

April 2, 2001

MEMORANDUM TO: Richard R. Rough, Director
Division of Planning, Budget, and Analysis
Office of the Chief Financial Officer

FROM: Irene P. Little, Director */RA/*
Office of Small Business and Civil Rights

SUBJECT: FISCAL YEAR 2003 BUDGET SUBMISSION

Attached is the Fiscal Year 2003 budget submission for the Office of Small Business and Civil Rights (SBCR). SBCR's total budget request for FY 2002 is \$441.5K; FY 2003 is \$504.5; and FY 2004 is \$478K. Highlights of this request include \$13.5K over the President's Budget for the Civil Rights Program in Fiscal Year 2002, and one additional FTE for the Civil Rights Program in Fiscal Year 2003 and beyond.

During FY 2001, the Civil Rights Program budget was increased from \$62K to \$105.5K. These additional funds were used to support the significant increase in requests for Alternative Dispute Resolution (ADR) (\$38.5K) and to fund a special complaint investigation (\$5K). If this level of ADR activity continues in FY 2002, we expect costs for the program to exceed the FY 2002 President's Budget by \$13.5K. We believe that reprogramming SBCR funds is not feasible.

SBCR's FTE has remained at seven for the past five years while the office has acquired a number of additional responsibilities. Revised regulations promulgated by the Equal Employment Opportunity Commission (EEOC) (29 CFR Part 1614) in Fiscal Year 2000 required that Federal agencies make available an ADR process to resolve allegations of discrimination at the informal and formal stages of the complaint process. SBCR developed the ADR process and implemented it effective January 1, 2000. Of the 12 ADR requests that SBCR has received since August 2000, 4 settlement agreements were reached; 1 complaint was withdrawn at the conclusion of ADR; 1 complaint was withdrawn during preparation for ADR; and only 1 complaint was not settled. The remaining five ADR sessions have been scheduled for April 2001. A review of these cases indicates that the process is effective, and we anticipate that the number of ADR requests will increase. The purpose of ADR is to afford the parties an opportunity for quick resolution, thereby decreasing time, costs, and other resources involved in processing complaints. Additional FTE is needed to ensure that SBCR staff continues to provide a reasonable response time of 20-30 calendar days from receiving the request to conducting the mediation session.

This FTE would also support the added responsibilities mandated by several executive orders signed by the President in calendar year 2000. Among these is Executive Order 13166 which mandates Federal agencies to prepare and implement a plan to improve access to Federally conducted programs and activities by persons having limited English proficiency. Federal agencies also are required to develop and disseminate guidance tailored to entities receiving assistance. A draft plan has been developed. It must be finalized and submitted to the Department of Justice for approval, published in the Federal Register, implemented, and monitored.

Two other Executive Orders (13157 and 13170) signed in May and October 2000 direct Federal agencies to develop a plan to increase contracting between the Federal Government and small business concerns. The plan must include strategies to undertake outreach activities such as: (1) facilitating competition among small business concerns; (2) offering information, training, and technical assistance programs; (3) marketing availability of small businesses among Agency staff; and (4) coordinating with Small Business Administration to facilitate maximum participation by small businesses. Once the plan is implemented, it will be monitored by the Office of Management and Budget and the Small Business Administration.

Increased FTE is needed to support SBCR's data analysis efforts, which have increased significantly as managers and supervisors have become more involved in monitoring their workforce demographics. Proactive data analysis is a critical component of any effective EEO Program. SBCR's interface with Office Directors and other managers is focused on developing EEO goals for their specific organizations. SBCR offers advice, and recommendations regarding strategies to achieve these goals. EEO data analysis is also key to assessing the status of the Agency's EEO Program, as part of the semi-annual EEO briefing to the Commission. And EEO data make up a significant portion of the Agency's accomplishment report to the EEOC. SBCR is responsible for retrieving and analyzing these data.

It has been demonstrated that an effective proactive EEO Program can have a positive impact on management effectiveness and employee morale. Resolving employee issues up-front and applying lessons learned to mitigate or to avoid recurrence of these 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. I am available for further discussion and to provide additional information as needed.

Attachment: As stated

cc: P. Norry, DEDM

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BUDGET REQUEST BY PROGRAM

Office: Office Small Business and Civil Rights

Arena: Management and Support

Program: Small Business and Civil Rights

Highlights

Civil Rights Program. Provides 2.3 FTE in FYs 2001 and 2002; 3.3 FTE in FY 2003-2004; \$105.5K in FY 2001; \$75.5K in FY 2002; \$105.5K in FY 2003; and \$75.5K in FY 2004.

The Civil Rights Program provides for the prompt, fair and impartial processing of discrimination complaints filed against the Agency under applicable Federal statutes. Collectively, these statutes prohibit discrimination on the basis of race, color, national origin, gender, age, disability, and reprisal for participation in or opposition to activity protected by civil rights statutes. Resources are devoted to: (1) promulgating relevant regulations, management directives, procedures, and policies and implementing the Federal government-wide discrimination complaint process, which includes an Alternative Dispute Resolution (ADR) component; (2) receiving, acknowledging, and processing complaints of discrimination filed by employees and applicants for employment; (3) educating employees about the process; (4) overseeing and training EEO Counselors who provide counseling to Agency employees and applicants for employment; and (5) complying with and responding to reporting requirements imposed by the Equal Employment Opportunity Commission (EEOC), Office of Personnel Management and other Federal agencies.

During FY 2001, this program's budget was increased from \$62K to \$105.5K (\$15K was transferred from SBCR's IT and travel funds; \$16K was received from SBCR's emergency request for funds; and \$12.5K was received through the MidYear Request process). These additional funds were used to support the significant increase in ADR sessions (\$38.5K) and to fund a special complaint investigation (\$5K). Based on the increased ADR activity in FY 2001, we expect to exceed the FY 2002 President's Budget by \$13.5K. We believe that reprogramming of funds is not feasible. It is anticipated that the number of EEO investigations will decrease in subsequent fiscal years as more cases are resolved through ADR. Also since the current cost of an investigation exceeds the cost of ADR by approximately \$1.7K per session, it is expected that this savings could offset the cost for the increased number of ADR sessions in FY 2002 through FY 2004.

FYs 2001 and 2003 include funding for EEO Counselor training (\$25K in FY 2001; \$30K in FY 2003). The Equal Employment Opportunity Commission (EEOC) requires that EEO Counselors receive a minimum of 8 hours of refresher training annually. However, we have reached an agreement with EEOC that allows the Agency to conduct a 3-to-4 day training session every 18 to 24 months. This approach reduces both travel and training costs. Training will be conducted later in FY 2001, and the budget request for FY 2003 reflects funds for this training. The request for FY 2002 reflects a commensurate decrease in funding because training will not be offered.

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Activity in ADR is the primary basis of our request for one additional FTE. In January 2000, the Agency's ADR process became effective for allegations of discrimination. Since the first ADR session was conducted in August 2000, 11 additional sessions have been requested through March 2001--4 sessions resulted in settlement agreements; 1 complaint was withdrawn after the session was completed; and 1 complainant withdrew the ADR request during preparation discussions for ADR. Only 1 session did not result in a settlement agreement, and the complainant filed a formal complaint. The remaining 5 sessions are scheduled for April 2001.

This additional FTE would also support the added responsibilities mandated by several executive orders signed by the President in calendar year 2000. Among these is Executive Order 13166 which mandates Federal agencies to prepare and implement a plan to improve access to its Federally conducted programs and activities by persons having limited English proficiency (LEP). Federal agencies also are required to develop and disseminate guidance tailored to entities receiving assistance (i.e., recipients). NRC is required to develop and implement a plan and develop guidance for its recipients. A draft plan has been developed. It must be finalized and submitted to the Department of Justice for approval, published in the Federal Register, implemented, and monitored.

Two other Executive Orders (13157 and 13170) signed in May and October 2000 direct Federal agencies to develop a plan to increase contracting between the Federal Government and small business concerns. The plan must include strategies to undertake outreach activities such as: (1) facilitating competition among small business concerns; (2) offering information, training, and technical assistance programs; (3) marketing availability of small businesses among Agency staff; and (4) coordinating with Small Business Administration to facilitate maximum participation by small businesses. Once the plan is implemented, it will be monitored by the Office of Management and Budget and the Small Business Administration.

Affirmative Action Program. Provides 1.1 FTE in FYs 2001-2004, and \$48K in FY 2001; \$51K in FY 2002; \$53K in FY 2003-2004. In FY 2001, the Agency combined the five Special Emphasis Programs into a One-Day Diversity Program. This resulted in a

resource a resource savings (.3 FTE) for both SBCR and the Agency. The SBCR FTE savings will be applied to more interaction with Office directors and Regional Administrators regarding their EEO goals for their specific organizations.

Resources will be devoted to: (1) implementing and managing the Agency's Affirmative Action Program, including the Federal Women's Program that was established in accordance with 29 CFR 1614.102(b)(3); (2) performing EEO data analysis; and (3) preparing for and conducting the semi-annual EEO Briefing to the Commission, which is required by the Energy Reorganization Act of 1974. Activities include: (1) monitoring offices' and regions' accomplishments of these objectives primarily through Chapter B (EEO Requirements) of the Operating Plan; (2) developing general operating procedures and guidance for the Agency's EEO Advisory Committees; (3) holding regular discussions with Office directors on EEO goals for their specific

organizations and advice and recommendations; (4) analysis of EEO data which is the basis for reporting the Agency's accomplishments to the EEOC and for assessing the status of the Agency's EEO Program as presented in the semi-annual briefing and accompanying Commission Paper; and (5) conducting the Agency's annual Diversity Day program.

Managing Diversity (MD). Provides .2 FTE in Fys 2001-04; \$42K in FYs 2001-2003; \$48K in FY 2004. Resources will be devoted to maintaining a MD process within NRC and sustaining a high quality, culturally diverse applicant pool. Consistent with the recommendations in the Arthur Andersen report: (1) SBCR's role must include proactive consultation in promoting diversity, not just focusing on compliance; and (2) establishing a stronger partnership between SBCR and HR for recruiting and managing a diverse, high quality workforce. Activities in this area include: (1) providing advice and assistance to managers and supervisors in developing strategies for diversity; (2) monitoring offices' EEO activities in the operating plans on a regular basis; (3) working to incorporating diversity training for all managers and supervisors in the EEO training curriculum; (4) discussing strategies with HR for enhanced focused recruiting; (5) recommending recruitment sources to enhance diversity of the Agency's applicant pool; (6) establishing liaisons with diversity managers at colleges and universities; and (7) participating in targeted recruitment activities with special emphasis on Hispanics.

Historically Black Colleges and Universities (HBCU) Program. Provides .2 FTE in FYs 2001-2004; \$250K in FY 2001-02; \$275K in FY 2003-04. In FY 2003, the program's funding will increase to \$275K, which is \$25K above threshold. This increase is consistent with Executive Order 12876, which established the program, and includes a provision that, consistent with funds available to the Agency, the annual funding goal be an amount above the actual amount awarded to HBCUs from previous fiscal years. Further, the annual funding goal shall represent a substantial effort to increase the amounts available to HBCUs. The additional \$25K would provide for an additional 4 HBCU participants from previous fiscal years and would allow the Agency to participate in the Annual Millennium Awards for Teaching and Research Excellence in Mathematics, Science, Engineering, and Technology at HBCUs. This program is sponsored by the HBCU Technology Cluster, which the Agency is a member, and provides awards to outstanding HBCU faculty members who have made a significant contribution in the fields of teaching and research. These awards support further HBCU research activities in the fields of math and science.

Resources will be devoted to implementing and managing the Agency's HBCU Program. Activities include: (1) establishing annual goals for the HBCU Program; (2) monitoring the cooperative agreement with Oak Ridge Institute for Science and Education (ORISE). ORISE is under a cooperative agreement with the Agency to recruit for participants and administer the grants; (3) complying with and

responding to reporting requirements imposed by the White House and the Department of Education; (4) participating in activities through the White House Initiatives HBCU Technology Cluster and National Association for Equal Opportunity in Higher Education to market the Agency's HBCU Program.

Small Business Program. Provides 1.2 FTE in FYs 2001-04; \$0K in FYs 2001-02; \$3K in FY 2003; and \$0K in FY 2004. The funding requested in FY 2003 will be used for the design and printing of a Small Business Program brochure. This brochure will provide updated information on the Agency's program, including sources of information available to small business concerns (i.e., web links; Agency's toll-free fax-on-demand number). By designing a document that provides substantive resource information will, in turn, result in an SBCR efficiency. This would minimize the staff time spent in providing sources of procurement information to small business concerns. It also assists SBCR in its role as small business advocate. Staff has found that there is still a large segment of small minority and women-owned businesses that do not have daily and direct access to the Internet, which is a prime source of information for business owners.

Resources will be devoted to: (1) identifying contract opportunities for small business concerns; and (2) planning, conducting, and participating in activities to market the Agency's procurement opportunities, including disseminating information on how to do business with the NRC. (Small Business Program was established in accordance with P.L. 95-507 and amendment to the Small Business Act and the Small Business Investment Act of 1958.)

General Information Technology Provides \$6K in FY 2001; \$5K in FY 2002; \$6K in FY 2003; and \$7K in FY 2004. In FY 01, \$10K was transferred to the Civil Rights Program for additional sessions of ADR. Resources will provide: (1) continuation of database software program, EEO Assistant, for the Civil Rights Program; (2) additional software purchases; and (3) miscellaneous hardware upgrades (e.g., local printer). Emphasis will be placed on purchases that provide efficiencies for SBCR programs.

Travel Provides \$10K in FY 2001; \$13K in FY 2002; \$14K in FYs 2003-2004. In FY 01, \$10K was transferred to Civil Rights Program to cover additional sessions of ADR. SBCR Director did not make planned visits to the regional offices due to competing priorities in the Small Business Program. (The Small Business Program Manager retired in June 2000 and the position was not staffed until February 2001.) Travel expenses include: (1) visits to the Agency's four regional offices for addressing issues related to the Civil Rights and Affirmative Action Programs and for implementing the Agency's managing diversity initiative; (2) participation in targeted recruitment activities; and (3) training/education activities.

Training Provides \$4K in FY 2001; \$5K in FY 2002; \$6K in FYs 2003-04. Resources will provide for training/education of staff in SBCR's five program areas, including information technology and business and financial management training that assists the Office in operating more effectively and efficiently. SBCR's five program areas are unique and specialized; thus, priority will be given for new employee training, and training in ADR which is a relatively new requirement.

There are no sun-setting or crosscutting activities or cancellations/deferrals for SBCR Programs.

Attachment 5B

FY 2002 - 2003 BUDGET - ACTIVITIES ABOVE THRESHOLD

Office: Office of Small Business & Civil Rights

Office/ Identifier	Arena	Explanation of Work	FY 2002		FY 2003	
			\$K	FTE	\$K	FTE
SBCR-001	MS	<p>Workload - (1) Processing discrimination complaints, including requests for alternative dispute resolution (ADR); (2) compliance with Titles VI and VIII of the Civil Rights Act of 1964, as amended, including the limited English proficiency (LEP) requirements mandated in Executive Order 13166; (3) provide assistance in implementing Executive Orders related to the Small Business Program.</p> <p>Impact - (1) EEO cases will continue to be significantly delayed past the statutory deadline of 180 days for administrative processing. (Currently 10 cases, or 43% of pending cases, are in this category.) (2) delay in processing requests for alternative dispute resolution; (3) inability to comply (or perfunctory compliance) with Executive Order 13166 which directs agencies to prepare and implement a plan to improve access to its Federally conducted programs and activities by persons with LEP; and (4) inability to comply (or perfunctory compliance) with Executive Orders 13157 and 13170 which directs agencies to develop outreach strategies with small businesses.</p> <p>Remaining Resources <u>FY 2003</u> FTE: 2.3</p>				1
SBCR-002	MS	<p>Workload - The Equal Employment Opportunity Commission (EEOC) requires that EEO Counselors receive a minimum of 8 hours of refresher training annually. Through an agreement with EEOC, the Agency will conduct a 3-to-4 day training session every 18 to 24 months. The training is scheduled for late FY 2001 and again in FY 2003.</p> <p>Impact - Agency would not be in compliance with EEOC regulations in providing regular training for the Agency counselors. Moreover, the Agency would be at a disadvantage in that the training provides opportunities for the counselors to enhance counseling techniques, in particular the use of mediation skills in the counseling process.</p> <p>Remaining Resources <u>FY 2003</u> \$79K</p>			\$26.5K	
			FY 2002		FY 2003	

Office/ Identifier	Arena	Explanation of Work	\$K	FTE	\$K	FTE
SBCR-003	MS	<p>Workload - Administering grants to Historically Black Colleges & Universities (HBCU) faculty and graduate and undergraduate students. The Agency's HBCU Research Participation Program affords these individuals opportunities to participate in NRC's scientific, engineering, and research activities. This program was established in accordance with Executive Orders 12876 and 12928.</p> <p>Impact - At the early stages, (1) The number of student grants available would be 40 instead of 45; (2) the Agency would be unable to participate in the Annual Millennium Awards for Teaching and Research Excellence in Mathematics, Science, Engineering, and Technology at HBCUs. These awards are sponsored by Federal agencies that are members of the HBCU Technology Cluster (NRC is a Cluster member). These awards provide monetary recognition to outstanding HBCU faculty members who have made significant contributions in the fields of teaching and research, and support further HBCU research activities in math and science. NRC has provided no financial support to date for the awards.</p> <p>Remaining Resources <u>FY 2003</u> \$250K</p>			\$25K	
SBCR-004	MS	<p>Workload - Administering grants to Historically Black Colleges & Universities (HBCU) faculty and graduate and undergraduate students. The Agency's HBCU Research Participation Program affords these individuals opportunities to participate in NRC's scientific, engineering, and research activities. This program was established in accordance with Executive Orders 12876 and 12928.</p> <p>Impact - (1) The number of student grants available would be 43 instead of 45; (2) the Agency would be unable to participate in the Annual Millennium Awards for Teaching and Research Excellence in Mathematics, Science, Engineering, and Technology at HBCUs. These awards are sponsored by Federal agencies that are members of the HBCU Technology Cluster (NRC is a Cluster member). These awards provide monetary recognition to outstanding HBCU faculty members who have made significant contributions in the fields of teaching and research, and support further HBCU research activities in math and science. NRC has provided no financial support to date for the awards.</p> <p>Remaining Resources <u>FY 2002</u> \$236.5K</p>	\$13.5			
Total			\$13.5K		\$51.5K	1

**EFFICIENCIES WITHIN TOTAL BUDGET
FY 2002 - FY 2004**

FY 2002		FY 2003		FY 2004		Program	Description of Efficiency
\$(K)	FTE	\$(K)	FTE	\$(K)	FTE		
\$18K*		\$23K*		\$27K*		Civil Rights	Since August 2000, 12 requests for Alternative Dispute Resolution (ADR) were processed for an average cost of \$1.6K per ADR session. The average cost of an investigation is \$3.3K. This demonstrates a potential savings of \$1.7K for each case that settles. Of the 12 cases processed since August 2000, 4 settlement agreements were reached; 1 complaint was withdrawn after ADR was completed; 1 complainant withdrew during preparation for ADR; and 1 session did not result in a settlement agreement. The remaining five sessions are scheduled for April 2001. A review of these cases indicates that the process is effective, and we anticipate that the number of ADR requests will increase for further potential savings. Although there is not a direct FTE savings for SBCR, the Agency should reap a savings in that allegations of discrimination are settled in the early stages thus avoiding the expenditure of resources associated with processing formal complaints. Utilizing ADR at the early stages means the number of Agency staff involved is minimal, associated attorney fees are less, and employees and managers can work to maintain a positive and productive work environment.

*Based on 90% of ADR cases being resolved: 11 in FY 2002; 14 in FY 2003; 16 in FY 2004.

**EXTERNAL TRAINING
RESOURCE ASSESSMENT AND REQUEST
FY 2003-2004**

Office Office of Small Business & Civil Rights

**Programs: Affirmative Action
Civil Rights
Historically Black Colleges and Universities
Managing Diversity
Small Business**

Description of Training	Strategic Arena	Estimated Resources Required (\$K)		Justification
		FY 2003	FY 2004	
PRIORITY #1: Specialized training and education for implementing SBCR Programs, including training for new employees	M&S	\$3,500	\$3,500	Specialized training/education that is considered mission-essential and necessary for employees to effectively and efficiently carry out their responsibilities in SBCR's five major program areas. Priority will be given for training for new employee(s) and training for implementation of an ADR process. Also included in this category is information technology (IT) and business and financial management training that would assist the Office in operating in a more efficient and business-like manner.
PRIORITY #2: Training and education that maintains or improves employees' skills.	M&S	2,000	2,000	Training/education that is needed for employees to maintain or improve their performance in SBCR's five major program areas, including IT and financial management training.
PRIORITY #3: Training and education to meet future skills and needs of SBCR Programs.	M&S	500	500	Training/education that addresses the future needs of SBCR's five major program areas, including IT and financial management training.
SUBTOTAL BY ARENA				
Nuclear Reactor Safety (NRS)				
Nuclear Materials Safety (NMS)				
Nuclear Waste Safety (High Level Waste) (NWS-HLW)				
Nuclear Waste Safety (Non-High Level Waste) (NWS-NHLW)				

International Nuclear Safety (INS)				
Management and Support (M&S)		\$6,000	\$6,000	