

POLICY ISSUE (Information)

August 24, 2015

SECY-15-0105

FOR: The Commissioners

FROM: Mark A. Satorius
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SUBJECT: PLAN FOR INTEGRATED PRIOROTIZATION AND RE-BASELINING OF
AGENCY ACTIVITIES

PURPOSE:

This paper provides the Commission with the plan for the integrated prioritization and re-baselining of agency activities.

BACKGROUND:

On June 8, 2015, the Commission issued staff requirements memorandum (SRM)-15-0015, "Project Aim 2020 Report and Recommendations" (Agencywide Documents Access and Management System (ADAMS) Accession No ML15159A234). In this SRM, the Commission directed the staff to develop a common prioritization process with a supporting add/shed procedure that integrates all work activities across the agency, including external mandates. The Commission also directed the staff to perform a one-time re-baselining assessment. In the context of the Project Aim 2020 recommendation and the Commission's SRM, re-baselining is a review that ensures that the Nuclear Regulatory Commission (NRC) performs those work activities necessary to fulfill its regulatory mission while providing to the Commission, for its review and approval, a comprehensive list of activities that can be shed, de-prioritized, or performed with a less intense resource commitment. 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. The Commission noted that the re-baselining effort should be integrated with the effort to clarify agency priorities. The Commission directed the staff to submit its plan for this effort.

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DISCUSSION:

The integrated prioritization and re-baselining of agency activities is underway. The Executive Director for Operations (EDO) and Chief Financial Officer (CFO) are actively overseeing the prioritization and re-baselining effort. An inter-office working group (WG) of senior managers and experts has been formed to develop guidance and criteria for integrated prioritization and re-baselining, and to facilitate re-baselining efforts among their respective offices and business lines.

Enclosed is the plan which is being implemented by the NRC staff. As described in the plan, staff subject matter experts have recently been asked to voluntarily identify activities that may no longer be necessary in effectively satisfying our mission, principles of good regulation, or organizational values. They have also been asked to identify activities that are needed but can be performed in a different way with fewer resources. In parallel, the agency has requested comment from external stakeholders for similar feedback. A public meeting has been scheduled for September 1, 2015 to discuss this initiative and seek comments.

The WG is currently developing guidance and criteria for the prioritization and re-baselining. The NRC budget and structure will serve as the basis on which prioritization and re-baselining are performed. The guidance and criteria will be flexible enough to address the diverse activities across technical and corporate business lines.

Beginning in mid-September, offices and business lines will systematically evaluate activities and consider the ideas of staff subject matter experts and feedback from external stakeholders. A key objective will be to find activities that can be performed with fewer resources. In this context, performing work with fewer resources can include process efficiency improvements or changes in scope, where the specifics of the process or scope change are clear enough that it can be implemented without further study. Evaluation criteria consistent with achieving NRC's mission, principles of good regulation, and organizational values will be used to rank the relative benefit and importance of specific activities. Activities, or sub-sets of activities, where immediately implementable opportunities for efficiency gains are identified will be ranked lower in the business line's prioritized list. After each business line prioritization is complete, an inter-business line group will integrate activities and priorities into a singular agency common prioritization. This list will be a key component of the revised agency add/shed procedure for evaluating whether and how to fund emergent work during the budget execution year.

For the one-time re-baselining assessment, staff will resource-load the common prioritization list of activities with the FY 2017 budget, to identify resource weighted quartiles. Staff will examine the bottom budget quartile to identify activities that can be shed or performed with fewer resources on a permanent basis, starting in FY 2016 or FY 2017. This includes the immediately implementable process improvements or scope changes that were identified. It is expected that the re-baselining activity will identify activities in the bottom quartile that the Commission may direct to be halted or performed with fewer resources and that the remaining work will be the new baseline.

Within all budget quartiles, it is expected that staff will identify longer-term changes in expected workload that will occur in FY 2018 through FY 2020. It is also likely that potential business practice improvements, within all budget quartiles, will be suggested for which a resource commitment must be made to better characterize the revised process and the changes

necessary to achieve increased efficiency in FY 2018 through FY 2020. These will be identified for the Commission's awareness, but will not be grouped in the bottom quartile or included in the proposed budget changes for FY 2017. These items that fall outside the FY 2017 re-baselining will be handled in the existing budget process and process improvement processes. The staff will continue to identify additional activities now and in FY 2016 that can be shed and reduced from our workload without impact to our mission as the result of the other Commission approved tasks within Project Aim 2020.

The staff plans on completing the common prioritization and add/shed process in December 2015, and the one-time re-baselining assessment for Commission approval in April 2016. Portions of the assessment will not be publically available because it may contain pre-decisional budget data.

COORDINATION:

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

/RA/

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Enclosure:
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