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## ARKANSAS HEIGHTENED OVERSIGHT CONFERENCE CALL

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### Summary

On August 20, 2009, NRC hosted the eighth Heightened Oversight conference call with the Arkansas Radiation Control Program (the Program) to discuss their progress under the Performance Improvement Plan (the Plan), dated July 10, 2009 (ML092240723). The last call with the Program was conducted on June 11, 2009.

During the call it was noted that the Program has eliminated their inspection backlog and continues to make slow progress in their efforts to reduce the licensing backlog. Two license renewals were completed since the previous call, and each staff member works on licensing issues as time permits. Two experienced license reviewers work as contactors and are helping the Program to progress in this area.

The 2009 Arkansas Pay Plan as adopted went into effect on July 1, 2009; however, the Program noted that the result has been small raises for most of the employees because they are new to the Program. In response to that, the Program submitted a Training Salary Plan (TSP) as a means to enhance and bolster staff salaries through a "pay for performance" type structure where staff receives salary increases as they accomplish goals, much of which includes advanced training. The TSP was approved by Section Management as well as the Human Resources Department. The TSP was then forwarded to the State Office of Personnel Management (OPM) for review. If it clears OPM, then it will be sent to a legislative committee where, if approved, it can be implemented.

Due to economic conditions, each Department was asked to assist in balancing the State's general revenue account. In response to this request, in part, the Program moved some staff members from general revenue accounts to fee accounts. This move has prompted agency management to revisit the need to increase fees to balance the increase to fee accounts. In response to this request, the Program has initiated a fee survey to determine if raising fees is appropriate at this time.

NRC staff acknowledges that the Program has made significant progress in hiring and retaining staff, and the elimination of the inspection backlog. NRC also recognizes that while the Program has made some progress with the licensing backlog, there is still much work to be done. If the Program is able to retain and train their staff, they should be able to reduce and

eventually eliminate the licensing backlog that exists today.

The next meeting with the Program will be during the IMPEP review, scheduled to begin on October 26, 2009, where the Program's Heightened Oversight status will be evaluated.

### **Discussion**

The initial Plan submitted by the Program addressed each recommendation from the 2006 IMPEP review. The Program divided each recommendation into tasks, milestones, and staff assignments that they believed were necessary to successfully address each recommendation. The first call was held in February 2008. During that call, the Program introduced the Plan, described the progress they had initially achieved, and discussed plans to evaluate their progress with senior managers at the end of each calendar quarter.

At the time of the May 2008 call, the Program had completed their first internal evaluation of the Plan with management, determined their progress, and identified modifications to the Plan they believed would be necessary to ensure their continued success.

During the July 2008 call, Program managers discussed the progress they have achieved in reducing the inspection and licensing renewal backlogs, and discussed the problems they continue to face with hiring and retaining staff. A fee increase request was no longer considered a viable option for the program, and a revised Program Improvement Plan was submitted reflecting changes to the Program's workload goals, allowing them to achieve a better balance between inspections and licensing activities.

During the October 23, 2008 call, the Program reported the loss of two technical staff members and their efforts to hire new staff while facing a hiring slowdown. They further discussed the modification of the method used to track progress on reducing the inspection and licensing backlogs and allow the Program to better allocate resources and achieve a balance in activities within the Program.

During the January 22, 2009 call, the Program reported that despite a hiring slowdown, both Health Physicist positions had been filled in November and December 2008 respectively; however, the Program's secretary had now left the Program. They also discussed their continued efforts to compete for seats in upcoming training classes. The Program noted their elimination of the backlog of Priority 1, 2 and 3 inspections, and discussed their progress towards reducing the licensing backlog.

During the March 31, 2009 call, the Program reported their newly hired staff continues to progress and learn in their positions. The vacant secretarial position is still open but they are currently interviewing for that position. They reported that getting into training classes has been somewhat easier and that Region III will come down to provide a week of onsite licensing training. The Pay Plan has been passed by the legislature but they have not received guidance on implementation. The Program is nearly caught up on the inspection backlog.

During the June 11, 2009 call, the Program reported that the inspection backlog of Priority 1, 2, and 3 licensees had been eliminated, and that the backlog of Priority 5 inspections is expected to be completed by July 1, 2009. The licensing backlog continues to be an issue, but progress

continues to be made. A Region III license reviewer provided a week of informal onsite licensing training for the staff, which has helped some of the newer staff complete increasingly complex licensing needs. The contractor hired by the Program continues to help reduce the backlog, and staff stability has greatly helped the program move closer to achieving its goals.

The following are the specific details, setbacks, and accomplishments for each of the recommendations, as presented by the Program during the August 20, 2009 call:

**Recommendation 1** - The review team recommends that the State evaluate current and future staffing needs and business processes to develop and implement a strategy that improves the effectiveness and efficiency of the Program to ensure its continued adequacy and compatibility.

**Status** – During the August 20<sup>th</sup> call, the Program reported that they remain fully staffed and that newly hired staff continues to progress and learn their positions. There are no anticipated terminations.

The Program noted that while the competition for seats in NRC sponsored training courses still exists, they have been able to get staff into classes. They can usually only get one inspector into the classes, but overall they have not experienced significant difficulty in being seated.

The Program continues to have junior inspectors accompany the senior staff at least once per month during the review period. Each of the four junior staff has been on accompaniments during the June-August 2009 time period. Additional accompaniments are performed as time allows. Accompaniments are now being performed in areas where the staff doesn't typically perform inspections. Inspection staff who have medical backgrounds have begun performing industrial inspections and those who typically work in industrial settings now are beginning to do medical inspections.

The new Arkansas Pay Plan went into effect on July 1, 2009. However, the Program noted that most of the staff is new and based on the established guidelines involving tenure, and has only received very small increases typically in the 1-2 percent range. The legislature also cut this year's cost of living increase. Merit increases were cut from 3-5 percent to 0.75-2.25 percent this year.

In response to this, the Program implemented their Training Salary Plan that has been held in abeyance until the Pay Plan was implemented. The Training Salary Plan is a plan, developed by the Program that provides for salary increases based on tenure, completion of advanced training courses, and performance appraisals. Salary increases can be up to 16 percent over a five year period. The Training Salary Plan was approved by Section Management as well as the Human Resources Department and has been forwarded to the State Office of Personnel Management for review. If it clears that hurdle, then it will be sent to a legislative committee where, if approved, it can be implemented.

As previously noted, the Program's fees have not been increased in over 13 years and the current fee structure is not sufficient to independently support the Program. The State is required to operate with a balanced budget; however, due to an economic downturn they are now projected to be operating with a budget deficit. Because of this, each Center has been asked to come up with cost saving measures to reduce their budgets to assist in balancing the

budget. In response to this request, the Program moved some staff members from general revenue accounts to fee accounts. These types of moves across the Department have prompted agency management to revisit the need to increase fees to handle the increase to fee accounts. Because of this, the Program has initiated a fee survey to determine if raising fees is appropriate at this time.

The Program reported that despite being short two inspectors for most of 2008, and working with relatively inexperienced staff to date in 2009, they have completely eliminated the inspection backlog. They continue to inspect all inspections as they come due. Reciprocity and Priority 1 inspections, in addition to incident and allegation reviews, continue to take priority within the Program.

NRC staff is encouraged by the Program's continued success in eliminating the inspection backlog while training new individuals. NRC staff also supports a fee increase to better support the Program. The ability to effectively support the Program and bring salaries to competitive levels is vital to the retention of employees and success of the Program.

**Recommendation 2** - The review team recommends that Department management develop and implement an action plan to reduce the licensing renewal backlog.

**Status** – The Program reported continued progress with reducing the license renewal backlog. With the inspection backlog eliminated, the staff is now able to spend a greater percentage of their time on licensing activities. This attention to the backlog continues to increase with improved staff stability and with each staff member gaining a broader knowledge base. The Program had initially contracted with two former employees to assist with licensing; however, one did not work out so the Program is only using one of these individuals. In addition to this contractor, the Program has another contract individual who works half time solely on licensing.

NRC staff has been encouraged by the Program's ability to contract with a former employee to assist them with licensing activities and is further encouraged by the Program's continued progress towards elimination of the licensing backlog.



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