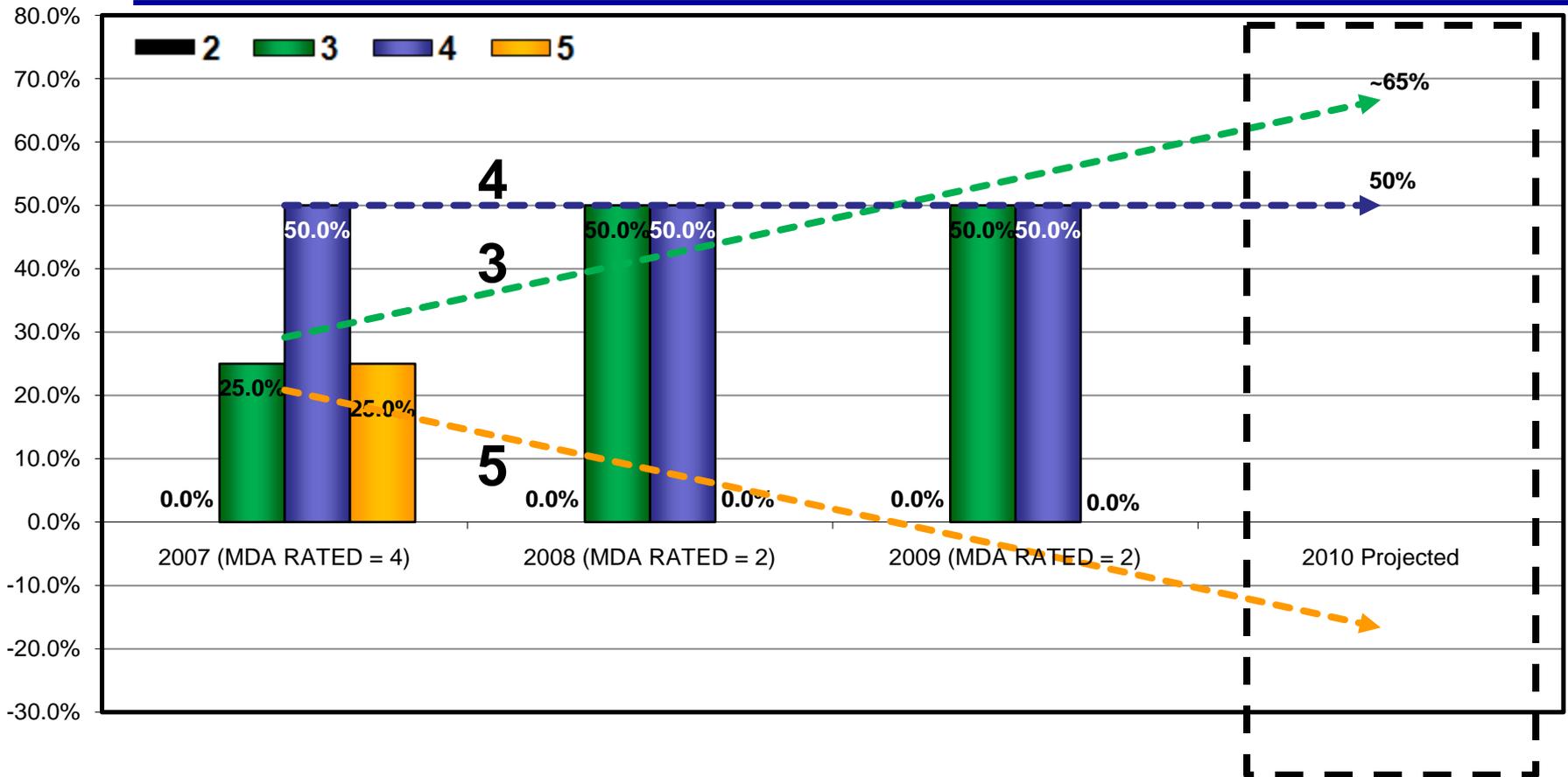
Average MDA Ratings Distribution



2 MDA SL/ST rated in FY09



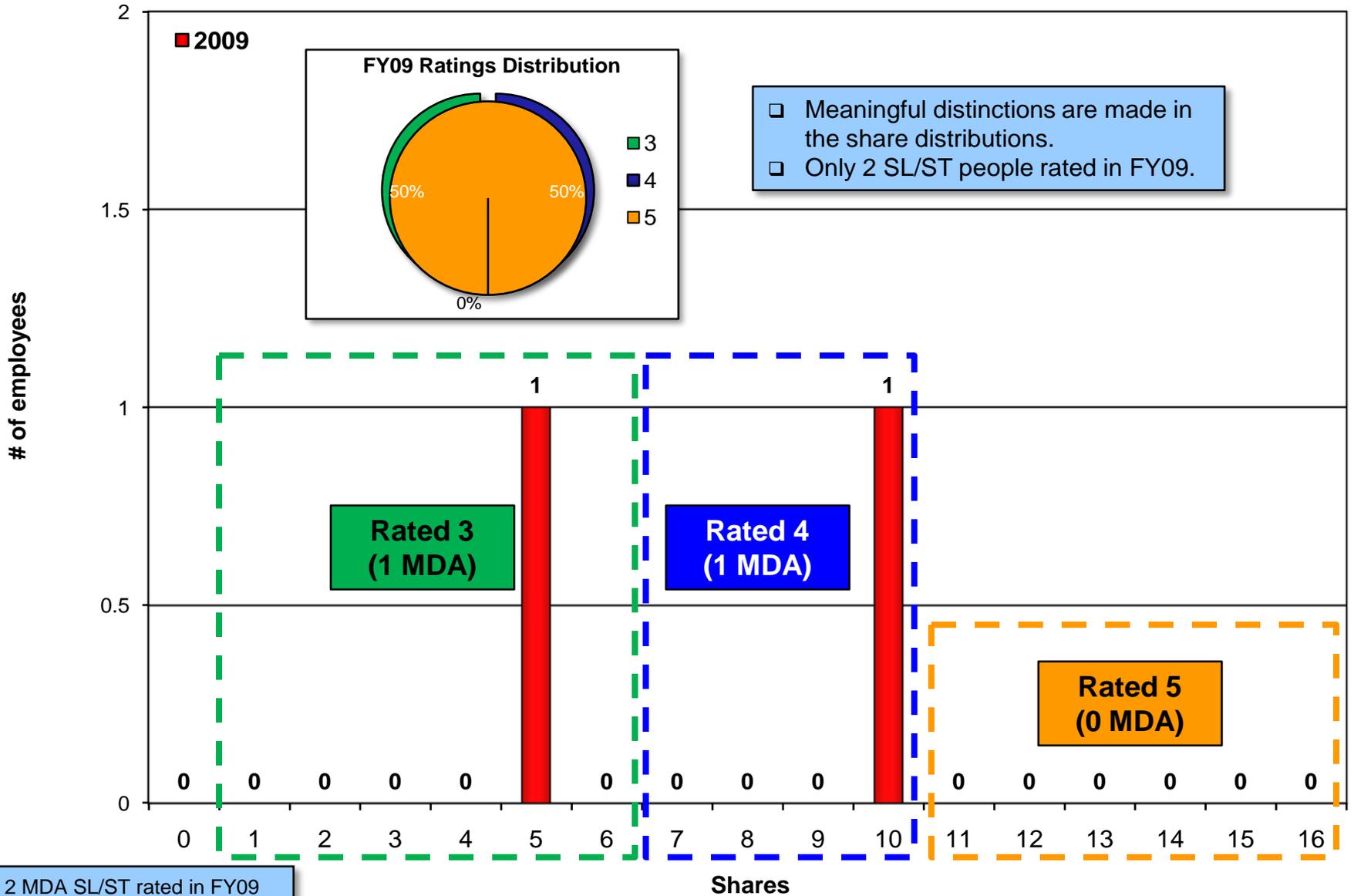
Distribution of MDA SL/ST Ratings Projected 1 Year Into Future, FY07 – FY10



- ❑ Projection of ratings in FY10 shows a pretty clear trend:
 - ❑ 4s are constant
 - ❑ 3s are trending up
 - ❑ 5s are already at 0



MDA SL/ST Share Distribution by Rating, FY09





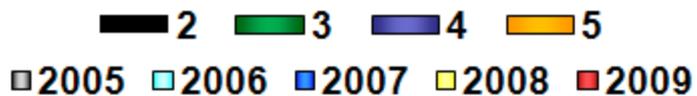
MDA Performance Payout Results at a Glance, FY07 – FY09

Results at a Glance (For Rated SL/ST, unless otherwise noted):	FY07	FY08	FY09
Total Number (#) of SL/ST/DISES Leaders	4	2	3
Total # Rated SL/ST/DISES (career, non-career and limited term)	4	2	2
Number of Executives Rated / Not Rated	4 / 0	2 / 0	2 / 1
Performance Rating Levels	Level 2 (0%) Level 3 (25%) Level 4 (50%) Level 5 (25%)	Level 2 (0%) Level 3 (50%) Level 4 (50%) Level 5 (0%)	Level 2 (0%) Level 3 (50%) Level 4 (50%) Level 5 (0%)
Total Salaries ALL SL/ST	\$517,267	\$306,322	\$479,799
Pay Pool Funding Factor (Pay Progression + PAEP + Performance Budget)	12%	11%	11%
Pay Pool Value (Pay Pool Funding Factor X Total Salaries of all covered executives)	\$62,072	\$33,695	\$52,778
Unspent Pay Pool	\$9,296	\$4,866	\$20,146
Unspent Pay Pool (as % of Total Salaries)	1.8%	1.6%	4.2%
Total Performance (Basic) Pay Increase Payouts	\$4,953	\$10,274	\$10,069
Average Performance (Basic) Pay Increase	\$1,651	\$5,137	\$5,035
Average Salary (after Performance Adjustments) ("New Basic Pay")	\$128,705	\$136,174	\$163,289
Total Performance Pay Increase Payouts (as % of Total Salaries)	1.0%	3.4%	2.1%
Total Performance Bonus Payouts	\$47,823	\$18,555	\$22,563
Average Bonus in dollars (\$)	\$15,941	\$9,277	\$11,281
Total Performance Bonus (as % of Total Salaries)	9.2%	6.1%	4.7%
Percent of Rated SL/ST Members Receiving a Bonus	75%	100%	100%

OUSD(I) DISL



Legend For Following Section

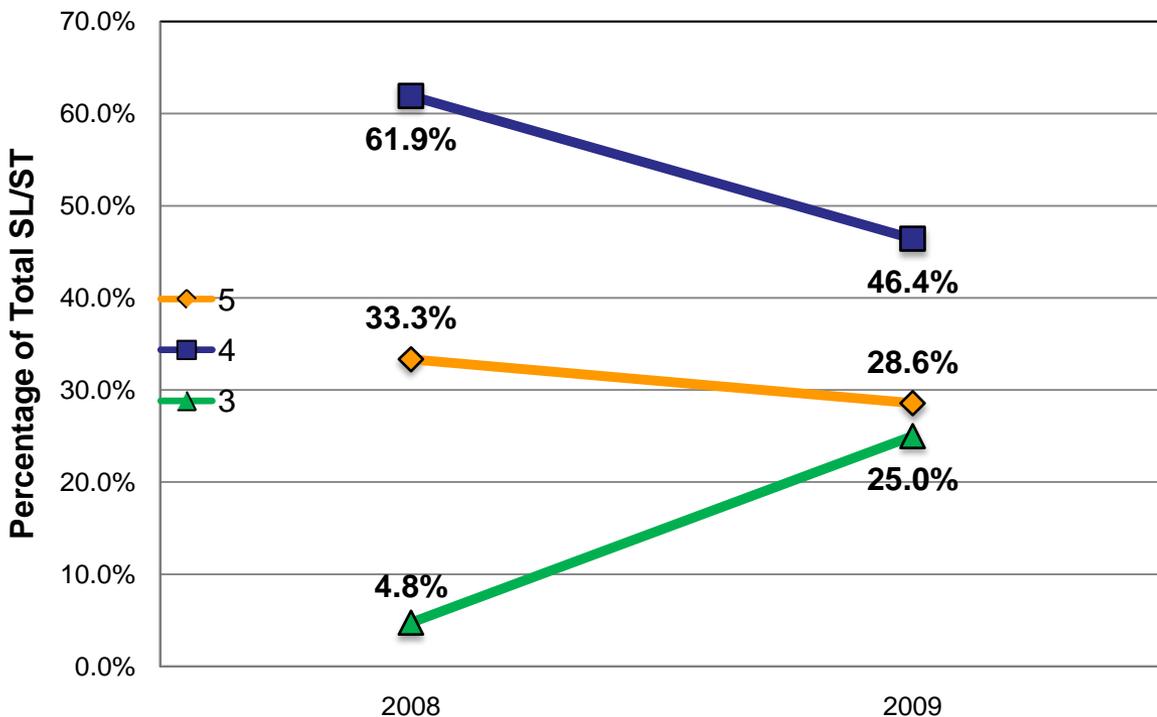


No OUSD(I) SL/ST Data for FY07



OUSD(I) Ratings Year-to-Year Trends, FY08 – FY09

OUSD(I) SL/ST Ratings, FY08 – FY09



Level 3 Trends

- Increased from 5% in FY08 to 25% in FY09
- Average of 14.9% of OUSD(I) SL/ST have been rated 3 since FY08
- Standard Deviation of 14.3%

Level 4 Trends

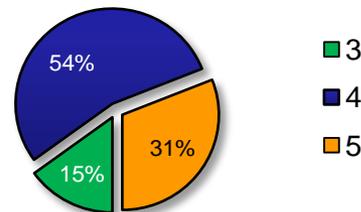
- Decreased from 62% in FY08 to 46% in FY09
- Average of 54.2% of OUSD(I) SL/ST have been rated 4 since FY08
- Standard Deviation of 10.9%

Level 5 Trends

- Decreased from 33% in FY08 to 29% in FY09
- Average of 31.0% of OUSD(I) SL/ST have been rated 5 since FY08
- Standard Deviation of 3.4%

On average for the last 2 years, **54%** of OUSD(I) SL/ST got a 4, **31%** got a 5, and **15%** got a 3.

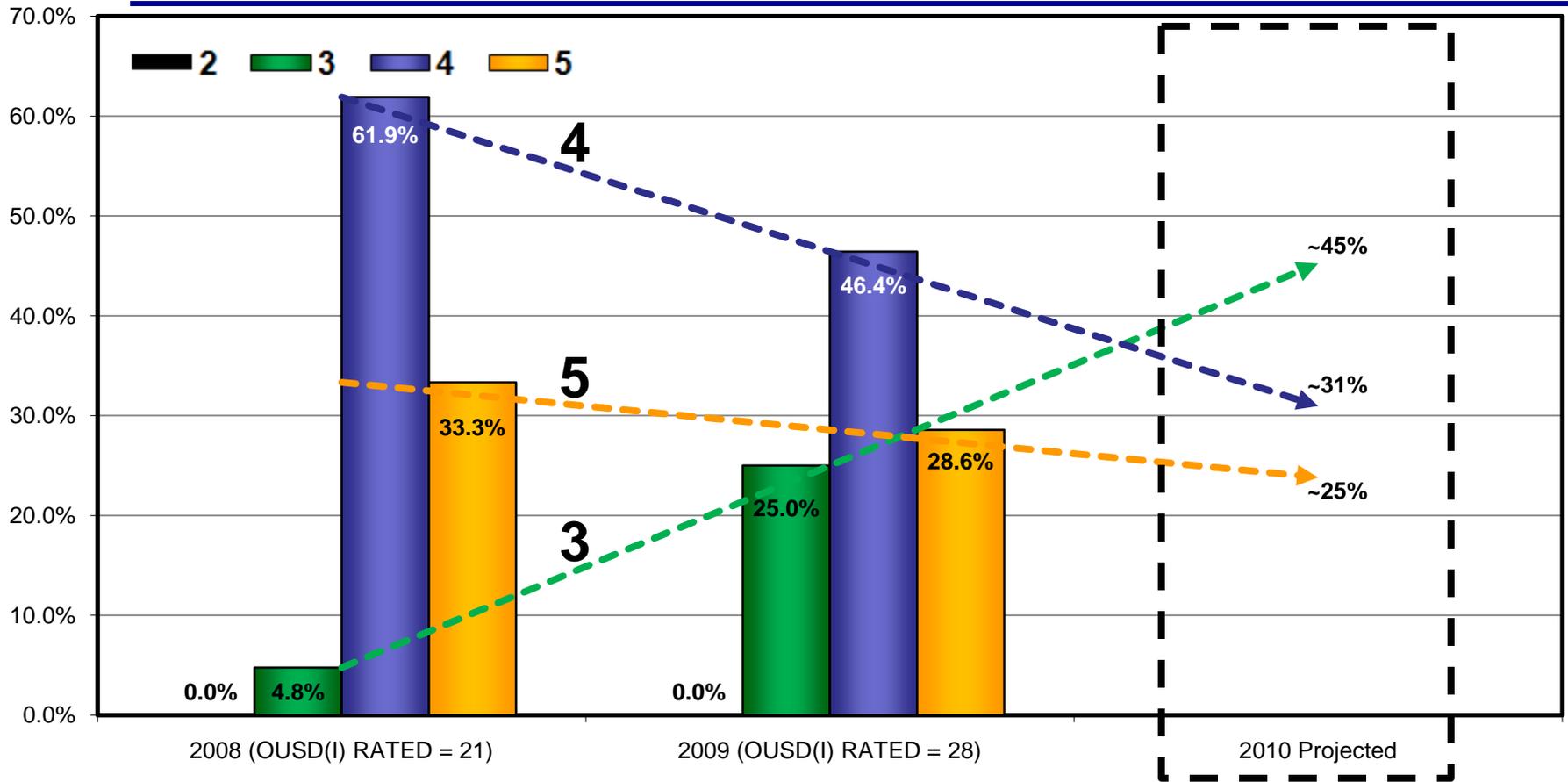
Average OUSD(I) Ratings Distribution



28 OUSD(I) SL/ST rated in FY09



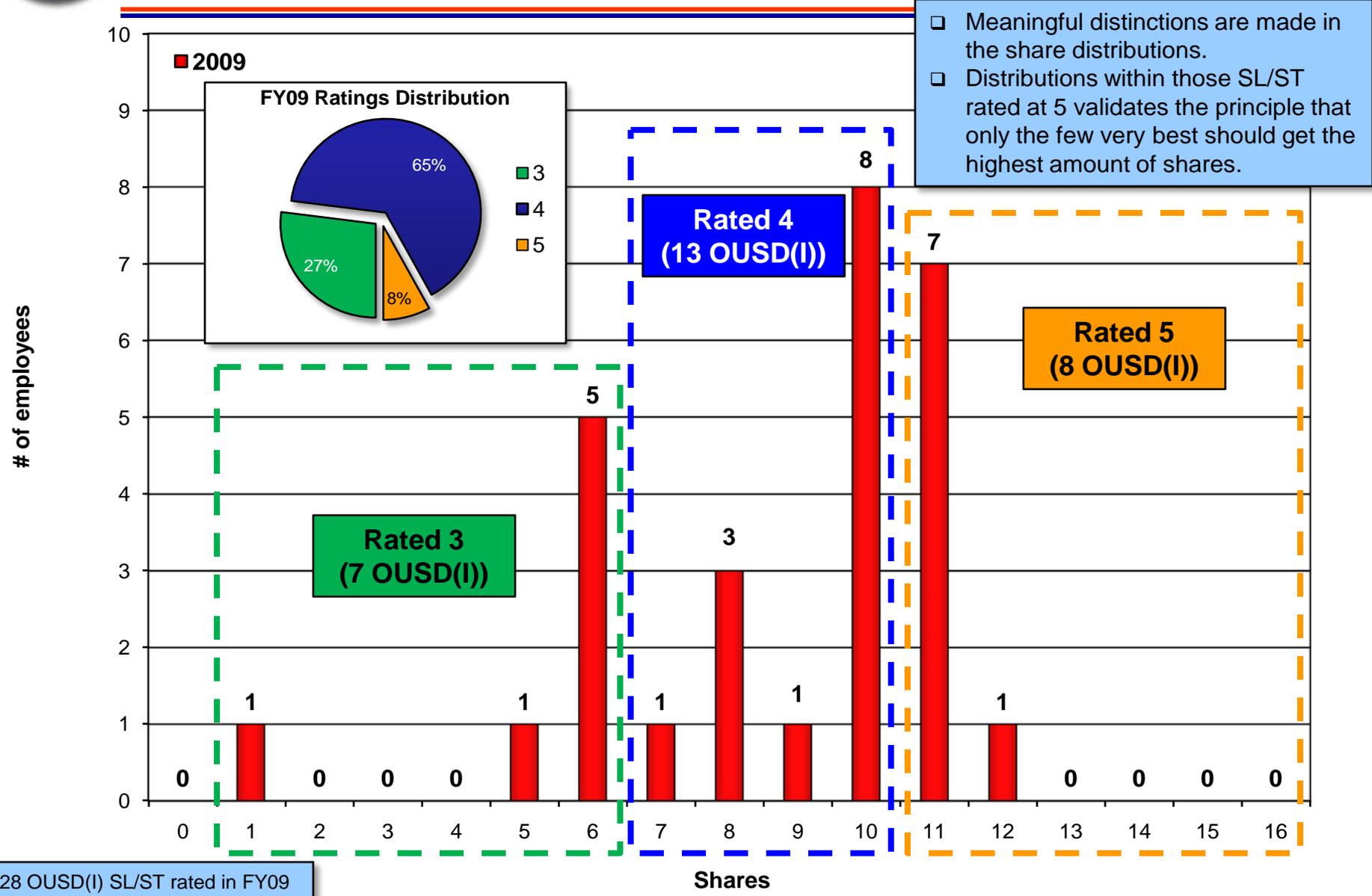
Distribution of OUSD(I) SL/ST Ratings Projected 1 Year Into Future, FY08 – FY10



- ❑ Projection of ratings in FY10 shows a pretty clear trend:
 - ❑ 3s are trending strongly up
 - ❑ 4s are trending strongly down
 - ❑ 5s are trending slightly down



OUSD(I) SL/ST Share Distribution by Rating, FY09





OUSD(I) Performance Payout Results at a Glance, FY08 – FY09

Results at a Glance (For Rated SL/ST, unless otherwise noted):	FY08	FY09
Total Number (#) of SL/ST/DISES Leaders	22	32
Total # Rated SL/ST/DISES (career, non-career and limited term)	21	28
Number of Executives Rated / Not Rated	21 / 1	28 / 4
Performance Rating Levels	Level 2 (0%) Level 3 (5%) Level 4 (62%) Level 5 (33%)	Level 2 (0%) Level 3 (25%) Level 4 (46%) Level 5 (29%)
Total Salaries ALL SL/ST	\$3,357,944	\$5,049,138
Pay Pool Funding Factor (Pay Progression + PAEP + Performance Budget)	12.8%	11%
Pay Pool Value (Pay Pool Funding Factor X Total Salaries of all covered executives)	\$429,817	\$555,405
Unspent Pay Pool	\$67,713	\$174,708
Unspent Pay Pool (as % of Total Salaries)	2.0%	3.5%
Total Performance (Basic) Pay Increase Payouts	\$86,488	\$124,033
Average Performance (Basic) Pay Increase	\$4,324	\$4,430
Average Salary (after Performance Adjustments) ("New Basic Pay")	\$133,129	\$161,662
Total Performance Pay Increase Payouts (as % of Total Salaries)	2.6%	2.5%
Total Performance Bonus Payouts	\$275,616	\$256,664
Average Bonus in dollars (\$)	\$13,125	\$10,694
Total Performance Bonus (as % of Total Salaries)	8.2%	5.1%
Percent of Rated SL/ST Members Receiving a Bonus	100%	85.7%