

# **Overhead Assessment**

## Nuclear Regulatory Commission

Final Report

April 30, 2015



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# Executive summary

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- ▶ There is no standard government-wide definition of mission support\* costs
  - ▶ The peer agencies interviewed for this report each account for mission support costs differently
- ▶ Different data tell different stories
  - ▶ NRC FY 14 mission support costs as identified by NRC in the Congressional Budget Justification (CBJ) as a percentage of the total budget: 37%\*\*
  - ▶ NRC FY 14 mission support costs using only mission support categories\*\*\* defined by the President's Management Agenda (PMA) as a percentage to the total budget: 26%
- ▶ NRC mission support costs are roughly in line with the peer agencies when compared using the PMA mission support cost categories
- ▶ NRC is implementing or has implemented several cost reduction leading practices identified by the peer agencies, but further mission support cost reduction is possible

\* The general term mission support is defined on slide 36

\*\* FY15 and FY16 budget submissions show 2% reductions on this FY14 value

\*\*\* For this data point, only costs associated with the five (5) standard mission support cost categories (acquisitions, financial management, IT management, human capital, and real property) as defined by the PMA were considered

# Introduction



# Background

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- ▶ With the exceptions of FY15 and FY16, NRC's mission support costs as a percentage of total outlays have increased year-over-year for the last decade. Changes in the classification of NRC mission support costs (including the addition of supervisory staff to the mission support category in 2011, later mostly reversed) amplified the trend of increased NRC mission support costs. Increased mission support costs and increasing regulatory fees contributed to increased congressional scrutiny of NRC costs.
- ▶ The Joint Explanatory Statement that accompanied the FY15 appropriation directed NRC to engage a third party to conduct a peer agency comparison to identify leading practices in mission support cost reduction and budget structure.
- ▶ NRC engaged EY to perform this study and to recommend approaches NRC can take to reduce mission support costs and realign its budget structure.

# Purpose

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- ▶ Document current NRC mission support cost reduction challenges and peer agency cost reduction leading practices
- ▶ Identify a standard mission support definition based on NRC and peer agency approaches to defining mission support
- ▶ Provide recommendations to NRC on reducing mission support costs and adjusting its budget structure to align to leading practices

# Approach

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## **Requested NRC information and data**

EY requested documentation on NRC mission support cost reduction challenges and ongoing or past initiatives to reduce mission support costs.

## **Selected peer organizations and invited interview participation**

NRC requested that EY identify a minimum of three (3) federal entities for the purposes of a mission support peer comparison study. EY identified nine (9) potential peer organizations based on organization, structure, funding model, regulatory authority, and staff size. NRC invited four (4) agencies to participate in the study. Three (3) agreed to participate.

## **Scheduled and conducted interviews with NRC and peer organization stakeholders**

EY scheduled and conducted interviews with NRC and peer organization representatives. NRC interviewees provided information on the current state mission support environment and cost reduction challenges. Peer organization interviewees provided information on mission support cost reduction leading practices and how mission support is defined and calculated at each of the peer organizations.

## **Documented standard mission support cost elements**

Based upon interview data on how the peer organizations identified mission support costs, EY developed a matrix to compare cost categories most commonly identified as aligning to mission support.

## **Delivered mission support cost reduction and budget structure recommendations**

EY analyzed the applicability of peer organization-identified leading practices to the NRC environment to identify cost reduction recommendations. Additionally, EY analyzed NRC-identified budget structure challenges and peer agency budget structure information to develop a recommended NRC mission support budget structure.

# Peer agency selection criteria

- ▶ EY used the selection criteria of organizational structure, regulatory authority, funding model, and organization size to determine candidate peer agencies for an informational interview
- ▶ NRC contacted four (4) peer agencies, three (3) agencies participated in the study

Organization	Commission structure	Regulator	100% fee recovery	Similar FTE count
Federal Deposit Insurance Corporation		✓	✓	✓
Federal Energy Regulatory Commission	✓	✓	✓	✓
Federal Trade Commission	✓	✓	✓	✓
Federal Communications Commission	✓	✓	✓	✓
National Credit Union Administration		✓	✓	✓
Office of the Comptroller of Currency		✓	✓	✓
Pension Benefit Guaranty Corporation		✓	✓	✓
Securities and Exchange Commission	✓	✓	✓	✓
U.S. Mint			✓	✓

# Peer agency comparison



# Agency description – NRC

**Total FY14 budget:**  
\$1.044 billion\*

**Total FY14 FTE count:**  
3,752\*

## ***Organizational characteristics***

- ▶ Commission structure
- ▶ Regulatory agency
- ▶ 100% fee recovery

## ***Mission support budget structure***

- ▶ NRC explicitly defines and monitors data in two (2) mission support cost categories: centralized mission support functions serving the whole agency (i.e., Corporate Support\*\*) and those serving specific offices (i.e., Office Support\*\*)
- ▶ When calculating the interim allocation presented in the NRC Congressional Budget Justification, costs from the Office Support Business Line (BL)\*\* are allocated to the Reactors and Materials & Waste BLs, as well as the Corporate Support BL. The allocation is based upon FTEs within the BLs. The Corporate Support BL is retained in the interim allocation, as presented in the Corporate Support Appendix of the Congressional Budget Justification
- ▶ The five (5) mission support cost elements defined for PMA are contained in the corporate support and office support business lines

NRC defines mission support costs as:

- ▶ Corporate Support (633 FTEs)
  - ▶ Acquisitions
  - ▶ Administrative services
  - ▶ Financial management
  - ▶ Human resources
  - ▶ Information management
  - ▶ Information technology
  - ▶ International activities
  - ▶ Outreach
  - ▶ Policy support
  - ▶ Training
  - ▶ Travel
- ▶ Office Support (824 FTEs)
  - ▶ Acquisitions
  - ▶ Administrative services
  - ▶ Financial management
  - ▶ Human resources management
  - ▶ Information management
  - ▶ Information technology
  - ▶ Support staff
  - ▶ Training
  - ▶ Travel

\*The budget and FTE count do not include the Office of the Inspector General

\*\*Definitions on slide 36

# Peer agency description – Agency A

**Total FY14 budget:**  
\$1.464 billion

**Total FY14 FTE count:**  
4,221

## ***Organizational characteristics***

- ▶ Commission structure
- ▶ Regulatory agency
- ▶ 100% fee recovery

## ***Mission support budget structure***

- ▶ Agency A does not explicitly define or monitor data in a mission support cost category
- ▶ The PMA mission support functions fall under the Office of the Chief Operating Officer
- ▶ Agency A does not make a budgetary distinction between centralized mission support functions serving the whole agency (i.e., corporate support) and those serving specific offices (i.e., office support)

Agency A captures mission support costs in its Agency Direction and Administrative Support budget category:

- ▶ Acquisition
- ▶ Equal employment opportunity (EEO)
- ▶ Ethics counsel
- ▶ Executive staff
- ▶ Financial management
- ▶ Human resources
- ▶ Information technology
- ▶ Minority and women inclusion
- ▶ Support operations
  - ▶ Building management
  - ▶ Business management office
  - ▶ Freedom of Information Act (FOIA)
  - ▶ Records management
  - ▶ Security services

# Peer agency description – Agency B

**Total FY14 budget:**  
\$450 million

**Total FY14 FTE count:**  
1,735

## ***Organizational characteristics***

- ▶ Commission structure
- ▶ Regulatory agency
- ▶ 100% fee recovery

## ***Mission support budget structure***

- ▶ Agency B does not explicitly define or monitor data in a mission support cost category
- ▶ The PMA mission support functions fall under the Office of the Managing Director (OMD)
- ▶ Agency B does not make a budgetary distinction between centralized mission support functions serving the whole agency (i.e., corporate support) and those serving specific offices (i.e., office support)

Agency B captures its mission support costs in its Offices of the Managing Director, Media Relations, Legislative Affairs, and General Counsel:

- ▶ Administration
  - ▶ Acquisition
  - ▶ Real property
- ▶ Financial management
- ▶ Human capital
- ▶ IT management
- ▶ Legislative affairs
- ▶ Legal
- ▶ Media relations

# Peer agency description – Agency C

**Total FY14 budget:**  
\$307 million

**Total FY14 FTE count:**  
1,432

## ***Organizational characteristics***

- ▶ Commission structure
- ▶ Regulatory agency
- ▶ 100% fee recovery

## ***Mission support budget structure***

- ▶ Agency C identified the functions of the following offices as mission support: Offices of the Secretary, Executive Director, External Affairs, and General Counsel - General and Administrative Law
- ▶ Agency C has a performance-based budget structure. While there is a strategic goal explicitly related to mission support ("Mission Support through Organizational Excellence"), it does not contain all of the costs in the aforementioned mission support Offices. All of the costs for the Offices of the Executive Director, External Affairs, and the Secretary are captured within the mission support goal, but the costs associated with the Office of the General Counsel – General and Administrative Law are prorated to each of other strategic goals based on the percentage of direct FTEs in those goals. Additionally, there are some costs from mission-oriented program offices in the mission support goal (e.g., training costs and FTEs)

Agency C captures mission support costs as follows:

- ▶ Office of the Secretary
- ▶ Office of the Executive Director
  - ▶ Human capital
  - ▶ IT management
  - ▶ Financial management
  - ▶ EEO/diversity
- ▶ Office of External Affairs
  - ▶ FOIA
  - ▶ Legislative affairs
  - ▶ International activities
  - ▶ Correspondence management
- ▶ Office of the General Counsel – General and Administrative Law
  - ▶ Ethics
  - ▶ Legal

Mission support office	Mission Support Goal*	Other Strategic Goals*
Office of the Secretary	100%	0%
Office of the Executive Director	100%	0%
Office of External Affairs	100%	0%
Office of the General Counsel – Gen. and Admin. Law	9%	91%

\*This table reflects the allocation of costs from mission support Offices to the mission support goal versus other strategic goals for the CBJ

# Comparison of common mission support cost elements

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EY identified common mission support cost elements based on NRC and peer agency interviews:

	NRC	Agency A	Agency B	Agency C
Acquisition	✓	✓	✓	✓
Financial management	✓	✓	✓	✓
Information technology	✓	✓	✓	✓
Human capital	✓	✓	✓	✓
Real property	✓	✓	✓	✓
Travel	✓	✓	✓	✓
Public/media relations	✓	✓	✓	✓
FOIA	✓	✓	✓	✓
EEO/diversity	✓	✓	✓	✓
Ethics	✓	✓	✓	✓
Records management	✓	✓	✓	✓
Library services	✓	✓	✓	✓
Legislative affairs	✓	✓	✓	✓
Legal	✓		✓	✓
Policy development/support	✓	✓		✓
Employee subsidies	✓	✓		✓
Correspondence management	✓	✓		✓
International activities	✓			✓

# FY14 mission support budget comparison

## Total organization budget and FTEs

NRC and the peer organizations interviewed were asked to identify which cost elements were considered mission support and how the mission support total was calculated (if applicable). The table below depicts the mission support budget and FTEs based upon how each organization identified mission support. As each organization identified mission support differently, this chart does not represent a comparison across standard cost elements.

	NRC	Agency A	Agency B	Agency C
Total budget	\$1,043,900	\$1,463,659	\$449,831	\$306,790
Mission support budget (see appendix for details)	\$384,000	\$285,419	\$112,131	\$97,563
<b>Mission support budget to total budget</b>	<b>37%</b>	<b>20%</b>	<b>25%</b>	<b>32%</b>
Total FTEs	3,752	4,221	1,735	1,432
Mission support FTEs (see appendix for details)	805	615	300	191
<b>Mission support FTEs to total FTEs</b>	<b>22%</b>	<b>15%</b>	<b>17%</b>	<b>13%</b>

Dollars in thousands

# FY14 mission support budget comparison

## PMA cost elements

The PMA defines five (5) standard mission support cost elements in conducting cross-organization comparisons: acquisitions, financial management, IT management, human capital, and real property. NRC and the peer agencies were asked for the numbers that encompass each PMA mission support element. The table below depicts organizations' mission support budgets based solely on these standard cost elements, providing for a more analogous comparison. As is evidenced in comparing this chart to the previous one, relative mission support costs differ dramatically depending on how mission support is classified.

	NRC	Agency A	Agency B*	Agency C
Mission support budget (as defined by the PMA)	\$271,408	\$200,062	-	\$85,742
<b>PMA cost elements to total budget</b>	<b>26%</b>	<b>14%</b>	-	<b>28%</b>
Acquisitions budget	\$21,637	\$14,308	-	\$1,379
Acquisitions budget to total budget	2%	1%	-	<1%
Financial management budget	\$32,914	\$50,891	-	\$8,442
Financial management budget to total budget	3%	4%	-	3%
Information technology budget**	\$94,097	\$60,712	-	\$37,380
Information technology budget to total budget	9%	4%	-	12%
Human capital budget	\$25,818	\$53,010	-	\$9,259
Human capital budget to total budget	3%	4%	-	3%
Real property budget	\$96,942***	\$21,141	-	\$29,281
Real property budget to total budget	9%	1%	-	10%

Dollars in thousands

\* Agency B was unable to provide a response to this data request

\*\* Numbers include only the agency's mission support IT budget

\*\*\* The real property costs presented here include some mission IT costs that are not considered to be under the real property category

# FY14 mission support FTE comparison

## PMA cost elements

The table below shows organizations' mission support FTEs based solely on the five (5) standard PMA cost elements. NRC and the peer agencies were asked for the FTE numbers that encompass each PMA mission support element. As is evidenced in comparing this chart to the chart on slide 15, relative mission support FTEs differ dramatically depending on how mission support is identified.

	NRC	Agency A	Agency B*	Agency C
Mission support FTEs (as defined by the PMA)	482	483	-	118
<b>PMA cost elements FTEs to total FTEs</b>	<b>13%</b>	<b>11%</b>	-	<b>8%</b>
Acquisitions FTEs	91	48	-	7
Acquisitions FTEs to total FTEs	2%	1%	-	1%
Financial management FTEs	110	88	-	25
Financial management FTEs to total FTEs	3%	2%	-	2%
Information technology FTEs**	158	153	-	39
Information technology FTEs to total FTEs	4%	4%	-	3%
Human capital FTEs	76	104	-	37
Human capital FTEs to total FTEs	2%	3%	-	3%
Real property FTEs	47***	90	-	10
Real property FTEs to total FTEs	1%	2%	-	1%

Dollars in thousands

\* Agency B was unable to provide a response to this data request

\*\* Numbers include only the agency's mission support IT FTEs

\*\*\* The real property FTEs presented here include some mission IT FTEs that are not considered to be under the real property category

# Cost reduction recommendations

# Cost reduction recommendations

Recommendation	Completion Criteria	Potential Cost Impact
<b>General:</b> Conduct a cost-benefit analysis on outsourcing transactional mission support processes to identify and evaluate opportunities to reduce costs through the use of an external shared services provider. Specifically, find the opportunities where the benefits of outsourcing outweigh the costs.	Conducted analysis on the impact on cost and other variables from outsourcing transactional mission support processes that are currently performed in-house. This should enable NRC to vet and decide which functions should be outsourced to generate cost reductions.	Medium
<b>General:</b> Centralize financial management, IT, and human capital staff across NRC to increase the efficiency of and reduce the staffing requirements for these functions.	Consolidated financial management, IT, and human capital staff into their respective centralized organizational units.	High
<b>Acquisition:</b> Continue initiative to train mid-grade personnel to manage several contracts as CORs to reduce the total number of CORs and decrease workload for high-graded personnel and establish a timeline for completion.	Increased ratio of contracts to CORs and decreased average grade of employees.	Medium
<b>Financial Management:</b> Centralize the budget execution function to increase the efficiency of and reduce the staffing requirements for the function and enhance analytical capabilities	Centralized budget execution function at the enterprise level.	High

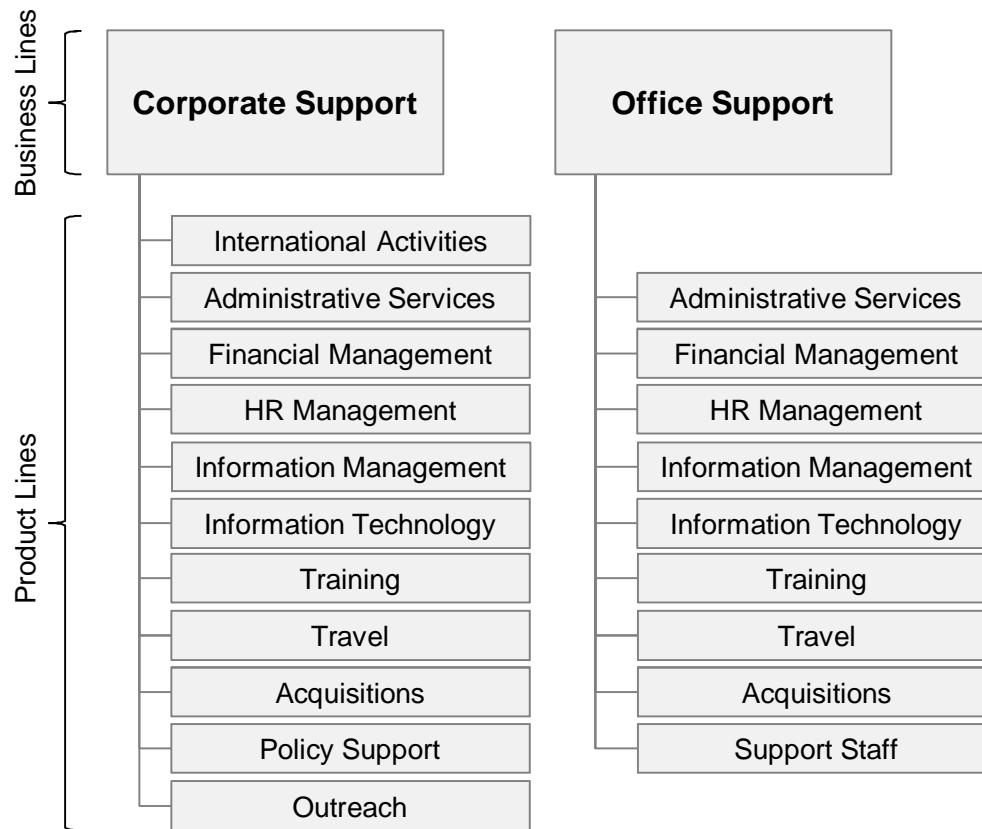
# Cost reduction recommendations (cont.)

Recommendation	Completion Criteria	Potential Cost Impact
<b>Information Technology:</b> Review the IT security function to identify opportunities to reduce IT security costs in alignment with NRC's risk profile and pursue cost effective opportunities.	Conducted an analysis on the cost effectiveness of the IT security function and identified opportunities to reduce and align IT security costs to NRC's risk profile. This should enable NRC to develop and implement a roadmap to generate identified cost reductions.	High
<b>Information Technology:</b> Continue current initiative to consolidate data centers to reduce the costs of housing and maintaining servers in several locations.	Reduced the number of data centers to two (2).	High
<b>Information Technology:</b> Consider additional approaches to IT cost savings (e.g., outsourcing data processing, cloud services) and identify approaches that reduce costs.	Conducted an analysis on additional IT cost savings opportunities. This should enable NRC to develop and implement a roadmap to generate identified cost reductions.	High
<b>Real Property:</b> Rationalize size and deployment of security staffing at NRC facilities (e.g., number of security checkpoints) to identify opportunities to reduce costs without decreasing effectiveness.	Conducted an analysis on the value of the size and deployment of security staff. This should enable NRC to develop and implement a roadmap to generate identified cost reductions.	Medium

# **Proposed mission support budget structure**



# Current NRC mission support budget structure



- ▶ The current NRC mission support budget structure is composed of two (2) BLs which are defined as follows:
  - ▶ **Corporate Support:** centrally managed activities that are necessary for the staff and agency programs to achieve goals more efficiently and effectively
  - ▶ **Office Support:** indirect budgeted resources that sustain an individual office, to allow the office to perform its mission
- ▶ Ex. Within the Corporate Support BL, the financial management Product Line (PL)\* incorporates costs associated with agency fees, payables, and receivables. Within the Office Support BL, the financial management PL incorporates costs associated with budget execution and performance management, specific to a particular office.

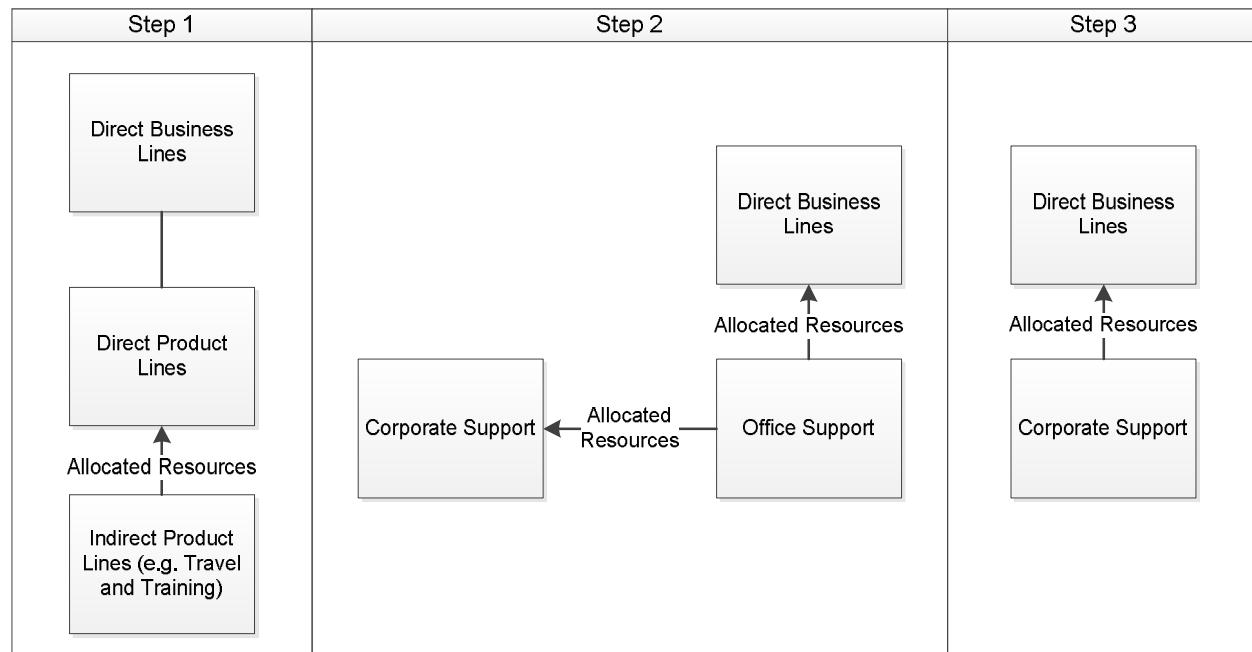
\*Definition on slide 36

# Current NRC mission support cost allocation methodology

The current NRC mission support cost allocation\* methodology is depicted below. The interim allocation is completed following Step 2 and the full cost allocation is completed following Step 3.

NRC mission support cost allocation process

- ▶ **Step 1:** Allocate indirect product line (PL) costs across direct PLs in direct business lines (BL) based upon the proportion of direct PL FTEs to total direct BL FTEs within each BL
- ▶ **Step 2:** Allocate Office Support (OS) across direct BLs and the Corporate Support (CS) BL based upon the proportion of PL FTEs to total BL FTEs within each BL. For regional offices, OS is allocated across the direct FTEs within the same regional office and product\*\*
- ▶ **Step 3:** Allocate CS across the direct BLs by Product Line, Product, and Offices



\* Definition on slide 36

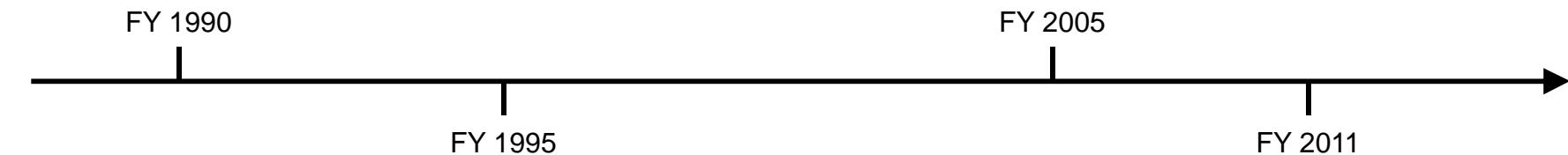
\*\* Process is slightly modified for BLs without direct PLs

# Evolution of the mission support budget structure

NRC has revised its definition of mission support over time. The timeline below depicts major changes to the budget structure from FY 1990 to the present day.

## Mission support re-categorized

The majority of the FTEs contained within the Program Direction and Administration and Nuclear Safety Management & Support cost categories of the NRC Congressional Budget Justification (CBJ) were identified as mission support.



## Infrastructure category created

Activities labeled as Infrastructure included in the Management and Support section of the CBJ were firmly established and continue to the present day.

## Mission support definition expanded

NRC began to include more types of activities as mission support including policy support, training, and grants.

FY 2005

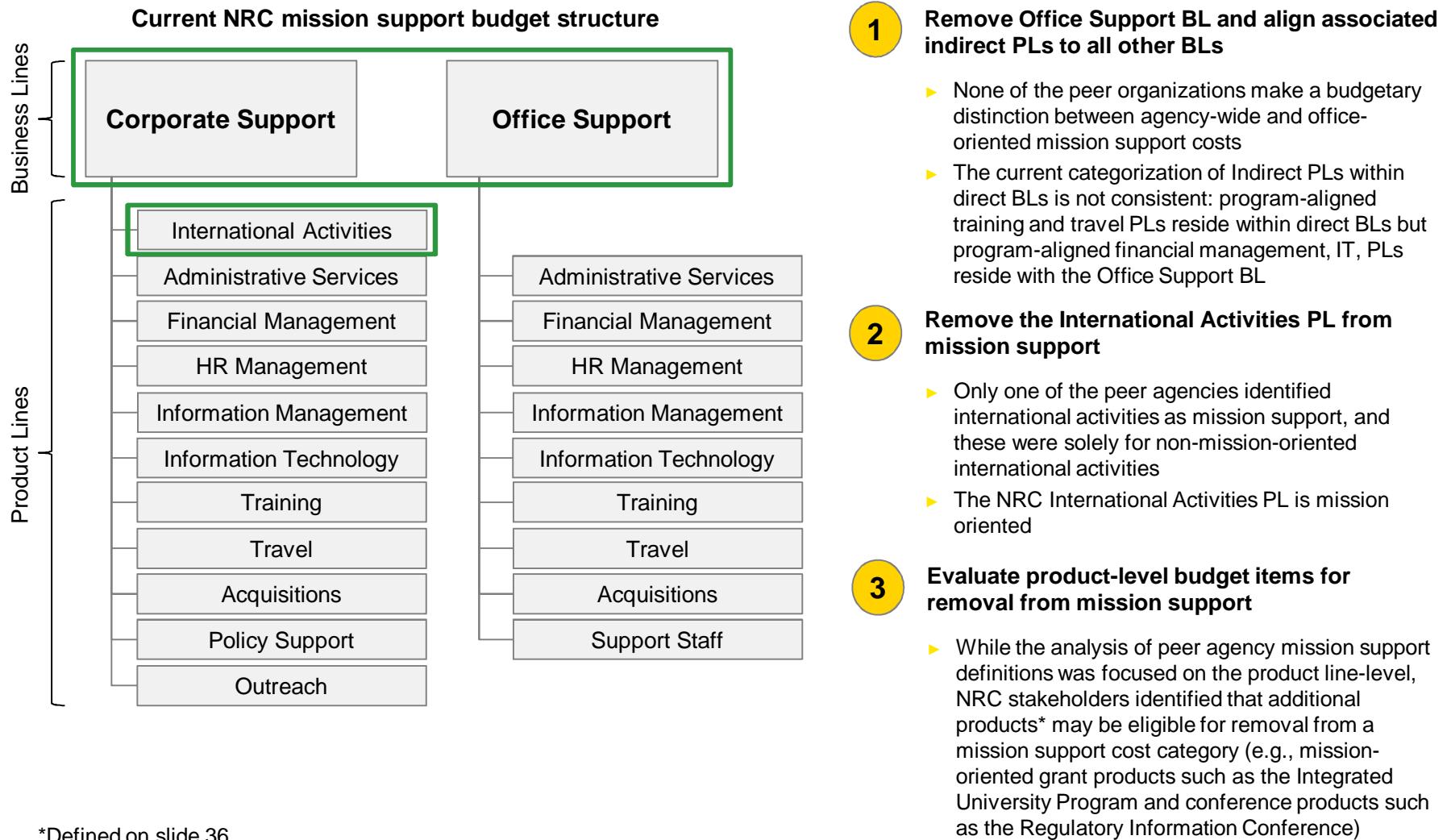
FY 2011

## Office Support Business Line created

Some resources that had previously identified as programmatic were moved to the newly created Office Support business line. All supervisory FTEs were added to the Office Support BL.\* Additionally, some resources previously contained within the program BLs (e.g., International Activities) were added to the Corporate Support BL.

\*The transfer of supervisory FTEs to the Office Support business line was later largely reversed

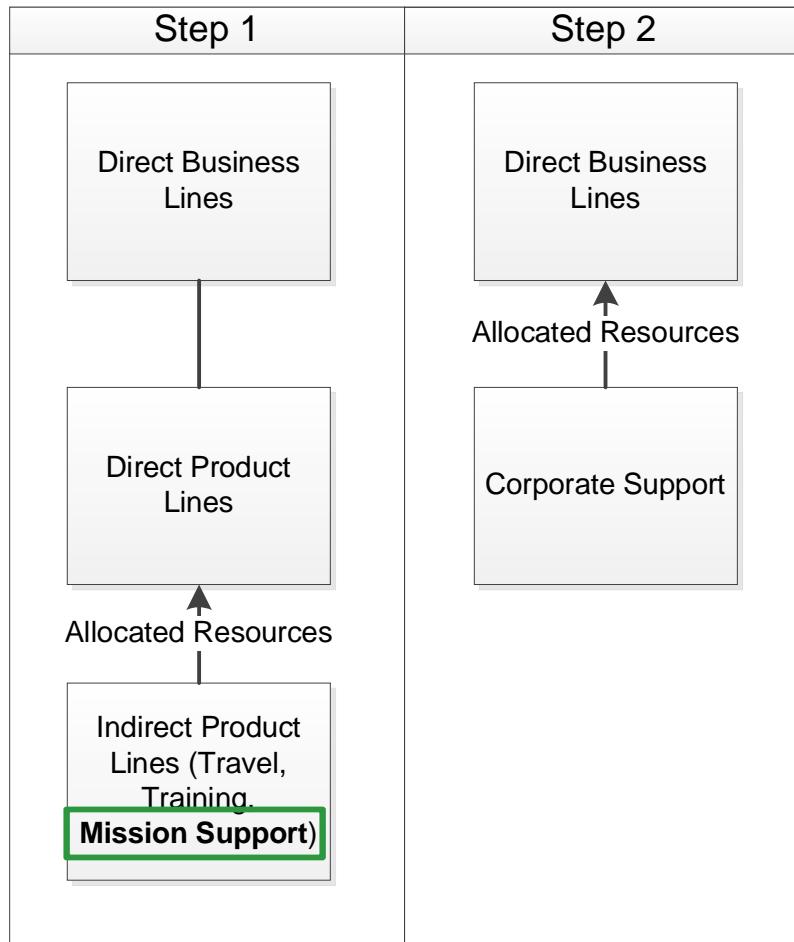
# Proposed mission support budget structure



\*Defined on slide 36

# Proposed mission support cost allocation methodology

## Proposed mission support cost allocation process



### What would happen to the PLs within the Office Support BL?

- ▶ To replace the existing product lines within the Office Support BL, a catch-all Mission Support PL would be created within each direct BL
- ▶ The Mission Support PL would include the indirect PLs that had been categorized under the Office Support BL (e.g., financial management, IT, administrative services, etc.)

### What would be the impact on the mission support cost allocation methodology?

- ▶ Step 1 now allocates all program-aligned indirect PLs across direct BLs
- ▶ Step 2 within the current mission support cost allocation process would be eliminated

# Impact of proposed budget structure on mission support costs and FTEs

- ▶ With the transfer of PLs under Office Support to the direct BLs, NRC could reduce costs identified as mission support
  - ▶ The International Activities PL is allocated to the appropriate direct BLs
  - ▶ Office Support costs are allocated to the newly created Mission Support PL within the direct BLs
  - ▶ Costs identified as mission support would decrease by 13.5% (FY16 PB mission support total (in thousands) of \$416,302 reduced to \$360,261 with proposed budget structure)

**Mission Support Costs\* and FTEs with Current Budget Structure**

Business Lines	FY 16 PB	
	FTE	Total Costs
<b>BL-51 Corporate Support</b>	698	341,225
PL-3 International Activities	23.5	9,987
PL-F Administrative Services	99.5	111,455
PL-G Financial Management	99	28,141
PL-H HR Management	52	18,981
PL-I Information Management	64	24,707
PL-J Information Technology	150	100,128
PL-K Outreach	16	5,281
PL-L Policy Support	108	19,918
PL-N Training	14	4,972
PL-O Travel (PL)	0	1,568
PL-P Acquisitions	72	16,087
<b>BL-41 Office Support</b>	413.5	75,077
PL-F Administrative Services	23	6,593
PL-G Financial Management	52	8,789
PL-H HR Management	29	5,069
PL-I Information Management	13.5	3,837
PL-J Information Technology	0	0
PL-M Support Staff	287.5	47,725
PL-N Training	0	990
PL-O Travel (PL)	0	663
PL-P Acquisitions	8.5	1,411
<b>Grand Total</b>	1111.5	416,302

\*Costs in thousands

**Mission Support Costs\* and FTEs with Proposed Budget Structure**

Business Lines	FY 2016 PB	
	FTE	Total Costs
<b>BL-51 Corporate Support</b>	830.5	360,261
PL-3 International Activities	0.0	0
PL-F Administrative Services	96.5	111,953
PL-G Financial Management	108.0	29,792
PL-H HR Management	60.0	20,434
PL-I Information Management	63.5	25,807
PL-J Information Technology	135.0	97,638
PL-K Outreach	14.0	4,205
PL-L Policy Support	105.0	19,420
PL-M Support Staff	164.0	27,224
PL-N Training	11.0	5,464
PL-O Travel (PL)	0.0	1,988
PL-P Acquisitions	73.5	16,336
<b>BL-41 Office Support</b>	0	0
PL-F Administrative Services	0	0
PL-G Financial Management	0	0
PL-H HR Management	0	0
PL-I Information Management	0	0
PL-J Information Technology	0	0
PL-M Support Staff	0	0
PL-N Training	0	0
PL-O Travel (PL)	0	0
PL-P Acquisitions	0	0
<b>Grand Total</b>	830.5	360,261



# Critical success factors



# Critical success factors

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Peer agencies shared the following critical success factors in reducing mission support costs:

## 1 Leaders must commit to cost reduction

- ▶ Agency leaders need to commit to moving beyond the analysis phase of cost reduction initiatives and implement required changes
- ▶ Leaders need to be prepared to “get in the weeds” at times to identify true cost drivers

## 2 Be prepared to invest up front to generate longer-term savings

- ▶ Taking a longer-term view of cost reduction is preferable when immediate cost reductions are not the priority (e.g., investing in a new IT system to replace a legacy system with high O&M costs)

## 3 Maintain and regularly utilize a dashboard

- ▶ Managers need access to current data on key expenditures, productivity, and efficiency metrics to monitor and manage performance

# Critical success factors (cont.)

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## 4 Maintain a project management office

- ▶ Agency leaders need to set expectations for managers to provide regular updates on projects and show evidence of progress demonstrable

## 5 Capture the control dividend

- ▶ Investing in a well controlled environment (e.g., internal controls, compliance activities) yields long-term savings from the reduction of costs associated with audit remediation

## 6 Develop and execute a change management and communications plan for major cost reduction initiatives

- ▶ Being thoughtful and intentional about change management can help an organization to overcome cultural resistance to a cost reduction initiative and expedite change adoption

## 7 Focus on a limited number of cost reduction priorities at any given time

- ▶ Avoid undergoing too many cost reduction initiatives at once to avoid spreading resources too thin and affecting limited change across initiatives

# Appendices



# Interview list

We conducted 10 interviews with 15 primary interviewees\* between 3/4/15 and 3/20/15

Organization	Primary Interviewee(s)	Role	Date
<b><i>NRC interviews</i></b>			
NRC	Mike Weber	Deputy Executive Director	3/5/15
NRC	Maureen Wylie	Chief Financial Officer	3/6/15
NRC	Mark Satorius Darren Ash	Executive Director for Operations Deputy Executive Director	3/6/15
NRC	Russell Allwein Heather Murray	Deputy Budget Director Senior Budget Analyst	3/6/15
NRC	Miriam Cohen	Chief Human Capital Officer	3/13/15
NRC	Cindy Carpenter Sharon Stewart	Director of Office Administration Deputy Director of Office of Administration	3/18/15
NRC	Jim Flanagan	Deputy CIO and Director of the Office of Information Services	3/20/15
<b><i>Peer agency interviews</i></b>			
Agency A	-	Chief Operating Officer Chief Financial Officer	3/4/15
Agency B	-	Chief Financial Officer	3/9/15
Agency C	-	Chief Operating Officer Chief Financial Officer	3/10/15

\*Certain primary interviewees brought in additional participants to the interviews who are not captured in this table

# Document list

Title of Document	Brief Description	Date Received
Agency Budget Structure Chart – FY2015 Execution_FY 2016 Formulation	Presents charts that exhibit NRC's budget structure	2/12/2015
FY 2015 Budget Structure Major Program/Business Line Definitions	Provides definitions for major programs/business line, product, and product line definitions	2/12/2015
NRC OCFO Budget Formulation External Benchmarking Final Report	Provides PwC's findings after conducting external benchmarking interviews with five (5) federal agencies on budget formulation leading practices	2/12/2015
Final Transforming Assets into Business Solutions (TABS) Report	Provides recommendations for NRC to provide business solutions for the 21 <sup>st</sup> century, eliminate unnecessary duplication and increase centralization, and more efficiently use agency overhead resources.	2/12/2015
TABS Status Report_2013	Provides the status of the recommendations made by the Transforming Assets into Business Solutions (TABS) Task Force	2/12/2015
Baseline_Budget_Dec_2012	Provides an overview of budget business process improvement	2/12/2015
OCFO Budget Formulation presentation to senior staff	Presents the findings from the OCFO Budget Formulation Sub-Process Study	2/12/2015
Project AIM 2020 Report and Recommendations	Presents a roadmap to improve NRC's agility, effectiveness, and efficiency, while also refining the basis for agency planning through 2020 and beyond	2/18/2015

# Document list (cont.)

Title of Document	Brief Description	Date Received
Acquisition Findings for Benchmark Meeting	Presents the Acquisition PMA benchmark results for NRC Corporate Support	2/20/2015
Information Technology Findings for Benchmark Meeting	Presents the Information technology PMA benchmark results for NRC Corporate Support	2/20/2015
Financial Management Findings for Benchmark Meeting	Presents the Financial Management PMA benchmark results for NRC Corporate Support	2/20/2015
Real Property Findings for Benchmark Meeting	Presents the Real Property PMA benchmark results for NRC Corporate Support	2/20/2015
Human Capital Findings for Benchmark Meeting	Presents the Human Capital PMA benchmark results for NRC Corporate Support	2/20/2015
Overall Takeaways for Benchmark Meeting	Presents the Overall Takeaways PMA benchmark results for NRC Corporate Support	2/20/2015
EY 2016 Pivot	Presents the budgetary data for the past three fiscal years by Business or Product Line	2/23/2015
Agency A OCOO Year In Review FY13 and FY14	Provides summary of major changes and accomplishments over the course of the fiscal year	3/4/2015
Agency A Organizational Charts	Provides organizational charts for the Offices of Acquisitions, COO, Financial Management, Human Resources, Information Technology, and Support Operations and the Managing Directors and Assistant Regional Directors of Operations	3/4/2015

# Document list (cont.)

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Title of Document	Brief Description	Date Received
TABS Lessons Learned	Presents efficiencies gained and lessons learned from the TABS initiative	3/6/2015
Agency B Process Reform Document	Provides an overview of Agency B process improvement efforts	3/9/2015
Agency A Response to Additional Questions and Data Request	Provides a detailed response to follow-up questions and data requests from the Agency A benchmarking interview	3/16/2015
Agency C Consolidated Input	Provides a detailed response to follow-up questions and data requests from the Agency C benchmarking interview	3/24/2015

# Definition of common terms

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Common terms used in this report have been defined below:

Term	Definition
<b>Mission Support</b>	Functions and resources that support the performance of mission-oriented functions, but are not directly mission-oriented themselves.
<b>Corporate Support</b>	Support of centrally managed activities that are necessary for the staff and agency programs to achieve goals more efficiently and effectively. Agency-wide infrastructure cost. These activities include such items as financial management, human resources, administration, training, and information technology. These resources are spread through full cost allocation to the various Business Lines based on the proportion of mission direct FTE.
<b>Office Support</b>	Reflects the indirect budgeted resources that sustain an individual office, to allow the office to perform its mission. This includes administrative services, financial management, human resource management, information management, information technology, support staff, and travel.
<b>Business Line</b>	Highest level of categorization of items in the NRC budget. Examples of Business Lines include Operating Reactors, Corporate Support, and Office Support.
<b>Product Line</b>	Second level of categorization of items in the NRC budget. There are multiple Product Lines within each Business Line. Examples of Product Lines include Financial Management, Training, and Outreach.
<b>Product</b>	Third level of categorization of items in the NRC budget. There are multiple Products within each Product Line. Examples of Products include Integrated University Program, New Reactor Research, and Information Security.
<b>Cost Allocation</b>	The process of distributing or realigning costs, as occurs to illustrate the breakdown of a budget in different ways.

# Peer agency-identified mission support budget data

<b>NRC</b>	
Total budget	\$1,043,900
Mission support budget*	\$384,000
<b>Mission support budget to total budget</b>	<b>37%</b>
<b>Agency A</b>	
Total budget	\$1,463,659
Mission support budget**	\$285,419
<b>Mission support budget to total budget</b>	<b>20%</b>

Dollars in thousands

<b>Agency B</b>	
Total budget	\$449,831
Mission support budget***	\$112,131
<b>Mission support budget to total budget</b>	<b>25%</b>
Office of the Managing Director budget	\$93,765
Office of Media Relations budget	\$2,525
Office of Legislative Affairs budget	\$2,107
Office of the General Counsel budget	\$13,734
<b>Agency C</b>	
Total budget	\$306,790
Mission support budget****	\$97,563
<b>Mission support budget to total budget</b>	<b>32%</b>
Office of External Affairs budget	3,262
Office of the General Counsel budget	2,874
Office of the Executive Director budget	87,832
Office of the Secretary budget	3,594

\*As identified from the interim allocation for corporate support in the FY15 NRC CBJ (p.152)

Dollars in thousands

\*\*As identified from the FY14 Agency Direction and Administrative Support budget category in the FY15 CBJ

\*\*\*As identified from the FY14 OMD, OMR, OLA, and OGC appropriated budgets in the FY15 CBJ

\*\*\*\*As identified in the Agency C response to an EY data request

# Peer agency-identified mission support FTE data

<b>NRC</b>	
Total FTEs	3,752
Mission support FTEs*	805
<b>Mission support FTEs to total FTEs</b>	<b>22%</b>
<b>Agency A</b>	
Total FTEs	4,221
Mission support FTEs**	615
<b>Mission support FTEs to total FTEs</b>	<b>15%</b>

<b>Agency B</b>	
Total FTEs	1,735
Mission support FTEs***	300
<b>Mission support FTEs to total FTEs</b>	<b>17%</b>
Office of the Managing Director (OMD) FTEs	204
Office of Media Relations (OMR) FTEs	14
Office of Legislative Affairs (OLA) FTEs	11
Office of the General Counsel (OGC) FTEs	71
<b>Agency C</b>	
Total FTEs	1,432
Mission support FTEs****	191
<b>Mission support FTEs to total FTEs</b>	<b>13%</b>
Office of External Affairs FTEs	20
Office of the General Counsel FTEs	19
Office of the Executive Director FTEs	132
Office of the Secretary FTEs	20

\*As identified from the interim allocation for corporate support in the FY15 NRC CBJ (p.152)

\*\*As identified from the FY14 Agency Direction and Administrative Support FTE count in the FY15 CBJ

\*\*\*As identified from the FY14 OMD, OMR, OLA, and OGC FTE counts in the FY15 CBJ

\*\*\*\*As identified in the Agency C response to an EY data request

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