STRENGTHENING THE U.S. NUCLEAR REGULATORY COMMISSION WORKFORCE IMPLEMENTATION PLAN AND REPORT

A Report for the
U.S. Senate Committee on Environment and Public Works, the
U.S. House of Representatives Committee on Energy and Commerce, and the
U.S. Office of Personnel Management

U.S. Nuclear Regulatory Commission

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INTRODUCTION

The U.S. Nuclear Regulatory Commission (NRC) developed this report as required by Section 502 of the Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act of 2024 (ADVANCE Act). Specifically, Section 502 of the ADVANCE Act amends the Atomic Energy Act of 1954 to include a new Section 161B, "Commission Workforce," which provides additional hiring and compensation authorities to the NRC and requires the NRC to submit to the appropriate committees of Congress and the Office of Personnel Management (OPM) a report on the details of its plan for implementing this new authority. The report is required to include (1) "evidence and supporting documentation justifying the plan" and (2) "budgeting projections on costs and benefits resulting from the plan."

Section 161B directly addresses the agency's need to attract and retain top talent in a rapidly changing nuclear energy landscape. Effective performance of the NRC's important safety and security mission hinges on having a highly qualified workforce that can navigate complex regulatory challenges, assess emerging technologies, and respond to an evolving nuclear industry. In light of advancements in nuclear technologies, the growing interest in carbon-neutral energy sources, and heightened public interest, the NRC needs the human capital capacity to adapt and remain at the forefront as a modern, risk-informed regulator.

Using the full authority provided to the NRC to compete more effectively for expertise in a competitive job market, particularly in specialized fields, the NRC can implement streamlined hiring practices, offer competitive salaries, and maximize the capabilities of and appropriately compensate internal talent. These tools will enable the NRC to recruit and retain the specialized workforce needed to achieve the agency's mission. Over the past two fiscal years (FYs), the NRC has onboarded a net increase of approximately 150 external hires compared to losses from attrition. Since FY 2020, the NRC has leveraged existing authorities to address a surge in workforce needs. The NRC has implemented approximately 60 recruitment and relocation incentives, along with 80 retention incentives, student loan repayments, and pension offset waivers. The new authorities in the ADVANCE Act provide additional ways for the NRC to address workforce gaps more efficiently where critical needs emerge and reinforce the agency's commitment to maintaining performance excellence and operational readiness in a changing landscape.

BACKGROUND

Section 161B, as added to the Atomic Energy Act of 1954 by the ADVANCE Act, provides the NRC with three key types of additional authorities designed to enhance its workforce capabilities. These authorities—focused on recruitment, compensation flexibility, and bonuses for hiring and performance—will help the NRC to recruit and retain staff in areas requiring specialized technical expertise.

The provisions in Section 161B can be divided into three core areas:

1. Recruitment and Direct Hire Authority, Section 161Ba.
2. Compensation Flexibility, Section 161Bb.
3. Bonuses for Hiring and Performance, Section 161Bc.

Consistent with these authorities, the NRC may appoint and compensate at a higher level, individuals in covered positions. As defined in Section 161Bg., a covered position means:

> *(1) a position in which an employee or other personnel is responsible for conducting work of a highly-specialized scientific, technical, engineering, mathematical, or otherwise skilled nature to address a critical licensing or regulatory oversight need for the Commission; or*
>
> *(2) a position that the Executive Director for Operations [(EDO)] of the Commission determines is necessary to fulfill the responsibilities of the Commission in a timely, efficient, and effective manner.*

IMPLEMENTATION PLAN

The NRC plans to leverage the ADVANCE Act's direct-hire authority provided in Section 161Ba. to address two key staffing scenarios. First, the NRC will employ the direct-hire authority to recruit exceptionally well-qualified individuals who possess unique expertise aligned with highly specialized agency needs. The use of this authority will help fill critical positions with the most capable candidates. Second, the NRC may use the direct-hire authority to address critical staffing gaps, identified through its Strategic Workforce Planning process and emergent agency needs, that have proven challenging to fill using the hiring authorities that existed prior to the ADVANCE Act. The NRC also plans to use the authorities provided by the ADVANCE Act, as well as other existing authorities, to attract and retain critical employees to perform streamlined licensing reviews, providing predictable and timely outcomes.

The process set forth in the implementation plan leverages existing human capital frameworks to take advantage of the authorities provided by the ADVANCE Act. These authorities will be used to designate covered positions; determine the most effective staffing methods; establish an equitable pay structure when implementing the higher pay authorized under the ADVANCE Act; and provide timely and effective bonuses and awards to recruit new staff and recognize exceptional performance.

Process for Designating Covered Positions and Use of Direct-Hire Authority

The NRC's process for designating positions as "covered" is flexible and allows for a range of scenarios that may include a designation as narrow as a single position or as broad as an entire job series. The process for designating covered positions will first examine the nature of the position and its role in fulfilling critical licensing or regulatory oversight functions, or other necessary responsibilities. The process will further leverage and is generally consistent with OPM's data-driven and evidence-based criteria established under 5 C.F.R. § 337.204 and § 337.205 for severe shortage of candidates and critical hiring needs, respectively. These criteria are typically used when an agency seeks to fill positions using direct-hire authority. This data and evidence will support informed decisions regarding designating positions as covered and the appropriate use of direct-hire authority.

The NRC's existing Federal Employee Pay Comparability Act (FEPCA) Panel will be used to assess agency requests for designation of covered positions. NRC senior management at the office director or regional administrator level will recommend designation of a covered position to the Chief Human Capital Officer (CHCO). The CHCO will perform an initial review of the request and provide available workforce data to support the request. The FEPCA Panel, after due deliberation, will provide a written recommendation to the EDO for offices reporting to the

EDO or to the NRC Chair for offices reporting to the Commission or the Chair. The FEPCA Panel will not recommend approval of a request that lacks data-driven and evidence-based support. The written recommendation will support the approval or disapproval of the covered position designation. The EDO or the Chair will make the final determination on whether to designate a position as a covered position. Determinations may not be applied retroactively.

Once a position is designated as a covered position, the NRC will determine the most effective hiring process to fill the position(s).[1] The NRC will use all available hiring methods to fill staffing requirements. As such, the NRC may use any of the following authorities when filling a "covered position."

a. External ADVANCE Act direct-hire appointment (permanent or term).[2]

b. External hiring action (i.e., OPM direct-hire authority or traditional hiring action).

c. Internal posting (i.e., merit staffing and other internal staffing methods).

d. Designation of existing position(s) with a current occupant as a "covered position."

IMPLEMENTATION METHODOLOGY

The NRC plans to implement the process for covered positions and direct-hire authority using a methodology designed to strategically address critical workforce needs and recognize exceptional performance. The additional authorities in the ADVANCE Act will be particularly helpful in enabling the agency to recruit into highly specialized areas beyond existing staff expertise. The NRC will also use the new authorities to retain existing employees who provide knowledge and experience for critical licensing and regulatory oversight roles, and other regulatory activities. Specifically, the NRC will use direct-hire authority, pay flexibility, merit-based staffing, and term appointments, as outlined below.

a. Direct-Hire Authority for Exceptionally Well-Qualified External Candidates in Covered Positions

Targeted Outreach to Qualified Professionals: With direct-hire authority, the NRC can target external professionals who are exceptionally well-qualified for covered positions. This outreach includes industry engagement, partnerships with educational institutions, and networking to attract high-caliber talent. The NRC plans to identify covered positions that require highly specialized expertise or are necessary for timely, efficient, and effective agency performance—for example, the timely completion of novel or first-of-a-kind regulatory issues. Direct-hire authority enables the NRC to expedite hiring for these positions.

The NRC anticipates two primary situations where the direct-hire authority will be most useful: placement of exceptionally well-qualified individual(s) to fit a unique agency need,

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[1] Only those positions hired via the direct-hire authority pursuant to Section 161Ba. are eligible for the hiring bonus provided under Section 161Bc.(1). Those hired under other authorities, however, may be eligible for recruitment bonuses under separate authorities.

[2] As set forth in Section 161Ba.(2)(A), the NRC is limited to 210 individuals appointed to permanent covered positions pursuant to Section 161Ba.(1)(A) at any one time and 20 individuals appointed to term-limited covered positions pursuant to Section 161Ba.(1)(B) per fiscal year.

and to fill critical skills that the NRC has had difficulty filling using the hiring authorities that existed prior to the ADVANCE Act. The targeted use of this direct-hire authority will be informed by the NRC's Strategic Workforce Planning process to project and fulfill future workforce needs and to maintain the development and health of key agency programs.

b. Direct-Hire Authority for Term-Limited Appointments to Support a Short-Term Need

Targeted Identification of Short-Term, High-Impact Needs: Through strategic workforce planning, the NRC can target positions critical to short-term projects or operational needs for designation as a covered position. These roles will be term-based, which allows focused resource allocation without long-term commitment.

Section 161Ba.(2)(A)(ii) permits the NRC to hire up to 20 exceptionally well-qualified individuals per fiscal year into term-limited covered positions. The NRC plans to use term appointments to address short-term emergent needs. Term appointments may be particularly useful to leverage expertise from individuals who ultimately seek to return to their current careers, e.g., academia.

c. Pay Adjustments for Current Employees to Improve Retention

Position and Proficiency Identification: Where new and existing recruitment authorities are not enough to meet the NRC's needs, the NRC will identify critical positions essential to agency priorities to increase retention. Such positions may include roles currently occupied by high-performing employees. This process will allow the NRC to take steps to align employees' specialized skills and experience with critical agency objectives.

For example, pay adjustments, as well as performance bonuses discussed below, may be used to retain employees that are critical to a specific project or other mission need. The pay adjustments would incentivize employees with critical skills vital to a project to remain at the agency to work on that project rather than taking other positions within the agency or leaving the agency entirely. In this case, the employee would be detailed into a covered position for the duration of the project.

d. Merit-Based Staffing for a Competitive Process for Internal and External Candidates

Competitive Process: As part of its overall staffing strategy, the NRC will continue to use merit-based staffing as part of a comprehensive approach to hire the best-qualified candidates, whether internal or external. This methodology bolsters fairness and promotes confidence in hiring decisions and can be an especially useful tool in retaining and moving well-qualified current employees into covered positions.

IDENTIFICATION OF POTENTIAL COVERED POSITIONS

The NRC will collect and analyze hiring data, supplemental qualitative data, labor market data, and comparative compensation data to identify difficult-to-hire and mission-critical positions using a structured data-driven approach as outlined below. The following data will be collected and analyzed as appropriate for making informed recommendations for covered positions and to support strategic workforce planning.

a. **Hiring Data:** Data that includes the number of vacancy announcements, number of applicants per vacancy, offer acceptance rates, declinations, turnover rates, and candidate

qualifications versus job requirements.

b. **Supplemental Qualitative Data:** Additional information, such as feedback from hiring managers, reasons for offer rejections, and exit interview data for turnover analysis.

c. **Labor Market Data:** External labor market data to understand market demand for specific skills, average salary expectations, and workforce availability.

d. **Comparative Compensation Data:** Salary and benefits packages offered by competitors in the same geographic area and industry, including private industry and government agencies, to the extent available. Positions that are under-compensated relative to the market might be harder to fill.

e. **Talent Pool Data:** Labor market data to understand the supply of qualified candidates for specific positions. National or regional labor shortages in particular fields, such as technical specialties, data science, or cybersecurity, might affect hiring difficulties.

Criteria for NRC Covered Positions

To use the new direct-hiring authority, the NRC will propose positions that meet the criteria for potential designation as covered positions based on supporting data and evidence. The NRC has developed a procedure that provides the criteria and guidance for assessing whether a position can be designated as a covered position, for identifying the duration of the appointment, and for determining the appropriate hiring authority to use to fill the position, which includes the potential use of direct-hire authority. The NRC procedure describes the data and evidence necessary to support the recommendation and make an informed decision. The NRC will use supporting data and evidence that is generally consistent with OPM's requirements for requesting direct-hire authority under a severe shortage of candidates.[3] The NRC procedure directs requests for covered position designations to be accompanied by general information regarding the requested position, including the number of positions, job series, and other supporting information, such as results from strategic workforce planning, employment trends, financial impacts, and availability and quality of candidates.

EMPLOYEE COMPENSATION

The second set of provisions provided by the ADVANCE Act, specifically Section 161Bb., allows the NRC to determine compensation for employees or personnel serving in designated covered positions without being bound by any provision in Title 5 of the United States Code governing General Schedule classification and pay rates. This authority, akin to the provisions in Section 161Ba., comes with specific limitations to ensure fair compensation practices.

Key Limitations of Authority

Compensation Ceiling: The NRC may not establish compensation at an annual basic pay rate exceeding that of Level III of the Executive Schedule, i.e., $204,000 in 2024, typically adjusted annually.

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[3] OPM requirements for requesting direct-hire authority under 5 C.F.R. Part 337 Subpart B: https://www.ecfr.gov/current/title-5/chapter-I/subchapter-B/part-337/subpart-B

Qualification-Based Compensation: The compensation must be appropriate and commensurate with the individual's experience and qualifications.

Exclusion for Senior Executive Service (SES) Positions: Section 161Bb.(3)(B) explicitly excludes positions within the SES from being eligible for the Section 161Bb. authority.

Inclusivity of Authority

There are no restrictions on the number of individuals or positions to which the Section 161Bb. authority can be applied. The authority can be applied to employees or other personnel serving in covered positions regardless of when they were hired, allowing for ongoing adjustments to compensation based on specific agency needs and staff expertise and experience.

The NRC plans to implement a separate pay scale for covered positions, which will allow for higher base pay at all grades. This new pay scale would be used for covered positions regardless of which authority is used to fill the position.[4] However, positions designated as covered positions pursuant to Section 161Ba. are not automatically designated as covered positions for purposes of Section 161Bb. unless this designation is specifically requested and is adequately supported. For new employees hired into covered positions, regardless of the hiring process used, the NRC will set the initial pay grade and step based on the agency's standard pay-setting process. The factors to be considered include the employee's experience, qualifications (e.g., based on the level, type, or quality of the candidate's skills or competencies), and achievements; reference checks; and available data regarding pay for comparable positions in the civilian workforce. This structured approach offers the NRC additional flexibility in managing compensation for specific roles, thus attracting and retaining qualified personnel while adhering to overall compensation integrity.

ADDITIONAL COMPENSATION AUTHORITY (BONUSES)

The third set of provisions provided by the ADVANCE Act, specified in Section 161Bc., grants the NRC the authority to issue payments for one-time hiring bonuses and performance bonuses.

One-Time Hiring Bonus

The NRC is authorized to pay a one-time hiring bonus of up to $25,000 to an individual appointed under Section 161Ba. The NRC will pay these hiring bonuses as a percentage of pay as specifically approved through the process for requesting the designation of a covered position. Those receiving a hiring bonus will be required to sign a two-year service agreement to remain in a covered position. This is consistent with other NRC incentives where a service agreement is tied to the incentive, ensuring that the bonus is repaid if the individual does not fulfill the service requirement.

ADVANCE Act Exceptional Performance Bonus

The NRC may grant an employee a performance bonus for exhibiting exceptional performance in a fiscal year. An ADVANCE Act Exceptional Performance Bonus may be granted in addition to any performance award granted for high-caliber work performed over the annual rating

[4] Due to "pay compression" in certain localities, including the DC metropolitan area, estimates for GG-15 staff serving in covered positions in 2024 will reach the EX-III level at GG-15, Step 5.

period. This bonus is applicable to non-SES positions and is not limited to covered positions or individuals appointed under Section 161Ba. The amount for this performance bonus may not exceed $25,000 or the maximum allowable amount under 5 U.S.C. § 5307(a)(1), whichever is less. The NRC plans to use this bonus authority subject to availability of funds. The NRC will leverage existing processes to evaluate award nominees consistent with the criteria set forth in Section 161Bc.(2).

CONSULTATION

Consistent with Section 161Bd.(3), the NRC consulted with OPM, the Government Accountability Office, and the Office of Management and Budget to gather insights on workforce management, policy development, and strategic human capital initiatives; discussed past audit reports, evaluations, and analyses relevant to the implementation of similar legislative provisions; and took into account budgetary considerations. In accordance with 5 U.S.C. Chapter 71, the NRC will engage with the National Treasury Employees Union (NTEU) prior to implementation of this plan.

BUDGETING PROJECTIONS ON COSTS AND BENEFITS RESULTING FROM THE PLAN

The NRC projects a cumulative total net increased cost that ranges between $2.3M to $5.5M for FY 2025 through FY 2027. The NRC used the FY 2026 planning assumptions for FY 2027 projections. This projection includes new hires and current employees associated with the direct-hire authority provided in Section 161Ba., special compensation authority provided in Section 161Bb., one-time hiring bonuses for new hires associated with the direct-hiring authority, and performance bonuses provided in Section 161Bc. Due to “pay compression” in certain localities, including the District of Columbia metropolitan area, the projections are based on staff serving in covered positions reaching Level III of the Executive Schedule (salary of $204,000 in FY 2024 and used as the basis for FY 2025), with a 2.1 percent cost of living increase for FY 2026 and FY 2027. Table 1 provides assumptions used to estimate the cost projections with respect to the number of employees in covered positions, one-time hiring bonuses, and performance bonuses. Additionally, total new and current employee projections include a 37 percent average agency cost directly related to employee benefits, e.g., retirement, health care, and life insurance.

Table 1. FY 2025 – FY 2027 Assumptions for Cost Projections

Authority	FY 2025*	FY 2026*	FY 2027*	Cumulative Total
Direct-Hire Authority § 161Ba. (Permanent and Term Employees)	3-7	7-14	7-14	17-35
Hiring Bonuses § 161Bc. ($25K each)	3-7	7-14	7-14	17-35
Performance Bonuses §161Bc. ($25K each)	5-15	10-25	10-25	25-65
10% Compensation Adjustment § 161Bb. (Current Employees)	0	2-7	2-7	4-14

* FY implementation is estimated and may be affected by circumstances, including the NRC budget, NTEU engagement, and training.

The authority in Section 161B is expected to be used to support mission-critical areas such

as licensing review activities for new light-water reactors (LWRs) and non-LWRs (advanced reactors), construction permit application reviews for non-power production or utilization facilities, subsequent license renewal application reviews, and continued development of a regulatory infrastructure for advanced nuclear reactor technologies.

CONCLUSION

The NRC's implementation plan leverages the hiring and compensation flexibilities afforded by the ADVANCE Act while continuing to support the entire NRC workforce, whose work is vitally important to the agency's timely, efficient, and effective achievement of its important safety and security mission.