

UNITED STATES

NUCLEAR REGULATORY COMMISSION

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BRIEFING ON HUMAN CAPITAL AND EQUAL EMPLOYMENT

OPPORTUNITY

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THURSDAY,

JUNE 22, 2017

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ROCKVILLE, MARYLAND

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The Commission met in the Commissioners' Hearing Room
at the Nuclear Regulatory Commission, One White Flint North, 11555
Rockville Pike, at 2:04 p.m., Kristine L. Svinicki, Chairman, presiding.

COMMISSION MEMBERS:

KRISTINE L. SVINICKI, Chairman

JEFF BARAN, Commissioner

STEPHEN G. BURNS, Commissioner

ALSO PRESENT:

ANNETTE VIETTI-COOK, Secretary of the Commission

EDWARD WILLIAMSON, Acting General Counsel

NRC STAFF:

VICTOR McCREE, Executive Director for Operations

CHRISTIAN ARAGUAS, Executive Technical Assistant,

Office of the Executive Director for Operations

PAMELA R. BAKER, Director, Office of Small Business

and Civil Rights

MIRIAM COHEN, Chief Human Capital Officer

MARIA SCHWARTZ, Executive Vice President, National

Treasury Employees Union, Chapter 208

JASON SHAY, Associate Director, Human Resources

Operations and Policy, Office of the Chief Human Capital Officer

DAFNA SILBERFELD, Senior Human Resources Specialist,

Human Resources Operations and Policy, Office of the Chief Human

Capital Officer

1 (2:04 p.m.)

2 CHAIRMAN SVINICKI: Thank you. That concludes the
3 affirmation session. I would now ask our presenters to please join us at the
4 table.

5 While folks are getting settled, I would note, again, good
6 afternoon to everyone, and the Commission convenes today with presenters
7 from the NRC staff to conduct one of our twice-yearly briefings on the general
8 topic of human capital and equal employment opportunity.

9 Today we will have -- among the topics we will discuss will
10 be significant human capital initiatives and strategic workforce planning and
11 other work that the staff has ongoing. These are very important focus areas
12 from all of our presenters today, and so we look forward to this presentation.
13 Do my colleagues have any opening comments?

14 With that, I will turn this over to our Executive Director for
15 Operations, Victor McCree. Please proceed.

16 MR. McCREE: Thank you, Chairman. Good afternoon,
17 Commissioner Baran and Commissioner Burns.

18 We appreciate the opportunity today to provide you with an
19 overview of the state of human capital, along with a brief update on our equal
20 employment opportunity programs. Although the agency continues to face
21 challenging times, it is because of the knowledge, the skills, and expertise of
22 our dedicated workforce that we continue to excel in accomplishing our
23 mission of protecting public health, safety, and the environment.

24 Many of the actions we have taken, such as limiting external

1 hiring, other than for mission-critical positions, better aligning employee skills
2 to current positions, and continued acceleration of attrition through early-outs
3 and buyouts, have put us in a good position as we move forward into the
4 future. That said, we recognize there is still work to be done.

5 At this meeting, we will discuss several human capital efforts
6 underway, including an update on our efforts to enhance strategic workforce
7 planning. It is important that we continue to pay close attention to the
8 development of our people during this period of change and that we invest in
9 programs and activities that advance their continued development. There
10 are several key messages you will hear today, including, one, the fact that we
11 have made noteworthy progress in aligning the size of our workforce with our
12 expected work.

13 Second, we are implementing our action plan to improve
14 employee engagement and strengthen trust.

15 Third, we have developed and are preparing to implement
16 an enhanced approach to strategic workforce planning, to better position the
17 agency for the future.

18 Fourth, our project to review agency security clearances is
19 underway, and future implementation will be addressed in a paper to the
20 Commission that will be provided at the end of August.

21 And, finally, mindful of the changes inherent in the current
22 environment with declining budgets and limited hiring and promotional
23 opportunities, we are continuing to carry out our equal employment
24 opportunity and diversity and inclusion programs.

1 Next slide, please.

2 With me here today are Miriam Cohen, Chief Human Capital
3 Officer, who will provide an overview of the state of human capital.

4 Christian Araguas, to my far left, and your far right, who is
5 an Executive Technical Assistant in the Office of the Executive Director, and
6 he has been a leader in developing our enhanced approach to strategic
7 workforce planning. Christian will discuss the efforts of the strategic
8 workforce planning working group.

9 Dafna Silberfeld, to Christian's right, is a senior human
10 capital resources specialist, will provide recommended next steps to
11 implement the enhanced strategic workforce planning process.

12 Jason Shay, to my right, is the Associate Director for
13 Operations and Policy in the Office of the Chief Human Capital Officer. Jason
14 will provide an update on the status of the project clearance review.

15 And, finally, Pam Baker, to my left, Director of the Office of
16 Small Business and Civil Rights, will provide information on the agency's equal
17 employment opportunity programs, which go hand in hand with human capital.

18 So, with that, I will turn it over to Miriam.

19 Next slide, please.

20 MS. COHEN: Good afternoon, Chairman, Commissioners,
21 NRC staff. I'm pleased to be here today to give you an overview of the state
22 of human capital, our people programs.

23 Before I start, let me just thank all of the staff who assisted
24 all of us in our preparations for this meeting. It is not a small undertaking.

1 If you pull up the next slide -- thank you. As you can see
2 on this chart, the agency staffing levels have continued to decrease over the
3 last several years. We currently have approximately 3,245 staff on board,
4 and we project starting fiscal year '18 with 3,192 staff on board. This number
5 positions us nicely to meet current and anticipated full-time equivalent
6 allocations moving forward.

7 As you know, this downward trend in staffing has largely
8 been a result of our proactive workforce reshaping strategies, which has
9 included three early-out buyout opportunities over the past year and a half,
10 which has helped to accelerate attrition. In addition, we can see -- we
11 continue to see other changes as we align the organization to meet current
12 and future mission needs as we become more effective and efficient.

13 We continually monitor our workforce based on multiple
14 human capital indicators. One such indicator I want to point out is the
15 important role of supervisors in what they do to manage the staff in the agency,
16 and we have a supervisor span of control which we look at to see how many
17 people are in a work unit and are they appropriately sized.

18 As a result of our efforts to reduce the number of first-line
19 supervisors in accordance with the work of the agency, we have seen a result
20 -- we have seen a decrease in the number of supervisors from 361 back in
21 2012 to 279 today.

22 This decrease has also improved our supervisory ratio from
23 1 to 8.7 in 2012 to 1 to 9.4 today, which is close to meeting our goal of 1 to 10
24 for first-line supervisors.

1 Next slide, please.

2 We typically come to these meetings and we talk a little bit
3 about attrition, and we wanted to do that again today, but to provide you some
4 historical perspective over the last five years. And this slide shows that there
5 has been a significant increase in attrition which, as you know, is highly
6 attributable to the early-out buyouts that we have had over the past few years.
7 And it also indicates that the majority of our attrition is occurring due to
8 retirements, and that is historically the case.

9 There is other attrition that we monitor, which includes
10 resignations. These are people that leave federal service, as well as
11 transfers, and those are folks who transfer to other federal agencies.

12 The blue bar on this chart represents the number of
13 resignations, which remains fairly steady at about 1.3 percent of our overall
14 attrition, with the exception of last year when we had a slight uptick due to
15 individuals who took advantage of the early-out buyout.

16 The dark brown bar represents transfers to other federal
17 agencies, and you are seeing a little bit of an increase in here, and it's
18 something that we are keeping our eye on.

19 A couple of points we want to make about this attrition data
20 -- as you have in your background materials, we have some exit survey data
21 that indicates that two of the primary reasons that people leave the agency
22 continue to be the long commute and a high cost of living.

23 Second, while not denoted on this slide, the occupations
24 where we experienced the highest attrition, on average, are in the

1 administrative assistant, IT management, and general attorney occupational
2 series. In addition, non-retirement attrition in our general engineering
3 occupations, which is one of the largest occupational series we have, has
4 increased slightly over the past three years, but on average, at 1.8 percent, is
5 still below the agency average of 2.7.

6 Next slide.

7 In this chart, we have a chance to look at what attrition we
8 can expect in the future based on the service distribution of our permanent
9 employees. And when you are trying to predict future attrition, you want to
10 look at a couple of data points, and the first one is years of service, which we
11 are going to talk about on this slide.

12 As we mentioned earlier, the workforce reshaping strategies
13 over the past few years have helped to accelerate attrition, primarily
14 retirements. And while this has changed our overall workforce
15 demographics, we still employ an experienced staff, with a large number of
16 those on the chart at the seven to 15 years of service, and these folks will
17 continue to work, develop expertise in their fields, and carry on the mission of
18 the agency.

19 Individuals in this seven to 15 year range are here primarily
20 as a result of a lot of the robust entry-level hiring that we did back in the early
21 2000s.

22 One thing that we do need to be mindful of is that in light of
23 our recent limited hiring, including limited entry level, that we might have to
24 see how this impacts down the road in terms of the future workforce.

1 Next slide, please.

2 When we talked on the previous slide about future attrition,
3 you want to look at a couple data points. The first one which we did was
4 years of service. The second one is retirement eligibility. And some of you
5 remember this slide as the retirement tsunami chart, and what we were
6 concerned about when this first started was that there was a potential for
7 extremely high attrition if everyone who was eligible to retire did so at their
8 point of eligibility.

9 Fortunately, this tsunami did not materialize, and we don't
10 think it will yet. This could change, however, if some legislation that is on the
11 Hill right now that could substantially change federal retirement benefits could
12 see an uptick in retirement of people that are very, very close because of some
13 of the significant changes that could occur to people's retirement benefits
14 moving forward.

15 That being said, what we can glean from this chart is that
16 we have a large number of individuals currently at or near the retirement
17 eligibility, and a second peak of individuals, who are 18 to 24 years from
18 retirement, with a plateau in between.

19 This suggests a fairly stable population in terms of
20 knowledge and experience in the near term to midterm, with some concern for
21 long term if hiring continues to remain low.

22 This also points out the need to have a robust knowledge
23 management program to ensure that crucial knowledge is not lost but passed
24 on to individuals remaining as attrition occurs.

1 Next slide.

2 Now that we have a greater understanding of the agency's
3 workforce trends, it is important to acknowledge that the changes that we
4 continue to experience in reshaping our workforce can have a dramatic effect
5 on employee engagement. One of the ways we measure employee
6 engagement is through the employee survey results.

7 The good news is that these results tell us that we continue
8 to have a workforce that is highly engaged in the work that they are doing, and
9 they are strongly connected to the NRC mission.

10 Although our survey scores have declined over the past
11 several years, it is still heartening to know that our employees remain amongst
12 the most engaged in the federal government. Even so, there is a lot more we
13 can do to sustain and improve this engagement.

14 As Vic mentioned, we must continue to foster a climate of
15 trust, and we have done a number of things in this area. Earlier this year, we
16 had an executive leadership seminar that focused on employee engagement
17 in times of change, and we had over 250 managers and supervisors attend
18 this event, and it was one of the most widely attended seminars and most
19 widely -- and very well received, excuse me.

20 We also this year rolled out definitions of understanding
21 NRC terminology with respect to items like environment for raising concerns,
22 what "collaboration" means, empowerment, and so on. We also continued to
23 support the diversity DIALOGUE project to promote a culture of fairness,
24 empowerment, and respect.

1 We want to continue to capitalize on the strength of our
2 workforce by continuing our robust rotational program. We want to continue
3 to provide opportunities for our talented staff to compete for promotions at all
4 levels in the organization, and we want to strengthen our learning and
5 development programs through the completion of the work on our competency
6 modeling and learning transformation initiatives.

7 We are also going to need to strengthen our efforts to
8 maintain a diverse workforce during these workforce reshaping efforts.

9 With this information, I would like to turn it over to Christian
10 Araguas, who is going to talk about strategic workforce planning.

11 Thank you.

12 MR. ARAGUAS: Thank you, Miriam. Good afternoon,
13 Chairman, Commissioners. Thank you for the opportunity to present the
14 staff's enhancements to the NRC's application of strategic workforce planning.

15 OPM defines "strategic workforce planning" as a systematic
16 process for identifying and addressing gaps between the workforce of today
17 and the human capital needs of tomorrow. Effective strategic workforce
18 planning enables organizations to strategically meet current and future
19 workforce needs and prevents unnecessary disruptions in maintaining a
20 steady-state workforce.

21 This has become increasingly important for our agency as
22 forecasts for reduced growth continue in the nuclear industry. Not
23 surprisingly, one of the 19 recommendations coming out of Project AIM
24 initiative was to ensure the NRC has the right number of people with the right

1 skills at the right time.

2 In response to this recommendation, the staff provided the
3 Commission with a strategic workforce planning action plan in February 2016.
4 And last October the staff provided an action plan implementation update.

5 The staff has made progress towards better positioning the
6 NRC for the challenges of the future. To further enhance the NRC's strategic
7 workforce planning process, on January 19th of this year the EDO issued a
8 tasking to the staff. Specifically, the tasking established an 11-person
9 working group made up of staff from eight different offices, both in programs
10 and corporate, and requested the working group to enhance the existing
11 strategic workforce planning process by better integrating the NRC's workload
12 projection, skills identification, human capital management, individual
13 development, and workforce management activities.

14 On April 19th, the working group provided the EDO with its
15 recommendations, which included an enhanced agency-wide strategic
16 workforce planning process, an implementation plan to support the process,
17 and a communication plan to support rollout to the staff.

18 Next slide.

19 The working group began its efforts with an assessment of
20 the current strategic workforce planning practices being implemented across
21 the NRC, documenting the needs of the offices relative to enhancements that
22 should be considered. In addition, the working group assessed the practices
23 of external organizations to identify best practices.

24 The assessment included a literature search of both public

1 and private sector organizations, as well as interviews with a subset of these
2 organizations. The working group met with the IBM Center for Business and
3 Government, the Partnership for Public Service, the Office of Personnel
4 Management, the U.S. Food and Drug Administration, the National Institute of
5 Standards and Technology, and the U.S. Department of Agriculture's Farm
6 Service Agency.

7 The working group considered the best practices identified
8 during these interviews and adopted those that were practical and for the
9 development of its enhanced strategic workforce planning process. In
10 parallel to these efforts, the working group also performed outreach activities
11 to both management and staff, with a purpose of seeking input and keeping
12 everyone informed of its progress.

13 The working group briefed the Project AIM Steering
14 Committee on a bi-weekly basis, met with senior leadership both individually
15 and as a group, and conducted informal outreach sessions in the Two White
16 Flint exhibit area.

17 The working group also partnered with NTEU early in the
18 process.

19 Next slide.

20 In general, what the working group learned through its
21 assessment of external organizations was that while there are differences in
22 how individual organizations implement strategic workforce planning, they are
23 all largely based on the OPM workforce planning model.

24 This model establishes a process of analyzing its current

1 workforce, identifying future workforce needs, establishing the gap between
2 the present and the future, and implementing solutions so that an organization
3 can accomplish its mission, goals, and objectives.

4 The challenge, as the working group discovered, is
5 determining how to apply this model in a manner that serves the mission of
6 the agency. The working group also learned through its assessments that
7 strategic workforce planning succeeds when it is a shared responsibility
8 between the mission organizations and the Office of the Chief Human Capital
9 Officer.

10 All offices have a central role in developing workforce plans,
11 coordinating strategies incorporated in the plans, and implementing actions to
12 accomplish the objectives and goals of workforce strategies.

13 The working group identified an additional best practice
14 related to ensuring the sustainability of strategic workforce planning within an
15 organization. This was best addressed by integrating strategic workforce
16 planning within existing agency processes. This minimizes the burden to the
17 organization from having to learn new systems and processes.

18 The working group also recognized that effective strategic
19 workforce planning takes time to develop with an organization, and that
20 organizations should pilot any new processes before conducting full-scale
21 implementation.

22 This minimizes the upfront investment, allows the
23 organization to learn what works and what does not, and to make corrections.
24 It also increases an organization's likelihood at long-term success in

1 conducting strategic workforce planning.

2 Next slide.

3 Lastly, the working group reviewed GAO's five key
4 principles for effective strategic workforce planning, which include the
5 following -- involve top management, employees, and other stakeholders in
6 developing, communicating, and implementing the strategic workforce plan;
7 determine the critical skills and competencies that will be needed to achieve
8 future programmatic results; develop strategies tailored to address gaps and
9 human capital conditions and critical skills and competencies that need
10 attention; build the capability needed to address administrative, education,
11 and other requirements important to supporting workforce strategies; and
12 monitor and evaluate the agency's progress toward its human capital goals
13 and the contribution that human capital results have made towards achieving
14 programmatic goals.

15 I believe the working group was successful in adopting
16 these best practices in its recommended enhancements to strategic workforce
17 planning.

18 Now I will turn it over to Dafna Silberfeld to walk you through
19 our enhanced strategic workforce planning process, how we incorporated best
20 practices, and next steps.

21 Thank you.

22 MS. SILBERFELD: Thank you, Christian. And good
23 afternoon, Chairman, Commissioners, and fellow NRC staff. I am pleased to
24 have this opportunity to speak to you about the SWP enhanced process that

1 will enable the NRC to manage its human capital more efficiently and allow
2 the agency to prepare for the future in meeting its desired long-term human
3 capital goals.

4 As Christian mentioned, the general structure of the
5 proposed enhanced process incorporates the lessons learned and aligns well
6 with the OPM model. In total, there are six steps that comprise the
7 enhanced process. The first step, and the foundation for the process, is
8 setting the strategic direction. In this step, the NRC engages in a strategic
9 evaluation process that leverages the work that has been done to create the
10 strategic plan, which considers key internal and external drivers and their
11 impact on projected workload.

12 The outcome of this process is a high-level direction-setting
13 guidance with instructions to conduct an environmental scan to identify
14 potential impacts on projected workload, as well as any uncertainties
15 associated with these projections. As indicated, this aligns well with GAO's
16 principle of having senior leadership provide direction-setting guidance for the
17 organization.

18 Offices and regions then assess short- and long-term
19 workload projections consistent with the strategic direction to develop
20 workload forecasts, which take into account significant shifts in workload one
21 to five years out. The workload forecast sets the foundation for the later SWP
22 process steps and will be repeated on an annual basis or adjusted to address
23 emergent work or other changes affecting our workforce.

24 The next step in the process is to identify core positions,

1 which are defined as positions the NRC relies on to accomplish the agency's
2 mission, as well as the core competencies or the knowledge, skills, and
3 abilities required for successful performance in these core positions. This
4 also aligns well with the GAO's principle of determining the core skills and
5 competencies that will be needed to achieve future programmatic results.

6 The goal is to use the workload forecast to identify core
7 positions needed to achieve agency long-term strategies and goals. Once
8 the core positions and competencies have been identified, a workforce
9 demand analysis is performed to identify the workforce needed to support the
10 forecasted workload.

11 The workforce demand analysis takes into account
12 workforce changes that are driven by changing work, changing workload, work
13 processes, and work tools. The objective is to identify the ideal future
14 organization and what that means in terms of number of positions and
15 competencies required to achieve the mission.

16 The third step in the process involves conducting a supply
17 analysis of the current and future workforce. The workforce supply analysis
18 will assess current organizational competencies, staff demographics, and
19 employment trends. This analysis is used to support annual updates of future
20 staffing plans, training forecasts, succession planning, and other human
21 capital tools. The results of the workforce supply analysis are a key
22 component in the next step.

23 Next slide, please.

24 In Step 4 of the process, we compared the results of the

1 workforce demand analysis to the results of the workforce supply analysis to
2 identify gaps and surpluses between what is available currently and what is
3 needed in the future to support agency strategic direction.

4 The final component of the staff is to prioritize the list by
5 assessing the risk the gap or surplus poses to the agency.

6 This leads us to our next step, which is to develop and
7 execute strategies to address the prioritized list of gaps and/or surpluses.
8 Offices and regions partner with OCHCO to identify and assess strategies for
9 resolving identified gaps and surpluses. This is in line with the best practices
10 shared by IBM, which focus on a partnership between human resources and
11 the offices to develop a variety of different approaches for creating or
12 redeploying existing workforce positions.

13 Before implementing the strategies, offices and regions will
14 coordinate with business line leads to ensure alignment. The final step in the
15 process involves monitoring the office and region's progress in the execution
16 of the strategies. This allows for ongoing evaluation as well as early detection
17 of changes in NRC's external and internal environment that may drive
18 workload changes.

19 Next slide.

20 There are several expected outcomes we believe this
21 enhanced process will bring to the NRC. The first is a set of strategies that
22 will help to ensure that the agency has the people with the right skills and
23 knowledge required to accomplish the mission.

24 The second is a comprehensive approach for tracking

1 employee skills. And, third, establish agency-wide goals for what the overall
2 workforce size should be and the accompanying skills. By having a
3 comprehensive picture of where gaps exist between competencies the
4 workforce currently possesses, and future competency requirements, the
5 agency will be better positioned to implement recruitment and succession
6 strategies to achieve success. This will also be helpful for future budget
7 cycles and staffing plans.

8 Next slide, please.

9 Now that I have outlined the process, I would like to talk
10 about our recommended steps which are currently under consideration by the
11 EDO. The working group recommended a phased implementation of the
12 enhanced SWP process to occur in representative organizations across the
13 agency.

14 Consistent with best practices identified, the workgroup
15 suggests moving forward to pilot this enhanced process with three offices --
16 the Office of the Chief Financial Officer, Office of Nuclear Regulatory
17 Research, and Region II. Selecting a corporate office, technical officer, and
18 region will allow us the opportunity to see if the process works for all three
19 types of organizations.

20 The advantages of a phased approach include more
21 focused support to address any unanticipated issues and to ensure that the
22 process is effective, efficient, and provides intended results.

23 Participating offices and the region would provide ongoing
24 feedback, and the lessons learned exercise would inform next steps in the

1 implementation of SWP. The pilot would be set to begin in September 2017
2 and continue through June 2018.

3 The results of the pilot would then be used to determine
4 whether we ask the right questions to get the information we need, determine
5 if we have the proper infrastructure in place to roll out the process agency-
6 wide, and assess the best manner in which to implement the process agency-
7 wide.

8 In addition to the pilot, we would incorporate the SWP
9 process and concepts into existing management training, to be given in person
10 as well as housed online. By using a two-tiered approach, this would allow
11 for just-in-time training for new supervisors via SharePoint site, as well as easy
12 accessibility for supervisors who need to be trained, require a refresher, or
13 simply searching for specific information.

14 In closing, the enhanced SWP process I have just described
15 will enable the agency to continue to build and maintain a mission-ready
16 workforce that is capable of anticipating and responding to changing
17 organizational needs by providing managers with a strategic basis for its
18 human capital decisions.

19 It will also provide for more accurate and long-term workload
20 forecasting, as well as a framework for the development and deployment of a
21 standard system to track core positions identified agency-wide.

22 Thank you for allowing me the opportunity to brief you on
23 the enhanced SWP process. I will now turn the presentation to Jason Shay,
24 who will be discussing the project security clearance review.

1 Next slide, please.

2 MR. SHAY: Thank you, Dafna. Good afternoon,
3 Chairman. Good afternoon, Commissioners. Thank you for the opportunity
4 to update you on the status of project clearance review.

5 The Commission directed the staff via SRM-16-0052 to
6 review NRC positions that require a national security clearance and develop
7 a plan to mitigate impacts to workforce planning flexibility and employee
8 opportunities.

9 This direction supports an effort to reduce the number of
10 employees with access to classified information and systems in support of the
11 insider threat program, reduce unnecessary clearances, and be consistent
12 with the practices of other non-intelligence agencies.

13 In addition to the direction provided by the Commission,
14 Executive Order 12968 states, "The number of employees that each agency
15 determines eligible for access to classified information shall be kept to a
16 minimum required for the conduct of agency functions and granted based on
17 a demonstrated foreseeable need for access."

18 Finally, 5 CFR 1400, signed on July 6, 2015, directs
19 agencies to evaluate all covered positions for a sensitivity designation
20 commensurate with the responsibilities and assignments of the position as
21 they relate to the impact on national security, including, but not limited to,
22 eligibility for access to classified information.

23 Next slide, please.

24 As contained within 5 CFR Part 1400, there are six

1 clearance/access levels within the federal government -- SCI, Q, L, high public
2 trust, moderate public trust, and low public trust. All NRC employees
3 currently hold a national security clearance and are subject to random drug
4 testing.

5 Moving forward, only those positions whose duties meet the
6 criteria for designation as sensitive -- our national security -- will continue to
7 hold a clearance. As you can see from the chart, public trust positions will be
8 excluded from the random drug testing pool unless criteria are met requiring
9 them to be in the pool.

10 For example, employees designated as public trust that
11 require unescorted access to power plants, operate motor vehicles as a part
12 of their core duties, or personnel that carry firearms would still be in the
13 random drug testing pool.

14 Next slide, please.

15 Consistent with Commission direction, a working group
16 comprised of members from the Office of the Chief Human Capital Officer, the
17 Office of Administration, and the Office of the General Counsel was created
18 to address the requirements in SRM-SECY-16-0052.

19 The working group's initial approach for evaluating the
20 appropriate clearance or access level included utilizing a consistent
21 government-wide designation tool, conducting a small-scale test phase to
22 identify potential unknown variables, and conducting a pilot phase to prepare
23 for an agency-wide rollout.

24 Next slide, please.

1 Proper position designation is the foundation of an effective
2 and consistent suitability and personal security program. In order to ensure
3 a systematic, dependable, and uniform way of making position designations,
4 OPM provided the position designation automated tool for those individuals
5 within agencies charged with position designation responsibilities.

6 While use of the OPM tool is not mandatory, the working
7 group determined that using the tool and providing NRC-specific guidance
8 regarding unique NRC considerations was the most effective and efficient
9 plan.

10 The OPM designation tool consists of a sequential, multi-
11 step process that guides the designator through an examination of the
12 position's duties and responsibilities. First, a designator identifies the
13 position's national security requirements and determines the potential damage
14 to national security.

15 Second, if the response to the first set of questions does not
16 result in an automatic clearance, the designator identifies the position's public
17 trust requirements and determines the potential impact to the public's trust.
18 Third, the tool adjusts for a program's scope and level of supervision. The
19 fourth and final step results in a designation which, in turn, determines the
20 investigative requirements for the position in question.

21 It is important to understand that each position must be
22 carefully evaluated to assess the nature of the position as it relates to the
23 potential material adverse impact to national security and not just access to
24 classified information, meaning access to classified information is not the only

1 requirement for a clearance. Duties that may cause a material adverse
2 impact to the national security may also necessitate a clearance.

3 Next slide, please.

4 The working group conducted a small-scale test with several
5 branch chiefs in OCHCO and admin to obtain initial feedback on the quality
6 and comprehension of position sensitivity designation directions to be
7 provided to pilot offices in the next phase of the project.

8 Entering the test phase, staff assumed that all NRC
9 positions would be designated at the moderate public trust level or higher, as
10 is similar to the access authorization required for contractors with access to
11 the NRC's internet.

12 However, a number of positions were designated at the low
13 risk public trust level. Of the 103 positions that were evaluated as a part of
14 the test, 26 were appropriately designated at the low public trust level. As a
15 result, the working group recommended that low public trust be eliminated as
16 a possibility for future NRC designations, in part because, one, low public trust
17 designations are not reinvestigated after their initial investigation; and, two, to
18 ensure adequate protection of the LAN and the agency's IT systems.

19 The test phase was also instrumental in creating the NRC's
20 composite glossary. The glossary is a side-by-side comparison of associated
21 duties that fall within the spectrum of national security to public trust. The
22 goal of the glossary was to show that similar types of duties may fall within
23 either national security classification or public trust. The NRC composite
24 glossary has been provided to you as a part of your background materials for

1 this briefing.

2 Next slide, please.

3 In February 2017, the working group launched the position
4 sensitivity designation pilot within the general grade and senior executive
5 service positions. The pilot consisted of the Office of Administration, Office
6 of the Chief Human Capital Officer, Office of International Programs, Office of
7 New Reactors, and Region IV.

8 The pilot included 787 positions spanning across a varying
9 series and grade. The pilot was intended to test the implementation process
10 and to develop lessons learned and additional guidance for agency-wide
11 implementation. The working group focused on matters such as consistency
12 of designations and ease of using the position designation tool.

13 Each office designated an SES reviewing official, who is
14 responsible for reviewing their respective organization's designations for
15 office-wide consistency prior to submitting their completed position sensitivity
16 designations to OCHCO and also admin.

17 The working group convened multiple alignment meetings
18 with the reviewing officials and various subject matter experts to ensure
19 uniform interpretation of the OPM position designation tool. The working
20 group also engaged other federal agencies, like OPM and the Department of
21 Homeland Security, to benchmark and adopt best practices. For example,
22 pilot office varied in their interpretation of national security for the purposes of
23 position designations.

24 The working group consulted with OPM and they confirmed

1 that agencies have latitude in determining what aspects of their mission
2 constitutes an impact to national security.

3 The results of the pilot are still preliminary and contain
4 sensitive information. The working group intends to finalize and provide the
5 results of the pilot to the Commission in a COMSECY by August 31st.

6 Next slide, please.

7 5 CFR 1400 directs agencies to review and properly
8 designate their covered positions by July 6, 2017. In the case of the NRC,
9 covered positions apply only to the Senior Executive Service. The working
10 group is finalizing the review of all Senior Executive Service position
11 designations and plans to meet the aforementioned deadline.

12 A CA note detailing the results of the SES position sensitivity
13 designations will be forthcoming. In addition, the working group is attempting
14 to overcome a number of complexities prior to full implementation. For
15 example, currently, the Office of Personnel Management has a substantial
16 backlog resulting in significant delays to complete background investigations.
17 Additionally, although the Commission's decision to have the staff conduct this
18 review was not based on cost, the prices for conducting a background
19 investigation have increased considerably since the Commission's decision.

20 Furthermore, implementation of the full range of position
21 sensitivity designations may impede the agency's ability to preserve workforce
22 planning flexibility and employee mobility. The NRC's high rate of staff
23 position changes exacerbates these impacts.

24 The working group will provide a COMSECY detailing the

1 complexities that are related to meeting the objectives of SRM-SECY-16-0052
2 and other relevant federal directives and options for your consideration.

3 Thank you for allowing me the opportunity to brief you on
4 the status of project clearance review. I will now turn the presentation to Pam
5 Baker, who will be providing you an update on civil rights and on diversity
6 inclusion.

7 Thank you.

8 MS. BAKER: Thank you, Jason. Good afternoon,
9 Chairman, Commissioners. I appreciate the opportunity to provide you an
10 update on the agency's equal employment opportunity and diversity and
11 inclusion programs.

12 As already mentioned today, the NRC continues to face
13 change, which has had a continuing impact on the agency. Specific to the
14 mission and the operations of the Office of Small Business and Civil Rights, I
15 will report on several of those areas this afternoon. I will share whether staff
16 reductions have impacted the representation of women and minorities while
17 also updating you on the current complaint activity.

18 Amidst resource reductions, SBCR will be undergoing a
19 reorganization in order to meet operational priorities. Finally, I will
20 acknowledge the extended family the Office of Small Business and Civil Rights
21 has nurtured outside of the office. This community, which continues to
22 expand and evolve, has been essential in supporting and facilitating an
23 inclusive environment for the NRC's diverse workforce.

24 Continuing to leverage this community is key for us to not

1 only sustain but gain ground as we continue to engage our diverse workforce
2 and create an inclusive environment that truly values its employees for their
3 talents, contributions, and achievements.

4 Next slide, please.

5 During our December 2016 EEO briefing to you, we shared
6 that despite several years of downsizing, accelerated with several early-out
7 buyout offerings, the NRC had maintained its overall representation of women
8 and minorities. We also pointed out at that time, however, a concern that the
9 targeted reductions within the corporate support offices had the potential of
10 disproportionately affecting women and minorities because of their higher
11 percentage in these offices.

12 Based on the latest attrition data, which also -- which
13 includes the results of the recent early-out buyout, I am pleased to report that
14 the NRC continues to maintain its relative representation of women and
15 minorities. The possible cause for sustaining this representation is twofold.

16 First, we believe this is reflective of the progress we've made
17 in building a diverse workforce. An example is the great work and
18 collaboration, the advisory committees and affinity and resource groups, all of
19 which continue to sponsor high-quality programs that target employee
20 development and camaraderie, fuel retention. This kinship of the EEO
21 advisory committees and affinity groups serve to engage our diverse
22 workforce and solidify everyone feeling that they belong.

23 Next slide, please.

24 This chart shows the other factor influencing representation,

1 which is the changing base. The representation of women and minorities has
2 not been impacted through the years of attrition because more white males
3 have been leaving the agency at a greater rate.

4 I purposely state representation as relative in that just
5 maintaining an existing status quo may not be enough to sustain a diverse
6 workforce. Entry-level hiring not only fuels our staffing pipeline but also
7 provides opportunity to enhance the agency's diversity.

8 The past years of limited external hiring has contracted our
9 pipeline and, in turn, lessened our ability to enhance diversity. The direct
10 hiring flexibility afforded graduating grant recipients from the minority-serving
11 institution program provides a ready diverse pool for hiring official
12 consideration for limited hiring, and as the external hiring aperture opens.

13 In relation to this, just this morning we had Dr. Mary Jo
14 Parker from the University of Houston provide a program overview of their
15 NRC grant programs, including MSIs and the IUP. And she shared the
16 different disciplines that they offer and the caliber of scholars that they are
17 generating out of their programs.

18 Next slide.

19 Turning to EEO complaint activity, the initial surge in the
20 number of complaints earlier this fiscal year has tapered off to a level similar
21 to that of the past years. This data is as of April 30th. However, we are
22 starting to see that trend creep up again in recent weeks.

23 As reported during previous briefings, the actual number of
24 formal complaints still in comparison to other agencies of similar size as the

1 NRC remains very low, less than half a percent. A point I would like to make,
2 though, from this chart, and referring to charts earlier from Miriam on our
3 downsizing, complaints remain the same as their complexity continues to
4 increase, but also our workforce has gotten smaller with the same level of
5 complaints.

6 We continue to process and resolve complaints through
7 alternative dispute resolution and other mediation efforts in a timely manner.
8 However, changes to the SBCR office may present a challenge to continue
9 our timely processing.

10 Next slide.

11 In response to our streamlining efforts associated with
12 Project AIM, SBCR will reduce its FTE by 30 percent for the start of fiscal year
13 2018. This significant reduction will require us to structure ourselves
14 differently and change our approach to some areas of our work.

15 In response to our reduced size, we have employed
16 strategies to ensure SBCR remains a vibrant and value-adding component of
17 the agency. First, we are blending our three EEO programs of civil rights,
18 outreach and compliance, and affirmative employment and diversity
19 management into one. This interdisciplinary team will better -- will be better
20 poised to fully interact, share talents, and balance out workload surges.

21 Secondly, recognizing the needed skills and depth in the
22 civil rights area, we have begun to cross-train other staff in this core area. In
23 addition, we have emphasized our core work, which includes complaints,
24 compliance, and small business. These three functions represent SBCR's

1 essential work. With respect to our work with the small business group, I
2 would like to acknowledge the great work of our small business team who, in
3 collaboration with their acquisition and office program partners, achieved an
4 A+ for the 2016 small business scorecard. That's a first for the agency.

5 We are also leveraging our relationships with other agencies
6 in technology to enhance our effectiveness and efficiency. An example is our
7 small business portal and SharePoint sites, which provide easy access to
8 information and tools.

9 Next slide, please.

10 Our program focus also needs to be realigned as we
11 differentiate the work that must be done from the work that is discretionary.
12 Over the past few years, the NRC's EEO program has been highly touted and
13 recognized as a model program and has been a benchmark for others to
14 emulate.

15 Our staff is recognized throughout the federal community as
16 exceptional experts across all our program areas. As a result, we have
17 participated on working groups with the Equal Employment Opportunity
18 Commission, Department of Justice, and the Office of Personnel
19 Management, providing training and served as special emphasis program
20 speakers.

21 As we become smaller, we plan to leverage those
22 relationships and tap into those agencies we have helped in the past for
23 rotational assistance. Similarly, we have also garnered internal alliances,
24 partnering with the Office of Nuclear Regulatory Research, on the integration

1 with the minority-serving institution program and the integrated university
2 program, and hosting a rotational assignment from the Office of General
3 Counsel.

4 I have already mentioned the strong alliance we have with
5 our acquisition partners in the Office of Administration. As we concentrate on
6 our core, with the help of others, we recognize how much of our success in
7 the agencies is predicated on the actions and the activities of others.

8 SBCR has always relied on the extended support of its
9 advisory committees and the EEO counselors' cadre to share its workload.
10 Over time, additional groups, alliances, have arose and taken on some of the
11 weight of expanding NRC's diversity and inclusion foothold.

12 We continue to look towards these groups as they are joined
13 by our DIALOGUE cohorts. The Diversity Management Inclusion Council
14 has been reconvened, continuing their support of the cohorts in a similar
15 fashion to the committee's executive sponsors.

16 This community reflects that diversity inclusion is not owned
17 by one office but, rather, the entire agency. To that end, SBCR is hosting its
18 EEO conference in August to bring this collective together for a day and a half
19 of training, knowledge exchange, and networking. Our theme this year is
20 building on our past and partnering to last.

21 Highlights of our event include sessions on workplace
22 civility, religion and national origin, modeling organizational values, and a
23 special presentation from our DIALOGUE cohorts. We are very excited and
24 believe this event will serve to reinforce the engagement and commitment to

1 diversity inclusion of the entire NRC community.

2 This concludes my part of the briefing, and I will turn it back
3 to Vic McCree.

4 MR. McCREE: Thanks, Pam. We are thankful for the
5 opportunity to discuss our human capital and diversity and inclusion programs.
6 As you have just heard, we have made significant strides forward in our efforts
7 to align the NRC workforce with the expected work while maintaining our focus
8 on the development of our people and fulfilling our important safety and
9 security mission.

10 Furthermore, we must continue to foster a climate of trust.
11 As we go through these changes and building on the data from the 2016
12 Federal Employee Viewpoint Survey, we have developed an agency-wide
13 action plan with goals to strengthen the environment for raising concerns,
14 promote a culture of fairness, empowerment, and respect, and establish clear
15 expectations and accountability.

16 The investment that we are making to enhance strategic
17 workforce planning will continue the forward momentum to enable the agency
18 -- they have the right people with the right skills and the right roles and the
19 knowledge required to accomplish our mission.

20 We have made progress and have been enlightened by the
21 pilot review that Jason discussed on the agency security clearances and,
22 again, we will provide you more information on that in August.

23 And, finally, with respect to our Office of Small Business and
24 Civil Rights, we are making the changes that we need to make to maintain our

1 EEO and diversity and inclusion programs.

2 That concludes our remarks for today, and we appreciate
3 your time and welcome any questions.

4 Thank you.

5 CHAIRMAN SVINICKI: Well, I thank each of the
6 presenters for very informative remarks today. We will begin the question
7 and answer session with Commissioner Baran.

8 COMMISSIONER BARAN: Thanks. Well, thank you for
9 your presentations and for all the work you're doing. Miriam, I think your
10 graph of staffing levels on Slide 3 is pretty striking. It shows that the number
11 of NRC employees has dropped by around 500 in the last few years, and we
12 are expecting to be below 3,200 employees in the next few months.

13 I agree with you that these reductions have prepared the
14 agency well for the current budget environment. Now we need to balance
15 that with maintaining a pipeline of new talent for the agency, and I think that
16 points to the need for some targeted outside hiring.

17 Miriam and Vic, do you -- what do you think about that, and
18 is that targeted hiring happening?

19 MS. COHEN: In answer to your question, we definitely
20 agree, and we actually have a couple examples where we are doing that. As
21 you know, there has been some increased workload with respect to the -- I
22 always get this wrong, so I want to say it right -- the enhanced accident-
23 tolerant fuels, and we have multiple offices that need some expertise in that
24 area. I think its NRR, Research, and NRO.

1 And we are taking a multi-pronged approach to hire folks,
2 so we are going to look to bring in some entry-level hires. And to build on
3 what Pam said, we are going to look at some of the grant recipients that can
4 be hired directly, so that will help bring some entry-level folk on, and we are
5 going to do some internal promotions as well as some other external
6 vacancies.

7 Whenever we have a critical need, we do the external hiring.
8 Where appropriate, if we can enhance our position management strategy to
9 bring people in at the lower grade level, so we can get some long-term NRC
10 experience out of them, is something we'd like to do. But we are taking a
11 modulated approach, just based on where we are with respect to headcount
12 moving forward.

13 MR. McCREE: Commissioner, the only thing I would add
14 to that is that stringent hiring controls doesn't mean that we have not hired
15 externally. We have done some hiring, and we can provide you data to
16 support that. That said, the decline was intentional, it was thoughtful. We
17 knew the goal that we were trying to achieve based on our workload needs
18 and to complement our budget, but we do recognize that that is not
19 sustainable in the long term and we are, as Miriam indicated, beginning to
20 open up the opportunities more for external hires while taking advantage of
21 those internally that are very competitive for the vacancies that emerge.

22 COMMISSIONER BARAN: And that brings us right to
23 strategic workforce planning. Strategic workforce planning is an important
24 tool for increasing NRC's agility, so that we can make adjustments to adapt to

1 workload changes. That is the benefit to the agency, but I think it can also
2 benefit individual employees by helping them to identify developmental,
3 promotional, and rotational opportunities and see which skills are needed to
4 be prepared for those opportunities.

5 Can someone describe that aspect of strategic workforce
6 planning in a little bit more detail?

7 MS. SILBERFELD: The part of first doing the kind of
8 workload forecast to see what work is coming is going to help kind of set the
9 foundation, because the next part is then to see, well, what is the demand?
10 What is it that we really need?

11 And then, from there, we are going to be looking at, well,
12 what is the supply? What is it that we have? And if we then from there can
13 build our skills inventory, we can really start to see, okay, these are the skills
14 that we need right now, and these are the skills that we need in the future
15 based on our workload forecast.

16 So managers will then be able to use that information and
17 see where they can develop their staff more and really see where the growth
18 is needed, where there might be some more attention that we need, and then
19 employees, in turn, would be able to take that information and really help that
20 with their own career opportunities. They will be able to see, this is the work
21 that is coming. That's the skill that I need to work on.

22 And there might be more rotations or solicitations of interest
23 geared towards that because we will have more information agency-wide.

24 COMMISSIONER BARAN: I know there was an attempt

1 years back to track -- keep track of employee skill sets, and my understanding
2 is that turned out not to be very helpful because it ended up being an inventory
3 of every possible skill someone would have, and there was no real uniformity
4 or consistency across the agency.

5 Can someone talk -- and maybe, Dafna, you can do this --
6 can you talk a little bit about the types of core skills you are envisioning that
7 would be included in the tool you are developing? Maybe talk us through a
8 hypothetical position and the kinds of skills that will be associated with it?

9 MS. SILBERFELD: Yes. And so we're still considering at
10 this point the level of skills and information that is going to go into the skills
11 inventory. But basically we are looking at taking some of the positions that
12 were done through the competency modeling effort. And then, also, if a pilot
13 were to be approved, then working with those offices to look at position
14 descriptions to kind of work with the supervisors to take the skills from there.

15 But if I were to give an example from the competency model
16 -- let's say we were to take HP decommissioning inspector, or risk and
17 reliability analyst, some of the common skills that we see are, you know,
18 performing inspections, the preparation, the conducting of the inspections, the
19 issue resolution enforcement. Another area might be regulatory analysis,
20 reviewing the licensee submissions, risk determination, and then the
21 communication skills, the presentation, the media interactions. So that would
22 be an example of how the skills would be entered and defined. There would
23 be definitions for those as well.

24 COMMISSIONER BARAN: And so the idea ultimately is

1 that, you know, positions are going to have core skills associated with them.
2 And if you're an NRC employee, you can look at your own skill set, and you
3 are going to be able to say, "Okay. Well, here is a position I might be
4 interested in two or three years from now. Here are the core skills associated
5 with that. This is one I need to work on, or I have the rest of these."

6 And that is going to be something that is useful to
7 employees in figuring out what training do they need or what is the rotation
8 they should be looking for, what is it going to take to get me to that position,
9 you know, in a couple of years when I want to get there. Is the idea for how
10 this benefits everyone working here?

11 MS. SILBERFELD: Yes, exactly. The idea is to start by
12 building that skills inventory and then ideally have the competency model
13 information feed into that skills inventory. So it can really be used by the
14 managers and the employees.

15 COMMISSIONER BARAN: Okay. Great. And can
16 someone talk a little bit about how the staff is going to interact with NTEU
17 strategic workforce planning going forward?

18 MS. SILBERFELD: So if the -- well, NTEU has -- was
19 engaged during the working group process. And then, if the pilot is approved
20 to move forward, we expect to engage with NTEU and work with them to move
21 forward with the pilot and then determine what the next steps might be.

22 COMMISSIONER BARAN: Okay. Jason, I appreciated
23 your update on the effort to look at security clearances at the agency to see if
24 the numbers, you know, can be reduced without major unintended

1 consequences. It sounds like -- and let's just talk at a high level here --

2 MR. SHAY: Sure.

3 COMMISSIONER BARAN: -- it sounds like this effort has
4 been more challenging than the staff anticipated. Is that right? Or let me
5 just ask a more specific part of that.

6 MR. SHAY: Yeah.

7 COMMISSIONER BARAN: You know, based on your work
8 to date, do you think reducing the number of clearances would have a
9 significant impact on job mobility within the agency?

10 MR. SHAY: So, yeah. I think the working group did
11 anticipate some challenges, but I think along the process we have gained
12 some insights. For example, we knew that the agency has a high rate of
13 position changes. That has always been the case. That is part of our
14 mission. We move people around to accomplish our mission.

15 We just didn't understand the scope of what we're thinking.
16 In FY16 alone, we had approximately 1,100 position changes. That includes
17 rotations, details, promotions, reassignments. So, as you can see, that's
18 quite a large amount.

19 COMMISSIONER BARAN: So in one given year, a third of
20 the agency had moved around.

21 MR. SHAY: Not people, because multiple people could
22 have moved in different positions. So we're talking position changes. I
23 could have moved into three different positions in maybe one year. But that
24 has an impact when you have -- if you try to implement a five-tier position

1 designation system.

2 Compounding that issue is the large investigative backlog at
3 OPM. Based on this month, I think the backlog is in the several hundred
4 thousand as we speak, and also they are taking roughly, you know, over a
5 year to 12 to 18 months to actually do the investigations. So that is a
6 challenge that, if we had to adopt, we would -- that may be impacted, so --

7 COMMISSIONER BARAN: Okay. Well, I'm looking
8 forward to seeing the paper the staff ends up in August. I have been
9 supportive of taking a hard look at this to see, does it make sense to reduce
10 the number of clearances we have, really, for a security point of view.

11 MR. SHAY: Right.

12 COMMISSIONER BARAN: Not from a security point of
13 view. But I don't want to see us do something there that has the unintended
14 consequence of undermining all of these other efforts we are making to
15 increase the agility of the agency. If we would do something that would really
16 hamper that, that would be of concern to me, so --

17 MR. SHAY: Agreed.

18 COMMISSIONER BARAN: Thank you for focusing on that
19 issue. Thanks.

20 CHAIRMAN SVINICKI: Thank you very much.
21 Commissioner Burns.

22 COMMISSIONER BURNS: Yes. Just to build off
23 Commissioner Baran's comment, I think we should feel free to back away from
24 this train wreck if it becomes one, because I think part of the thing is -- and I

1 know, having gone through this myself after 9/11, waiting for a necessary
2 security upgrade, I had almost forgotten that I had been put in for it. And I'm
3 being facetious, but the backlog at OPM, this question which I think, you know,
4 I appreciate and I think that building on the efforts to make more flexible --
5 we've had this discussion I think since I came back to the Commission about
6 it being a flexibility in the workforce, which helps people themselves in terms
7 of their career-building and their career diversity, as well as helping the
8 agency. Those are primary.

9 But I appreciate -- all that I compliment you on the efforts,
10 and I think that's something -- you know, coming back to us -- and I know staff
11 will be sort of honest with us about, you know, what makes, really, in the cold,
12 you know, hard light of reality what makes sense for us to do. So I would
13 appreciate doing that.

14 Let me go back to strategic workforce planning. And,
15 again, I appreciate the efforts on this. I think some -- I want to build on my
16 colleagues' discussion as well, but maybe at the other end. I think some of
17 our discussion, what we had, was what it means for somebody who is building
18 their career, what it means for the first-line supervisor.

19 But I want to -- part of what I'd like to hear from you all is,
20 what does it mean, and how do we look at it from a strategic standpoint, which
21 is -- which is one of the key reasons why I think we are engaged in this is the
22 -- I think some of the critique we had from the General Accountability Office
23 about us being, if you will, too short-sighted from the standpoint we are looking
24 out more like in our budget -- you know, our immediate budget framework of

1 two years, two-plus years or so, and what does it mean for us in terms of the
2 skill sets that we think we may need and how we're building it.

3 So my question really goes to, where does this come
4 together in terms of the strategic view about what those core disciplines are,
5 what those core positions are, and which may or may not be accomplished by
6 reeducating, retraining, requalifying people.

7 So how do you take this information, because it ain't going
8 to be done at the first-line supervisor level. It is going to be at you guys' level,
9 I think. How do -- how do we do that, and what -- how do you see this coming
10 together, that we are making an assessment of what those skill sets are,
11 particularly as we move forward.

12 And what is -- part of what in, quite honestly, in the back of
13 my mind is some of the -- you know, it's -- the mantra I'm hearing from -- is
14 some of the advanced reactor people, rightly or wrongly, and I'm not giving
15 particular credence to what -- to the messaging you're hearing, saying that
16 basically the NRC can't do it because it doesn't have the skill sets that are able
17 to conduct these kind of reviews that we want.

18 So, in that type of context, when we hear that type of
19 critique, where -- how do we take this -- how do you envision taking this
20 information and making those kind of strategic judgments about what we might
21 have on staff and where we need to go? How is it going to help you in that
22 regard?

23 MR. McCREE: So I'll start -- Commissioner, thank you for
24 your question -- and let others weigh in. The good news is we are not starting

1 from scratch, right? All of the pieces -- each of the pieces of strategic
2 workforce planning that Dafna and Christian mentioned we are doing some of,
3 and it has gotten us to this point, which has been reasonably successful.

4 But we recognize we can do better. We need to do better
5 to become more effective, more efficient, and more agile. So we asked
6 ourselves, what does that mean? What are those pieces? And we
7 concluded that those pieces are projecting our work -- our workload better,
8 identifying the skills that we need to do the work that we have, the work that
9 we project, bringing those persons aboard through hiring actions, training
10 qualification, reemphasizing individual development planning, and then
11 organizing in such a way to get the work done most effectively.

12 You alluded to, how are we doing that? Well, more
13 strategically. We are trying to be coherent, clear, comprehensive, and
14 consistent in how we apply strategic workforce planning throughout the
15 agency. And that is the challenge and opportunity that the working group
16 took on, and through their benchmarking have come forward with an approach
17 that we believe can work, and through the pilot we want to confirm that it will
18 work and deliver the results that we are -- that we need.

19 As for who is involved and who is responsible, as I think
20 either Dafna or Christian mentioned, it is all of us. It is everybody from the
21 staff up through the senior leaders. It is not just OCHCO. Trust me, we had
22 a number of conversations about the burden that this approach could present
23 to OCHCO.

24 COMMISSIONER BURNS: And I would -- just to interrupt,

1 sorry. I would say it is not ultimately OCHCO's responsibility about --
2 OCHCO I think is about implementation and about facilitation. But,
3 ultimately, I don't think it's Miriam's office's responsibility to make decisions
4 about what those strategic choices are.

5 MR. McCREE: Indeed. Indeed. And, in fact, the report
6 that the working group put forward made that point crystal clear. The senior
7 leadership team is fully aligned on that fact. In fact, the approach would not
8 be successful if it were anything other than that.

9 And, again, down to an individual staff member who, as we
10 talked about individual development, it is up to that individual partnering with
11 his or her supervisor through tools and approaches that we are going to
12 develop and put in place that will make it much easier, much more transparent
13 across the agency for an individual member of the staff to see where he or
14 she -- what he or she needs to do to get from where they are to where they
15 would like to be.

16 So all of those components are part of strategic workforce
17 planning.

18 COMMISSIONER BURNS: Right. But what -- again, part
19 of that about -- I understand in terms of the individual development. But it's
20 not only where I want to be, it's where I think as an agency we need to be, and
21 what types of skills --

22 MR. McCREE: Indeed.

23 COMMISSIONER BURNS: -- there are.

24 MR. McCREE: And that's why, as Dafna went through the

1 six phases of strategic workforce planning, the first phase is senior leadership
2 establishing that strategic direction and projecting the work and identifying the
3 skills that we need to accomplish the work. So all of it integrates and fits
4 together in a coherent way, which, again, is the strategic part of this effort.

5 MR. ARAGUAS: If I could just add to that. So to just echo
6 Vic's point, it is all the components that we describe in the enhance process
7 that I think address your question. And the end goal is to arrive at a set of
8 strategies that prepare the agency for the forecast of work in the outyears.
9 And when you look at our process, it identifies a workload forecast for five
10 years out.

11 So it is those set of strategies that I think get us better
12 prepared for that work. So when you raised the example of advanced
13 reactors, as NRO is doing their workload forecast, they should be identifying
14 those reactor designs that they are having, you know, pre-application reviews
15 or drop-ins with and saying, you know, "We think these are credible; let's put
16 that into our workload forecast," and then identifying, okay, what do we think
17 are the competencies or core positions that we think will be needed in those
18 out-years to do that work.

19 It is -- looking beyond that, there are several components
20 that fall out of strategic workforce planning. Like you identified, there's
21 benefits to the staff, there is -- it feeds into budget formulation, it supports a
22 staffing plan. But, really, at the end of the day, what comes out of this process
23 is those set of strategies.

24 COMMISSIONER BURNS: Okay. Miriam, do you want to

1 add anything?

2 MS. COHEN: I agree with all of that. I think there is also
3 an agency cultural challenge we have to overcome in terms of, you know, the
4 SWP acronym has various meanings, depending on how long you have
5 worked here. And so I think we really have to take the more strategic view of
6 this, that it's not that old tool that you populated with 400 skills that you couldn't
7 make sense of, that it really is a strategic part of this.

8 The other really important piece is the education of staff and
9 managers, because the critical skills really have not changed over time.
10 What we're seeing, for example, with advanced reactor work, from work that
11 Steve Cockram and the TTC is doing with NRO is that we are seeking to
12 capture new knowledge.

13 A lot of the skills are the same that we need for the various
14 core positions that we are seeing. But how you obtain this new knowledge
15 and some enlightening information that will come forth as we do more of this
16 work in competency modeling, a lot of what is coming to the surface is, well, I
17 developed my expertise and knowledge through 15 years of doing this kind of
18 work. And so I think part of what we have to do in laying out this new process
19 is to also help educate people on what this is and what it isn't, and that is going
20 to be a little bit of a culture change.

21 COMMISSIONER BURNS: Okay. Thanks.

22 And if you -- I beg my colleagues' indulgence, I did want to
23 ask a question of Pam. You talked about the complaints in terms of the --
24 you gave some statistics on the complaint volume and all, but one of the things

1 you've talked -- described is that the complexity of the complaints has
2 increased. And I try to -- you know, without going -- you know, obviously,
3 going and delving into anything, you know, specifics on a particular complaint,
4 but I'm trying to understand what is intended by that comment.

5 MS. BAKER: What we're finding is on the bases of the
6 complaints, it may be on multiple bases, and then on -- so that expands the
7 investigation, what you are considering in looking at the fact trail, and then
8 also complaints are being amended.

9 So we might start off with a very simple complaint, say, you
10 know, a non-selection on one basis. Then something else happens or the
11 person experiences something else while we're in the investigation phase,
12 because we have 180 days to complete that investigation. So maybe an
13 appraisal is given in that time period, or something else happens and they
14 want to include harassment of a work environment.

15 So now we have to amend that, and we have to sometimes
16 alter the original investigation plan, which broadens it. When we finally do
17 get a completed investigation, and are looking at the entire fact trail, a lot of
18 time has been invested in bringing that just to a report of investigation to
19 review. So that's where the complexity is coming into play.

20 COMMISSIONER BURNS: Okay. And you're seeing
21 more -- what you're saying, you're seeing more of that.

22 MS. BAKER: We're seeing more. It's not just single basis
23 and one complaint and we just go through a very abbreviated or sort of short
24 duration. Many of our formal complaints that maybe we're in the process of

1 resolving this year carry over from 2015 to get them fully completed.

2 COMMISSIONER BURNS: Okay. All right. Thanks.

3 Thanks, Chairman.

4 CHAIRMAN SVINICKI: Well, again, I want to thank all of
5 the presenters, but also I want to acknowledge and thank the colleagues of
6 each of you who have participated in and contributed to the efforts that you
7 have presented here today.

8 I know that most of you did not. I don't think any of you
9 would claim to have done all that you've done single-handedly, so I know that
10 there's a lot of folks probably sitting here in the room today that have played a
11 very strong role in all of it.

12 And I -- as I reflect on these meetings that we have twice
13 yearly, we modify some of the topics a little bit, but these efforts and the really
14 thoughtful and systematic approach that we take to them, I think distinguished
15 the NRC in terms of maintaining our credibility that we have, and we have the
16 will and capability to continue to adapt to external changes.

17 And, moreover, the systematic kind of watchful eye that we
18 keep on these various elements of our internal performance allow us to be
19 ahead of trends that eventually require some sort of measure to address them.
20 We stay ahead of it. We look -- as we do with licensees, we look for those
21 leading indicators and, therefore, we can stay ahead of the curve. And I think
22 that that engenders tremendous external credibility for NRC.

23 I think as much as we get asked a lot of questions about our
24 budgets, as we request them and present them, I think that we enter that

1 process with a very high level of going-in credibility, that we are very aware of
2 what is happening in our organization internally, we are monitoring it, we are
3 taking correction action or measures to address internal trends where we need
4 to, and we enter those external dialogues I think with a little bit less of a need
5 to establish our credibility and then defend our budget and resourcing
6 requests.

7 So I think that's something that we should feel good about.
8 I know that what we presented today requires a lot of work to stay on top of.
9 But I think it advantages us at other times in the process when we need to
10 leverage the credibility we gain by doing such a systematic look at our own
11 operations on a very, very consistent process.

12 And, with that, I want to note just a couple of things. The
13 small business scorecard, A+ one that came in, I always thought -- I thought
14 our A's were phenomenal until we got an A+. I didn't even know that that was
15 possible. So now the tricky thing for us is that the Small Business
16 Administration keeps raising the bar for people like us, so there is no rest for
17 the weary. But I thought that that was really a tremendous accomplishment,
18 so I want to compliment all those who had a hand in achieving that tremendous
19 A+ for us.

20 Just a couple of more straightforward questions. Miriam, in
21 terms of the retirement tsunami that so many agencies have been facing, and
22 having so many retirement-eligible federal employees, the fact that the actual
23 retirement is not necessarily materializing, my sense is NRC is not unique in
24 that, that the eligibility -- the high levels of retirement eligibility exist at many

1 agencies, but many employees are electively continuing beyond their
2 retirement eligibility. Are we more exaggerated in that effect, or kind of solidly
3 in the pack with other agencies?

4 MS. COHEN: I think, generally, our attrition rate generally
5 is lower than most agencies. And I think people that come here generally
6 stay longer than their counterparts at other agencies.

7 We have done some work in terms of looking at retirement
8 eligibility and how long people stay after they are eligible, and I believe it is,
9 on average, four to six years after your retirement eligibility, and the higher up
10 you go, you know, if you're a non-supervisory 15, you know, you will probably
11 stay probably 10 years past your retirement eligibility date.

12 So I think it depends on the person. I think it depends on
13 the position. But we are unique in that we don't have as much attrition
14 generally as other agencies.

15 CHAIRMAN SVINICKI: Okay. Thank you.

16 Pam, you had telegraphed a restructuring of SBCR. You
17 also know kind of your external or broader -- the broader community beyond
18 SBCR, the EEO committees, the affinity groups, and the employee resource
19 groups. Will the role of those groups be impacted by the restructuring of
20 SBCR? And, if so, how might they have a corollary change to anything that
21 they do?

22 MS. BAKER: That's one of the things that we are exploring
23 with our conference. We are putting together a proposal on how they would
24 operate with maybe -- I'll call it less handholding than we have been maybe

1 giving.

2 CHAIRMAN SVINICKI: You could say more autonomy. It
3 sounds more positive than less handholding.

4 MS. BAKER: Greater autonomy. I'll take that. That's
5 better. But one of the things that we have seen in the trends of -- these
6 groups have evolved through the years, and they are taking greater initiative
7 on their own, they are partnering across special emphasis, so they are
8 partnering with each other, so they have a broader breadth of engagement to
9 carry out programs.

10 Their programs are -- they are not just bringing people's
11 awareness of the special emphasis group. It is going towards a mission of
12 developing our staff. It is helping staff learn about how to manage their
13 careers, how to pursue training opportunities. So when you start looking at
14 that evolution, allowing them to kind of take the ball and run with it on their
15 own, in that autonomous way.

16 I'll use an example even today that Commissioner Burns
17 was at the completion program for the one week at the NRC with the high
18 school students today. Four individuals -- and I wasn't a champion of this,
19 but my understanding is two of those individuals were members of advisory
20 committees in the past, and then they took sort of that experience and took
21 the initiative. So we're seeing innovation evolving out of those advisory
22 committees as they mature. So I would say that's partly what we are looking
23 at as a change.

24 CHAIRMAN SVINICKI: Okay. Thank you.

1 Victor, did you want to add?

2 MR. McCREE: Well, I fully agree with Pam, but I also think
3 that the role, the contribution that SBCR has played in helping to build support,
4 facilitate both the advisory committees and the affinity groups, is
5 commendable. So this change management that she is referring to is an
6 important one because they do have and do add so much value within the
7 agency's organizational culture.

8 I believe the last thing we would want is to see a diminution
9 in that as we make these changes to accommodate our budget needs. So
10 we will monitor, we will be mindful of that, and work to mitigate it if we see any
11 -- any drop-off in the support that they need.

12 CHAIRMAN SVINICKI: Okay. Thank you for that, and I
13 appreciate your thoughtful approach. I agree that there is opportunity, but
14 there is also cautions, and so I think both are true at the same time.

15 There is sometimes an evolution with groups of -- you know,
16 they are established, and then they grow, and I think they do reach that point
17 of becoming much more self-directed. So I think, you know, we -- control can
18 foster, but it can also maybe sometimes limit people feel less liberty to
19 implement their ideas. So I appreciate that you are looking for just the right
20 balance there, and I'm sure you'll find it.

21 I will close on the topic of strategic workforce planning, so -
22 - not my area of expertise, so I listened very, very carefully. It looks like you
23 began with an OPM model, but you really take and have adapted the elements
24 to this enhanced SWP process.

1 Something that I am hoping is an element but I don't hear
2 specifically addressed in this presentation is, through Project AIM, a number
3 of organizations have looked at existing processes and implemented or plan
4 to implement further process efficiencies in a somewhat continuous feedback
5 loop.

6 They will make modifications, test their effectiveness, and
7 then maybe make further modifications. The thing that I am not
8 understanding with strategic workforce planning is, you could begin with an
9 assumption that if we have a piece of licensing work, we could assign the
10 FTEs and the various competencies as we have always done, but it would
11 seem to me that to the extent that we have implemented process
12 improvements, historic resourcing levels may not be the accurate resourcing
13 levels, if we have found these new efficiencies.

14 How does that get integrated in instead of kind of resourcing
15 it as we have always done? How are we looking for the right level of current
16 resourcing? And I would note that, as the Commission approved a flat fee
17 pilot for a class of licensees, the staff informed the Commission that we need
18 to have a couple of years' worth of data-gathering in order to know exactly
19 what the resourcing is for that particular licensing work, so that we could
20 establish an accurate flat fee to have the pilot.

21 So I know that the staff struggles with this a bit, and I'm
22 wondering how the enhanced strategic workforce planning process is going to
23 capture the efficiencies we have made? I don't know who would like to begin.
24 Christian, would you like to start?

1 MR. ARAGUAS: So I -- I can start. So I think the benefit
2 of the process is it is performed annually. So I think to the extent that there
3 are lessons we are learning relative to budget, and realizing that we're doing
4 things more efficiently, we should be capturing those in our workload
5 forecasts.

6 Both in the execution year we do -- essentially, we do a two-
7 tier approach for workload forecasts. We look at what the workload forecasts
8 for are execution, plus one year, and then we go five years out. So I think
9 there would be the starting point of where you would capture those
10 efficiencies. And then, as we continue, annually you would start to see some
11 of those efficiencies as well captured going forward. So I think that would be
12 the one component.

13 The other piece is we are not limited to the annual cycle.
14 So the extent that we are seeing changes, both in process enhancements or
15 driven externally, if an applicant decides they are not going to pursue their
16 application any further, there is opportunities to course correct. So I think
17 those, again, would be another opportunity to incorporate some of those
18 changes.

19 CHAIRMAN SVINICKI: Okay. Thank you.

20 Victor, did you want to add anything?

21 MR. McCREE: The only other thing I would offer, I think it
22 is an excellent question, and I believe there will be two opportunities within the
23 framework of the strategic workforce plan to specifically include that question
24 and create direction.

1 And one is in Phase 1 when we are setting the strategic
2 direction for the year, if you would, there will be an opportunity for senior
3 leadership to engage on that.

4 Also, the last component has to do with the organizational
5 design, where we can look at a unit's -- or a work unit staffing plan and engage
6 through OCHCO to determine whether there would need to be adjustments to
7 that organization or even a larger organization.

8 So I believe -- I know the approach accommodates it. Your
9 specific question, have we included that as a specific deliverable on an annual
10 basis, that is a question that we will take back and reassess.

11 CHAIRMAN SVINICKI: Well, and I wonder if some of it is
12 baked into the assumptions. I mean, it is no different -- even if you weren't
13 doing strategic workforce planning, a first-level supervisor or someone, upon
14 receiving an incoming piece of work, has to decide what competencies do I
15 need to review this and make a determination? And then they will go ahead
16 and assign, with the eligible individuals that they have, they make those
17 assignments.

18 So maybe it's baked into the input, I don't know, but at some
19 point I think we might be questioned, how is it that these efficiencies are
20 captured? If you assign the same number of FTEs to a piece of work that
21 you have always assigned, your efficiency improvement might be lost in that
22 process, since we are principally a salaries- and benefits-driven budget. That
23 is the basis of our budget.

24 So I would just ask you to think more about that. And I

1 know that someone is making those estimates, but it is an answer -- the
2 question is, how are we making sure that we are looping that back in?

3 And Christian's point about it being done on a cycle is good.
4 But if it never enters the cycle, then it will never be reflected in the future plans.

5 So, with that, I would ask if my colleagues have additional
6 questions. If not, at this point in our meeting -- again, I thank all of the
7 presenters, but we will ask our representative of the National Treasury
8 Employees Union to please come to the microphone, invited to give remarks,
9 and that is Maria Schwartz. Thank you, Maria. Please begin.

10 MS. SCHWARTZ: Good afternoon, Chairman Svinicki,
11 Commissions, EDO McCree, NRC leadership, and managers, and my fellow
12 bargaining unit employees. My comments on behalf of NTEU this afternoon
13 will be brief.

14 Peter Drucker, the famous writer and management guru,
15 said, "Management is doing things right. Leadership is doing the right
16 things." This statement is especially relevant to the NRC now.

17 In the era where the NRC was the number one place to work
18 in the federal government, when prioritizing work was not critical because the
19 agency could move employees across business lines and keep those
20 employees in unfunded positions indefinitely, the agency managed nicely.

21 However, now the NRC, like most federal agencies, is facing
22 a rapidly changing landscape. Our NRC values and principles of good
23 regulation are being tested. While our proactive initiative, Project AIM, has
24 positioned the NRC better than many agencies, unfortunately, our employees

1 are now feeling the repercussions of many of the decisions that were made
2 during -- most recently, for example -- the implementation of the transforming
3 assets into business solutions, or TABS, initiative.

4 During that period not so very long ago, many employees
5 were moved from their duties in the technical offices to their current unfunded
6 positions in corporate support offices. There was little or no effort to provide
7 additional training and rotational opportunities, so that these specific
8 employees would be well-positioned to take on different responsibilities as the
9 agency began its right-sizing efforts under Project AIM.

10 In fact, in question and answer sessions prior to
11 implementation of TABS, affected employees were told that their move might
12 have a detrimental impact on their ability to grow their career with the NRC,
13 since they were being reassigned to positions with little growth potential.

14 Today many of these same employees are facing the very
15 real possibility of being included in a reduction in force, or RIF.

16 At various meetings that NTEU attended while TABS was
17 being implemented, NTEU commented that the employees being moved from
18 the technical offices to corporate support were disproportionately from
19 minority populations in the agency; specifically, women, women of color, and
20 older employees. This may have been in part because of the demographics
21 of the offices affected, but the agency did not appear to take this concern
22 seriously.

23 Perhaps that is because many of the affected employees
24 were either willing to be reassigned or simply didn't see any choice short of

1 leaving the agency, which is really no choice at all. Thus, with a plausible
2 explanation, this issue could be overlooked.

3 Regardless, these employees were true team players and
4 supported the agency's mission by moving to corporate support. As the
5 agency faces the very real potential for a RIF, this fact should carry as much,
6 if not more, weight in the decisions that are made to right-size the agency.

7 In NTEU's opinion, while that might not be the most efficient
8 thing to do, it would be the right thing to do. The question that NTEU implores
9 our leaders to ask themselves today is whether the decisions that you are
10 making regarding the number of FTE, including a determination that the
11 agency may need to RIF some employees in corporate support, is the right
12 thing to do, or simply the most pragmatic thing to do.

13 This question is particularly relevant to bring up in this forum
14 because a RIF may well affect a disproportionate number of employees that
15 belong to protected classes under EEO law and regulations. Our agency has
16 been making concerted efforts to ensure that our employees at all levels of
17 the organization embrace all that diversity and inclusion has to offer.

18 When last year's SES counts did not reflect this, our
19 leadership wanted to know why. Diversity and inclusion have to exist at all
20 levels of the agency. This is why our leadership needs to ask now about how
21 unfunded positions in the corporate support offices will be addressed.

22 In the event of a RIF, although Article 49.5 of the collective
23 bargaining agreement provides NTEU with the opportunity to submit ideas
24 about ways to minimize the potential EEO impact of a proposed RIF, that

1 opportunity will be available, as the old adage goes, "a day late and a dollar
2 short."

3 NTEU is concerned about the possibility that this will be the
4 case. Some of the potentially impacted employees are part of the bargaining
5 unit, and NTEU can help them to speak in a unified voice. However, many of
6 these employees are not allowed to be in the bargaining unit, and the only
7 voice they will have is their own. This should greatly concern the agency.
8 We should be better than that.

9 For years, the corporate support side of the agency has
10 pointed out they feel less engaged than their technical counterparts. Federal
11 Employee Viewpoint Survey and the Inspector General's Safety Culture and
12 Climate Survey results support this assertion, and now this reality has even
13 more troubling potential consequences.

14 NTEU has been meeting regularly with the agency in an
15 Article 49 working group to explore as many possibilities as we can to avoid a
16 RIF. But the agency must be willing to think outside the box, making every
17 conceivable opportunity viable and available.

18 NTEU wants to be clear: we are aware that the NRC has
19 a budget and must determine the most appropriate and effective way to use
20 those resources. And NTEU recognizes that the agency is losing work and,
21 therefore, will not backfill unfunded positions.

22 NTEU applauds the voluntary steps that our leadership has
23 taken thus far to align FTE and workload. In fact, NTEU would say that for
24 the most part the agency is almost there FTE-wise. This also begs the

1 question of whether the agency has now reached the point of diminishing
2 returns. This makes the potential RIF currently under discussion even more
3 troubling.

4 The proposed federal budget for 2018 suggests additional
5 reductions, and in April OMB issued a memorandum requiring agencies to
6 develop plans to reduce their workforces. Because the NRC has done this
7 already in a fairly robust way through Project AIM, and will make that assertion
8 in its response to OMB, the agency should put a halt on any further
9 discussions of a RIF; instead, making the decision now to find alternative ways
10 to use the many talents of the employees that would be subject to the RIF until
11 attrition or additional buyout/early-outs reduce agency FTE further.

12 The agency is experiencing extreme times. The agency
13 must consider extreme measures, such as job-sharing, to voluntarily reduce
14 numbers while attrition gets the agency where it needs to be. Phased
15 retirement is another option that doesn't seem to be getting the attention it
16 deserves.

17 Training is an important feature. Do we have employees in
18 funded position in the technical areas that can move into other funded
19 positions in those technical areas, making way for employees in corporate
20 support with the appropriate skills to move into the vacated positions?

21 At this time, agency management may be doing things right
22 to quickly get to the right number of employees with the right skills in the right
23 positions, but NTEU asks our leadership to be accountable and consider the
24 decisions that could have been made earlier that would have avoided the

1 possibility of a RIF, rather than just considering those decisions as water under
2 the bridge.

3 NTEU asks our leadership, particularly at a time when the
4 agency action plan developed in response to last year's Federal Employees
5 Viewpoint and Safety Culture and Climate Survey results, has tasked staff with
6 developing actionable items to strengthen our employees' willingness to trust our
7 leaders to be accountable for future as well as past decisions. Accountability
8 is such a large part of any efforts to really strengthen trust.

9 This is exactly the time to not only do things right, but that
10 you, as our leaders, as you walk the talk of our NRC values, do the right thing.

11 Thank you.

12 CHAIRMAN SVINICKI: Thank you, Maria.

13 With that, our meeting is adjourned.

14 (Whereupon, the above-entitled matter went off the record
15 at 3:31 p.m.)