
POLICY ISSUE

Notation Vote

January 31, 2016

SECY-16-0009

FOR: The Commissioners

FROM: Victor M. McCree
Executive Director for Operations

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Chief Financial Officer

SUBJECT: RECOMMENDATIONS RESULTING FROM THE INTEGRATED
PRIORITIZATION AND RE-BASELINING OF AGENCY ACTIVITIES

PURPOSE:

This paper provides the results of the re-baselining of agency activities and requests Commission approval to implement recommendations on work to be shed, de-prioritized, or performed with fewer resources. The paper also requests authorization for the Executive Director for Operations (EDO) to sign the public notifications for the rulemaking activities the Commission approves for termination or delay.

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BACKGROUND:

On June 8, 2015, the Commission issued Staff Requirements Memorandum (SRM) SECY-15-0015, "Project Aim 2020 Report and Recommendations" (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15159A234). As relevant here, the Commission directed the staff to perform a common prioritization of all work activities across the agency. The Commission also directed the staff to perform a one-time re-baselining of work performed across the agency, focusing not only on statutory mandates and Commission direction but also on our safety and security mission. The Commission noted that the staff should prioritize and re-baseline the agency's work in an integrated manner and consistent with the agency's mission, values, and the Principles of Good Regulation.

The Commission directed that the process begin immediately to inform decisions in the fiscal year (FY) 2017 budget formulation process to the maximum extent practical. As a product of re-baselining, the Commission directed the staff to submit for its review and approval a comprehensive list of activities that can be shed, de-prioritized, or performed with fewer resources.

On August 24, 2015, the staff provided the Commission an Information Paper, SECY-15-0105, "Plan for Integrated Prioritization and Re-baselining of Agency Activities" (ADAMS Accession No. ML15230A313), describing the approach to be used in implementing the Commission's direction on prioritization and re-baselining.

The staff completed the prioritization of planned FY 2017 work activities in early December, and presented its results to the Commission on December 17, 2015, and at a public meeting on January 14, 2016.

DISCUSSION:

As described in SECY-15-0105, the staff developed an inclusive process that solicited internal and external stakeholder input on prioritizing and re-baselining the agency's work. As an initial step, lead and partner offices prioritized all activities in the Nuclear Regulatory Commission's (NRC's) programmatic business lines (e.g., "Operating Reactors", "Fuel Facilities") and corporate product lines (e.g., "Information Technology", "Human Resource Management") in preparation for re-baselining. Using the stakeholder input, subject matter experts and responsible branch, division, and office-level managers systematically evaluated all budgeted activities for priority and identified activities that could be shed, de-prioritized, or performed with fewer resources. A cross-office team of experienced senior managers integrated the business line and corporate product line results.

The staff prioritized the agency's work while remaining closely focused on the mission, NRC values, and the Principles of Good Regulation, which served as valuable guidelines. For example, in considering "mission," the staff focused on the core rulemaking, licensing, and inspection functions specified in legislation applicable to the NRC.

The Project Aim Steering Committee, chaired by the EDO and the Chief Financial Officer (CFO), reviewed the preliminary re-baselining results. The Steering Committee independently concluded that there would be no more than a minimal adverse impact on the mission, values or Principles of Good Regulation for each re-baselining recommendation.

The Steering Committee also concluded that there would not be unanticipated cumulative effects from the orderly implementation of all the recommendations.

Results of Re-baselining

The results of the staff's re-baselining effort are provided in Enclosure 1. These are the activities that the staff recommends be shed, de-prioritized, or performed with fewer resources. Each item has a defined scope and a quantified savings. Savings are listed in thousands of contract dollars and full-time equivalent (FTE) staff resources. The responsible offices are prepared to implement the recommendations within the time indicated.

Enclosure 1 lists 151 individual activities that staff recommends be shed, de-prioritized, or incrementally reduced. These reductions total \$17,918K in contract dollars and 187.3 FTE. The staff included 29 of the items in the formulation of the FY 2017 Congressional Budget Justification. These reductions total \$4,487K in contract dollars and 32.7 FTE.

In prioritizing and re-baselining the active and funded FY 2017 rulemaking activities, the staff developed Enclosure 2, which the staff is providing to the Commission for its information. This list is a subset of the broader list of rulemaking activities that may be active or under consideration at this time. The criteria described above that the staff used to prioritize these rulemaking activities differ from other criteria used for prioritizing rulemaking in different contexts (e.g., Common Prioritization of Rulemaking).

The EDO and CFO regard re-baselining as an opportunity to involve the NRC staff in developing recommendations for meaningful change and are committed to implementing effective change management practices as we engage with all NRC employees. One area of repeated input from members of the staff and the National Treasury Employees Union has been the considerable effort that will be required to revise procedures and instructions and to address changes in working conditions. A significant level of effort will also be required to implement the Strategic Workforce Planning process in order to adopt Commission approved recommendations. We believe these action are implementable within the timeframes indicated using controlled hiring and voluntary attrition. The agency will continue to ensure that our employees have the skills necessary to meet the mission of the agency through our training and development programs.

The Commission acknowledged the importance of effective change management practices in SRM-SECY-15-0015. As indicated above, a significant number of the proposed changes were included in the formulation of the FY 2017 budget proposal. The staff has highlighted these activities in Enclosure I as Items 1-29. The staff stands ready to implement all activities in Enclosure 1 upon Commission approval, but requests Commission approval of Items 1-29 as well as the items designated as implementable within 6 months by the end of March to ensure that the full benefits of these reductions are achieved in FY 2017.

The table below conveys the time for implementation:

	Number of Re-baselining Activities	Re-baselining \$K	Re-baselining FTE
Within 6 months	142	15,728	150.6
Within 12 months	4	240	23.0
Within 18 months	5	1,950	13.7
Total Re-baselining	151	17,918	187.3

Additional Near-Term Actions

The staff will deliver five additional prioritization and re-baselining products to the Commission in the near term. The first is a list of longer-term efficiency and improvement projects resulting from stakeholder input and office consideration. These projects envision new end-states that can be achieved with quantified savings to be realized in FY 2018 and beyond. The second is a projection of expected workload changes for FYs 2018, 2019, and 2020. The third is staff's assessment of the current drug testing program to determine whether near-term efficiencies can be achieved. The fourth is staff's assessment of the current security clearance minimum requirements for NRC to determine whether near-term efficiencies can be achieved in that program. The fifth is an assessment of the impact (if any) that re-baselining may have on the effectiveness of openness and stakeholder interactions. The staff plans to provide these products to the Commission in the March timeframe and in no case later than the SRM-SECY-15-0015 assigned due date of April 6, 2016.

COMMITMENT:

The staff will submit to the Commission a paper identifying additional areas for longer-term efficiencies, projected workload changes through FY 2020, the staff's evaluations of potential efficiencies in the drug testing and security clearance programs, and the impact of re-baselining on stakeholder interactions.

The staff will utilize effective change management practices to implement those recommendations approved by the Commission.

RECOMMENDATIONS:

The staff recommends that the Commission take the following two actions:

- 1) Approve the staff's recommendations on items to shed, de-prioritize, and perform with fewer resources listed in Enclosure 1. In the interest of efficiency, the staff requests approval of its recommendations on a bifurcated or rolling basis, as discussed above.
- 2) Delegate to the EDO the authority to issue *Federal Register* notices and other documentation to inform the public of the rulemaking activities listed in Enclosure 1 that the Commission approves for delay or cancellation.

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COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection.

/RA/

Victor M. McCree
Executive Director
for Operations

/RA/

Maureen E. Wylie
Chief Financial Officer

Enclosures:

1. Re-baselining Recommendations
2. Prioritized FY 2017 Rulemaking Activities

The Commissioners

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