

Plan for the Integrated Agency Prioritization and Re-baselining of Agency Activities

Purpose

This plan describes the key activities and schedule for the integrated agency prioritization and re-baselining of agency activities, as directed by the Commission.

Outcomes

The following will be achieved through successful implementation of this plan:

- A common prioritization of agency activities based on the Fiscal Year (FY) 2017 budget.
- A companion add/shed procedure. The procedure will be used to determine the relative priority of emergent work and disposition of lower priority work within planned and enacted budgets.
- A one-time re-baselining assessment of agency activities for Commission consideration. The assessment will identify activities that can be shed, performed at a lower priority, and/or performed with fewer resources.

Background

In SECY-15-0015, "Project Aim 2020 Report and Recommendations," dated January 30, 2015, the Nuclear Regulatory Commission (NRC) staff examined the long-term workload forecast for the agency (ADAMS ML15023A558). The staff provided recommendations to enhance the NRC's ability to plan and execute its mission in a more effective, efficient, and agile manner. Among several Aim recommendations, the staff proposed to clarify agency priorities and use office and agency add/shed procedures to ensure effective and efficient use of the staff's time and resources. Separately, the staff noted that with the growth that occurred from FY 2005 through FY 2010, new activities may have been added to the agency's workload and budget that are no longer required or that could be scaled back. The staff proposed to conduct a re-baselining review of the work performed across the agency and to identify the requirements that the work is intended to fulfill, and whether it is required by law, judicial mandates, regulations, or Commission direction.

In staff requirements memorandum (SRM)-SECY-15-0015, dated June 08, 2015, the Commission approved the proposal to clarify agency priorities and develop an add/shed process. The Commission specifically directed the staff to develop a common prioritization process with a supporting add/shed procedure that integrates all work activities across the agency, and to include external mandates. The Commission directed that the process begin immediately to inform decisions in the FY 2017 budget formulation process, to the maximum extent practical. The common prioritization and add/shed process is due to the Commission on December 8, 2015.

The Commission also approved the staff's re-baselining recommendation. The Commission specifically directed the staff to perform a one-time re-baselining assessment that results in the Commission receiving, 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 noted that the re-baselining effort should be integrated with the effort to clarify agency priorities. The Commission stated that the effort should not focus exclusively on whether there is a specific statutory requirement or Commission direction to perform a given task. The Commission stated that the process should also consider what work is most critical to the safety and security mission of the agency and how the relevant NRC staff subject matter experts would prioritize this work consistent with the agency's mission, values, and the principles of good regulation. If through this process, the staff finds that the agency expends resources on tasks that may no longer be necessary, but which the staff was previously directed to perform, the Commission directed the staff to propose changes for Commission review and approval along with a discussion of why the task was originally required and why it is no longer needed.

The Commission directed the Executive Director for Operations (EDO) to actively oversee the re-baselining and provide clear guidance to ensure a consistent and effective review. The Commission noted that re-baselining is a critical effort and should involve Office Directors, Division level managers, and staff in developing recommendations so that there is acceptance and ownership of the final result. This re-baselining should also ensure that the NRC performs those work activities necessary to fulfill its regulatory mission. The Commission stated that the effort should begin as soon as practical. The one-time re-baselining assessment is due to the Commission on April 6, 2016.

Roles and Responsibilities

The EDO and Chief Financial Officer (CFO) are actively overseeing the prioritization and re-baselining effort, and are providing guidance to ensure a consistent and effective review. An inter-office working group (WG) of senior managers and experts is developing guidance and criteria for integrated prioritization and re-baselining, and will facilitate re-baselining efforts among their respective Offices and business lines.

Approach

Figure 1 highlights the key tasks for the integrated prioritization and re-baselining of agency activities. The effort consists of soliciting feedback from NRC staff and external stakeholders, development of guidance and criteria, and the actual process of prioritizing and re-baselining Agency work activities.

Staff has been asked to voluntarily identify activities in their area of expertise that may no longer be necessary to effectively carry out our mission, principles of good regulation, or values. Staff was also asked about activities that are needed but can be performed a different way with fewer resources. Input was requested to be as specific and actionable as possible. An agency-wide announcement soliciting staff input was issued on August 17, 2015. Follow-up announcements will be issued providing constructive examples of the type of information being sought. In parallel, the agency is requesting similar feedback from the public. The opportunity to provide comments will last for approximately a month. A public meeting has been scheduled for September 1, 2015 to

explain the integrated prioritization and re-baselining effort, answer questions about the information being sought, and to accept comments. The public meeting notice and solicitation of stakeholder input was issued on August 14, 2015.

The suggestions from both NRC staff and external stakeholders will be evaluated by line management in the area where the suggestion is applicable during the prioritization and re-baselining effort.

Before the business line leads, in conjunction with their partner offices, start the prioritization and re-baselining assessment, a WG representing the offices is developing guidance and criteria for the actual prioritization and re-baselining processes. The NRC's mission, values, and the principles of good regulation will be used to judge the relative benefit and importance of each examined activity. Each activity likely will be assigned a relative priority in some form (e.g., score or priority bin). Examples of areas for which guidance and criteria are being developed include: (i) the relationship of lead and partner offices in performing this work; (ii) minimum and maximum sizes of sub-Products; (iii) the level of detail required for identifying anticipated workload changes during the period through FY 2020; (iv) the methodology for merging regulatory and corporate activities into a common prioritization list; (v) clarity of roles and responsibilities for work within each business line and for the cross-business line activities; and (vi) how emergent issues and the need for revised guidance, criteria, or approaches will be identified and addressed in a timely manner while this work is being performed. The EDO and CFO will approve the guidance and criteria, prior to full implementation. The WG is currently developing and testing an approach to ensure that it produces meaningful distinctions consistent with the Commission's direction.

The NRC budget structure will be utilized to conduct the prioritization and re-baselining. The structure consists of business lines divided into approximately 200 products with funding.¹ The guidance and criteria for prioritization will be a balanced, simplified approach in binning and ranking work activities at the product and sub-Product (where necessary) levels.

Business line lead and support offices will perform the prioritization in a systematic manner. Beginning in the middle of September 2015, lead and support offices will divide large products into sub-Products with meaningful distinctions in relative priority. This is necessary and appropriate because the various activities that roll up into large Products often have a range of relative priorities under the ranking criteria. For example, updating licensing guidance documents on a ten year frequency might be necessary to support mission related licensing actions, while continuing at the current five year update frequency might be considered prudent and appropriate when funds are available, but not critical to timely licensing decisions. This example involves "re-scoping" an activity, and staff expects that many examples like this will be identified. Another example might be that a change to an Office's internal procedures could eliminate the use of memoranda to transmit portions of licensing action reviews between organizations. E-mail might be used to achieve the same results. This change could reduce the administrative support necessary to complete licensing actions. If the potential process change was understood well enough to be implementable in FY 2016 or FY 2017, the increment of work to generate memoranda would be split off from the remainder of the

¹ Does not include the Inspector General business line or reimbursable products.

Product and the newly created sub-Product for “use of memoranda” would have a low priority for continued use and would be considered as a potential efficiency gain. Other sub-Products, not related to changes in scope or efficiencies will also be identified.

Products over a minimum size will be required to be divided so that at least 10 percent of individual activities are identified for ranking separately from the rest of the activities within the product. A maximum size for sub-Products is also likely to be established. This process will provide the granularity necessary for common prioritization to be an effective tool for add/shed evaluations, but will be structured to keep the number of sub-Products manageable and the level of effort to implement the process reasonable.

Offices and business lines will systematically evaluate activities and consider subject matter expert ideas and feedback from external stakeholders in breaking Products into sub-Products and in ranking the comprehensive list of activities within the business lines. After business line prioritization is complete, an inter-business line group will integrate activities across business lines into a singular Agency common prioritization list. The common list will be included in a revision to the Agency add/shed procedure. The revised add/shed procedure will specify how emergent work is to be prioritized using the WG developed guidance. The priority of the emergent work will then be compared to funded activities on the common prioritization list. When justified by the priority of the emergent work, lower priority work be deferred or shed in order to perform the emergent work. The procedure will also stress the importance of considering the equivalency of staff skill sets in making decisions to add/shed.²

The common prioritization and revised add/shed procedure will be used by the staff to make add/shed decisions for the current budget execution year. It will be provided to the Commission by December 8, 2015 to demonstrate the progress of the integrated prioritization and re-baselining tasks.³ It is expected that the prioritization itself may identify activities that can be halted or performed with fewer resources, either immediately or in the near-term. Items involving policy, cross cutting issues, or changes to significant activities will be flagged for the re-baselining evaluation and ultimately a Commission decision. Changes to improve efficiency that involve Office-level or lower work practices that are within the staff’s authority to stop immediately will be addressed during FY 2016 and will be identified in the re-baselining product sent to the Commission.

For the one-time re-baselining assessment, offices and business lines will resource-load the common prioritization list of activities with the FY 2017 budget. Staff will first examine the bottom quartile of resource-weighted activities, which will likely contain many “scope” change sub-Products and most efficiency change sub-Products. The staff will systematically identify activities that can be shed or performed with fewer resources on a permanent basis as the new agency baseline. The staff may partly consider: (i) the

² For example, in order to move staff resources to address emergent licensing reviews, the staff whose work is “shed” must have the required technical expertise to be able to perform the emergent reviews. In another example, shedding inspection activities to fund near-term legal reviews is not effective since there is not likely to be staff fungibility between the two types of activity.

³ The common prioritization may contain pre-decisional and/or non-public budget information. It will be withheld from public release as appropriate.

relative value of the activity of achieving the agency mission in terms of common priority; (ii) historic perspectives on the need for the activity; (iii) external or internal mandates for specific activities (e.g., legal, judicial, regulations, and Commission direction); (iv) the suggestions from NRC staff and additional advice from subject matter experts; (v) the costs, impacts, and regulatory risks of implementing permanent change; and (vi) projected industry activities from FY 2016 – FY 2020.

It is expected that the re-baselining activity will identify activities that the Commission may direct to be halted or performed with fewer resources starting in FY 2017, as the new baseline. The staff will also examine all quartiles of work activities to identify potential long-term improvements and baseline reductions that could be realized in FY 2018 – FY 2020. Some of these long-term improvements could require an investment of resources and time to perform effectiveness reviews (e.g., validating that a new streamlined approach will continue to ensure safety and/or security), to verify that legal requirements would still be achieved, or to implement changes to governing NRC guidance and procedures. These longer term effectiveness assessments will be tracked as individual initiatives for application in subsequent budget years. The staff will also verify that identification of activities to be shed or performed with fewer resources is consistent with the results of the Project Aim 2020 task on corporate budget realignment and cost reductions.

The staff will provide the Commission a one-time assessment with recommendations for activities that can be shed, performed at a lower priority, or performed with fewer resources. This may include a list of recommendations associated with Commission directed activities. The re-baselining assessment is also expected to inform strategic work force planning, potential organizational changes, and other on-going Project Aim 2020 activities as described in the implementation plan. Completion of this effort will satisfy Commission direction to integrate re-baselining activities with the clarification of agency priorities, and to perform a one-time assessment to identify activities that can be shed, de-prioritized, or performed with a less intense resource commitment.

Schedule

Table 1 provides the key milestones and schedule for implementing this plan.

Outcomes and Metrics

Table 2 lists key outcomes and metrics, to the extent practical, for successful implementation of this plan.

Changes to Plan

This plan and schedule is subject to change as prioritization and re-baselining guidance and criteria is completed, and as staff's efforts evolve during the course of this project.

Table 1 – Key Milestones and Schedule

	Action	Start Date	End Date	Status
1	Develop and submit an Information Paper to the Commission with a plan for integrated prioritization and re-baselining of agency activities (Figure 1, Box 1.0)	7/8/15	8/25/15	Completed
2	Develop Agencywide guidance and criteria for prioritization and re-baselining (Box 2.0)	8/04/15	9/15/15	In Process
3	Conduct a public meeting and accept stakeholder input to be used in prioritization and re-baselining (Figure 1, Box 2.1)	8/17/15	9/15/15	In Process
4	Solicit ideas from staff on priorities and efficiencies (Figure 1, Box 2.1)	8/17/15	9/15/15	In Process
5	Business lines, in conjunction with partner Offices, divide products into sub-Products with meaningful distinction in priority and potential cost savings, considering staff and stakeholder input (Figure 1, Box 3.0)	9/16/15	10/6/15	
6	Business Lines develop prioritized list of work at the budget “Product” and “sub-Product” level (Figure 1, Box 4.0)	10/7/15	10/27/15	
7	Integrate prioritized business lines work into Agencywide common prioritized list of work (Figure 1, Box 5.0)	10/28/15	11/17/15	
8	Steering Committee approval of common prioritization (Figure 1, Box 6.0)	11/18/15	11/30/15	
9	Finalize the common prioritization list and methodology, and revised add/shed procedure. Issue a Commission Assistant (CA) Note. (Figure 1, Box 6.1)	12/1/15	12/8/15	
10	Populate the common prioritization list with the FY 2017 budget (\$ and FTE). Establish resource weighted quartiles. Identify known changes in workload through 2020. (Figure 1, Boxes 9.0 & 10.0)	12/9/15	1/8/16	

	Action	Start Date	End Date	Status
11	Evaluate last quartile for work to be shed, de-prioritized, or performed with fewer resources in FY 2017 and FY 2018. Develop additional sub-Products as necessary to achieve meaningful results. Evaluate all quartiles for longer-term opportunities for efficiency gains and workload changes that could be realized in FY 2019 or FY 2020. (Figure 1, Boxes 11.0 & 12.0)	1/9/16	2/15/16	
12	Steering Committee ⁴ review and approval	2/16/16	3/6/16	
13	Finalize one-time re-baselining assessment with a comprehensive list of activities that can be shed, de-prioritized, or performed with fewer resources. Submit a Vote Paper to the Commission. (Figure 1, Boxes 13.0 & 14.0)	3/7/16	4/6/16	

Note: The milestones in this table supersede the milestones in the item prioritization and re-baselining activity described in the August 14, 2015 Project Aim 2020 overall implementation plan, item 5.

Table 2 – Metrics and Outcomes

	Outcome/Metric
1	Revise the Integrated Agency Add/Shed procedure by 12/8/2015
2	Produce a comprehensive and integrated Common Prioritization list by 12/8/2015
3	Produce a Notation Vote paper with recommended actions to shed, de-prioritized, or performed with less intense resources by April 6, 2016
4	The Common Prioritization is consistent with results of SRM-S15-00015-14-OCFO: Benchmark Overhead
5	The Business Lines agree that the Integrated Agency Add/Shed Process procedure is effective
6	The Common Prioritization list considers the input of responsible line managers, staff subject matter experts for the various budget products, and external stakeholders
7	Common Prioritization identifies all FY '17 work at the budget product level (or sub-Product level where appropriate) in order of priority based on relationship to the NRC mission, principles of good regulation, and values
8	Re-baselining identifies activities that are no longer required (i.e., not in the new baseline) and these activities are recommended to be shed with Commission approval

⁴ The Project Aim 2020 voting Steering Committee members are the EDO, OCFO, the three DEDOs, OCHCO, the DOGC, and the DOCFO.

Figure 1 – Integrated Prioritization Process

