

ATTACHMENT 1

EVALUATION TO IDENTIFY POTENTIAL IMPROVEMENT TO THE DECOMMISSIONING PROGRAM USING QUESTIONS FROM OMB'S PERFORMANCE ASSESSMENT RATING TOOL (PART)

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1. INTRODUCTION

The staff used the questions from the Office of Management and Budget's (OMB's) Performance Assessment Rating Tool (PART) as an independent methodology to systematically and comprehensively evaluate its program to identify areas of the program that could be improved in order to satisfactorily address the PART questions.

The PART questions were designed to provide a consistent approach to rating programs across the Federal government. According to OMB's PART guidance, "the PART is a diagnostic tool that relies on objective data to inform evidenced-based judgments and to assess and evaluate programs across a wide range of issues related to performance" (OMB, 2003). The 31 questions for a regulatory program address the following four elements of a program: purpose/design; strategic planning; management; and results/accountability.

2. METHOD OF EVALUATION

As mentioned above, the staff used the PART questions as one tool in its Program Evaluation to identify areas of improvement. Therefore, this evaluation is not a formal Agency evaluation of the PART for the Decommissioning Program, and did not involve the scoring or full documentation of evidence required by a formal Agency PART. A formal Agency PART for the Decommissioning Program is scheduled for FY 2006.

For the purpose of identifying areas of improvement, the staff decided that following the OMB guidance (OMB, 2003, Attachment C) for addressing the questions with a *Yes* or *No* and the "high standard" for *Yes* would be an effective approach to identify areas of potential improvement. According to OMB guidance, questions in Section I through III are scored in a *Yes/No* format. Section IV can be answered in a four-level scale (*Yes*, *Large Extent*, *Small Extent*, and *No*) to reflect partial achievement of goals and evidence of results. It should be recognized that under the OMB guidance, a program with a *No* answer for Sections I through III can be complying with the question and even making efforts to improve, but may not have reached the high standard of performance that OMB is seeking. Therefore, further improvement might be needed to reach the OMB standard. For some questions, improvements for the Decommissioning Program are underway but not completed, but for other questions, new improvements are recommended.

Sections I through III

- 1) **Yes:** high level of performance—no improvement
- 2) **No:** less than high level of performance—improvement needed

Improvement underway but not completed

New improvement recommended to reach OMB standard

Section IV

- 1) **Yes:** high level of performance—no improvement
- 2) **Large extent:** less than yes and performs to a large extent—improvement needed
- 3) **Small extent:** less than yes performs to a small extent—improvement needed
- 4) **No:** little or not performance—improvement needed

3. EVALUATION RESULTS

Of the 31 PART questions for regulatory programs, the staff concluded that 19 questions were considered effective, and, therefore, no improvements are needed. Improvements could be made to eight questions and improvements are already underway for four other questions to achieve OMB's high standard for effectiveness. The attached matrix provides detailed results for each PART question and recommendations. A summary is provided below for each of the four program areas addressed by the PART questions.

Purpose and Design. Of the five questions for this program area, the Decommissioning Program is considered effective for three. Improvements are already underway for the remaining two questions. The staff considered the Decommissioning Program has a clear purpose and addresses the specific problem of regulating decommissioning and license termination of contaminated NRC licensed sites. Furthermore, program resources are considered effectively targeted. Improvements are underway and need to be completed to avoid duplication with other regulatory programs (i.e., NRC/EPA Memorandum of Understanding for consultation to avoid dual regulation) and to resolve major flaws (i.e., implementation issues identified in the staff's LTR Analysis for institutional controls/restricted release, realistic exposure scenarios, and preventing future legacy sites)

Strategic Planning. Of the nine questions for this program area, the Decommissioning Program is considered effective for six. The staff considered that the program had long term outcome measures and targets, short-term performance measures, and its budget was tied to its goals. Improvements are needed for three questions that address ambitious annual targets, regular independent evaluations of the program, and explaining how regulations contribute to achieving goals .

Program Management. Of the eleven questions for this program area, the Decommissioning Program is considered effective for eight and improvements are needed for three. The staff considered that: managers are held accountable; funds are obligated and expended; there is strong Agency financial management; the program collaborates and coordinates with related programs; the staff seek the views of affected parties; there is adequate regulatory impact analyses; and regulations allow maximizing net benefits. Improvements are needed for:

collecting site performance information; procedures to measure and achieve efficiencies; and regular, systematic reviews of regulations.

Program Results.

Of the six questions for this program area, the Decommissioning Program is considered effective for two questions, effective to a large extent for two other questions, and effective to a small extent for the remaining two questions. Thus, some improvement is needed for four questions. The staff concluded that the Decommissioning Program has demonstrated progress in achieving its goals and has met all of the Agency strategic and performance goals and measures as reported in NRC's annual performance and accountability reports. To a large extent it has qualitatively demonstrated improved efficiency and cost effectiveness but improvements would be needed to develop a system to track and analyze staff FTE expenditures in order to better reallocate resources and attempt to measure efficiencies and cost effectiveness. For comparisons to other programs, the Decommissioning Program is effective to a large extent by comparing issues shared by similar programs. However, improvement could be made by comparing the staff's lessons learned using the LTR with the Agreement States who are required to implement the LTR for decommissioning sites in their States. For independent evaluations, the program is effective to a small extent with limited reviews done by the Commission and the ACNW for selected topics; however, there are no periodic reviews of the overall program by an independent group outside of NRC. Such reviews might be considered; however, they may not be cost effective, and technically capable review groups may be difficult to arrange. Finally, the program seeks to maximize the net benefit of its actions through its management and by using a risk-informed and performance based approach. However, recently completed guidance for this approach needs to be fully implemented by both staff and licensees, and the staff needs to prioritize its work more based on risk and consider the feasibility of methods to measure cost effectiveness for site decommissioning.

4. REFERENCE

Office of Management and Budget, *Completing the Program Assessment Rating Tool (PART) for the FY 2005 Review Process*, Budget Procedures Memorandum No. 861, May 5, 2003.

U.S. Nuclear Regulatory Commission, *Performance and Accountability Report Fiscal Year 2001*, NUREG-1542, Vol. 7.

U.S. Nuclear Regulatory Commission, *Success Through Safety, Performance and Accountability Report Fiscal Year 2002*, NUREG-1542, Vol. 8.

**EVALUATION RESULTS OF QUESTIONS FROM
OMB'S PROGRAM ASSESSMENT RATING TOOL
Decommissioning Program Evaluation, FY 2001-2003**

	Answers to PART Questions			
PART Question	YES No improvement	LARGE EXTENT Improvement needed or underway	SMALL EXTENT Improvement needed or underway	NO Improvement needed or underway
1. PURPOSE AND DESIGN				
1.1 Purpose clear	✓			
1.2 Addresses a problem	✓			
1.3 Not duplicative				✓ underway
1.4 Free of major flaws				✓ underway
1.5 Effectively targeted	✓			
2. STRATEGIC PLANNING				
2.1 Long-term outcome measures	✓			
2.2 Ambitious targets for long-term measures	✓			
2.3 Annual performance measures	✓			
2.4 Ambitious annual performance targets				✓ needed
2.5 Partners work to goals	✓			
2.6 Regular independent evaluations conducted				✓ needed
2.7 Budget tied to goals	✓			
2.8 Correct strategic planning deficiencies	✓			
2.RG1 Regulations tied to goals				✓ needed
3. PROGRAM MANAGEMENT				
3.1 Collect timely performance information				✓ needed
3.2 Federal managers held accountable	✓			
3.3 Funds obligated and expended	✓			
3.4 Procedures to measure and achieve efficiencies				✓ needed
3.5 Collaborate/coordinate with related programs	✓			

3.6 Strong financial management	✓			
3.7 Address management deficiencies	✓			
3.RG1 Seek views of affected parties	✓			
3.RG2 Adequate regulatory impact analyses	✓			
3.RG3 Systematically review regulations				✓ needed
3.RG4 Regulations <u>allow</u> maximizing net benefits	✓			
4. PROGRAM RESULTS/ACCOUNTABILITY				
4.1 Demonstrated progress in achieving goals	✓			
4.2 Achieves annual goals	✓			
4.3 Demonstrate improved efficiency, cost effectiveness		✓ needed		
4.4 Comparison to other programs		✓ needed		
4.5 Independent evaluations indicate effectiveness			✓ underway/needed	
4.RG1 Maximizes net benefit			✓ underway/needed	
TOTALS	19	2	2	8

Question

Recommendation

- | | |
|----------------|--|
| 1.3 | Implement the NRC/EPA Memorandum of Understanding |
| 1.4, 2RG1, 4.5 | Implement the Commission direction regarding the LTR recommendations |
| 2.4 | Develop a few new annual output measures |
| 2.6, 4.4, 4.5 | Explore independent evaluation and compare LTR lessons learned with Agreement States |
| 3.1 | Expand management reviews of HQ sites progress to include Regions |
| 3.4, 4.3 | Develop new approach/system to track FTE expenditure and baseline for individual sites |
| 3RG3 | Develop a continual improvement plan to systematically and periodically review the program and regulations |
| 4.RG1 | Implement new Consolidated Decommissioning Guidance, including flexible and risk-informed approaches.
Implement a risk informed prioritization of activities and site work. |