

April 10, 2000

MEMORANDUM TO: Jesse Funches
Office of the Chief Financial Officer

FROM: Irene P. Little, Director /RA signed by Von Deloatch for/
Office of Small Business and Civil Rights

SUBJECT: FISCAL YEAR 2002 BUDGET SUBMISSION

Attached is the Fiscal Year 2002 budget submission for the Office of Small Business and Civil Rights (SBCR). Included in SBCR's request is one additional FTE in Fiscal Year 2002 (8 FTE) to support additional Office responsibilities acquired over the last three years.

In the last three years, SBCR has taken on a number of additional responsibilities. Due to revised Equal Employment Opportunity Commission (EEOC) regulations, SBCR has implemented and is managing the Alternative Dispute Resolution (ADR) process. SBCR has responsibility for conducting the Semi-Annual EEO Briefing and for extensive EEO data retrieval and analysis. It has also taken on responsibility for developing and implementing a managing diversity process, and strengthening its partnership with the Office of Human Resources (HR) in recruiting for a diverse, high quality workforce. (Activities associated with managing diversity and more proactive recruiting are included in the recommendations from the Arthur Andersen Report, *NRC Assessment of Support Functions*.) I believe these factors warrant an additional FTE. Specific details of this request follow:

- 1. Revised regulations implemented by the EEOC (29 CFR Part 1614) require that federal agencies make available an Alternative Dispute Resolution (ADR) process to resolve claims at the pre-complaint and formal stage of the discrimination complaint process.** EEOC requires that this process be made available effective January 1, 2000. As ADR becomes more widely known to Agency staff, it is expected that employees will avail themselves of this process. ADR has the potential for expediting resolution of claims at the pre-complaint and formal stage, and realizing a cost savings to the Agency in the form of quick resolutions and lower attorney fees. FTE will be expended informing employees about the ADR process within the Agency and for implementing and administering the process to resolve employment discrimination claims at the earliest possible stage. Without the additional FTE, use of ADR could increase the complaint processing time, and the potential exists that ADR would not be fully utilized.
- 2. Performing EEO data retrieval and analysis, and preparing for and conducting the semi-annual EEO Briefing to the Commission, which is required by the Energy Reorganization Act of 1974.** EEO data analysis has become an integral part of SBCR's role in working with Office directors, Regional Administrators, and other managers and supervisors. Regular discussions with Office Directors are focused on EEO goals for their specific organizations and advice and recommendations regarding

strategies to achieve these goals. EEO data is required as a basis for reporting the Agency's accomplishments to the EEOC. Office Directors and Regional Administrators are provided, annually, an office profile that includes EEO data by ethnicity and gender. SBCR is the lead office in the conduct of the semi-annual EEO briefings to the Commission and the development of the accompanying Commission Paper. EEO data analysis is key to assessing the status of the Agency's EEO Program as presented in the briefing and accompanying paper. FTE expended in this area has significantly increased as managers and supervisors become increasingly aware of their roles and responsibilities in creating a discrimination-free work environment. Without additional FTE, SBCR will be limited in its ability to respond to Office Directors and Regional Administrators for analysis of EEO data. Additionally, proactive data analysis is a critical aspect of an effective EEO Program. The Agency should not be placed in the position of simply responding to EEO Advisory Committees or managers' requests for data and data analysis.

3. Implementation of a managing diversity process. Consistent with the recommendations in the Arthur Andersen report, SBCR's role has been expanded to include proactive consultation in promoting diversity, not just focusing on compliance. This has placed additional demands on the SBCR staff to engage in more proactive interaction with managers to identify and clarify the role of each manager in diversity management. Accordingly, the SBCR Office Director meets individually with all Office Directors and Regional Administrators to discuss diversity goals and strategies for creating, managing, valuing, and leveraging a diverse workforce for organizational effectiveness. In addition, FTE is expended on: (1) providing advice and assistance to managers and employees; (2) monitoring offices' EEO activities as reported in the operating plans; and (3) working to build diversity training for all managers and supervisors in the EEO training curriculum. Without additional FTE, SBCR's interaction with managers and supervisors will be event or incident driven; not proactive and the monitoring of offices' EEO activities will be minimal.

4. Partnership with HR for recruiting and managing a diverse, high quality workforce. In the Arthur Andersen report, recommendation was made for establishing a stronger partnership between SBCR and HR for recruiting and managing a diverse, high quality workforce. SBCR's expanded role in this area involves: (1) discussing strategies with HR for enhanced focused recruiting; (2) recommending recruitment sources to enhance diversity of the Agency's applicant pool; (3) establishing liaisons with diversity managers at key colleges and universities; and (4) participating in targeted recruitment activities. Because of SBCR's competing priorities and limited resources, minimal FTE is available for this effort. Without additional FTE, SBCR will be unable to increase its participation in these activities.

I believe an effective proactive EEO Program can have a positive impact on management effectiveness and employee morale. SBCR's role in focused recruitment is critical. Resolving

people issues up-front and applying lessons learned to mitigate or to avoid recurrence of those issues is resource intensive. However, the return on this investment can be great. And having adequate resources to support an effective EEO Program is critical to achieving these outcomes. Thank you for your consideration. I am available for further discussion and to provide additional information as needed.

Attachment: As stated

cc: P. Norry, DEDM
T. Pulliam, OCFO/DPBA/PAB

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