

POLICY ISSUE (Information)

September 27, 2007

SECY-07-0173

FOR: The Commissioners

FROM: Luis A. Reyes
Executive Director for Operations /RA/

SUBJECT: FUTURE MANAGEMENT OF THE GRADUATE FELLOWSHIP
PROGRAM

PURPOSE:

This purpose of this paper is to inform the Commission of the staff's conclusions regarding future management of the Graduate Fellowship Program.

DISCUSSION:

In July 2006, the staff forwarded a memorandum to the Chairman that proposed acquiring the Oak Ridge Institute for Science and Education's (ORISE's) services for administrative support of the Nuclear Regulatory Commission (NRC) Graduate Fellowship Program (GFP). The Chairman's response directed the staff to investigate alternatives to ORISE that provide for a viable small GFP program taking into account the authority received under the Energy Policy Act of 2005 (EPAcT) and to inform the Commission of the staff's conclusion.

The GFP originally served two key purposes, providing a direct recruitment pathway and preventing critical competency gaps. The authority provided to the NRC by the EPAcT to create a scholarships and fellowships for service program provides a viable method for external recruitment, making that aspect of the GFP redundant. As a result of addressing recruitment through the EPAcT Scholarship and Fellowship Program, the staff is now focusing on using the GFP solely as a method of addressing the agency's critical skill needs.

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Absent the need for announcing and offering the program to external candidates, the staff has reevaluated the costs of managing the GFP and determined that internal management is both feasible and desirable. ORISE will continue to manage the program only for the two current fellows who will complete their studies before September 2008.

Many of the GFP's attributes remain essentially unchanged. The most significant changes are:

- Fellows will remain in a full-time pay status and perform their graduate studies as work assignments instead of being converted to leave-without-pay status and being paid a stipend.
- Instead of ORISE paying the fellows' tuition and fees, NRC will pay them directly using the agency's existing process for funding tuition, books, and fees.
- The full-time GFP is limited to fellows pursuing research-intensive graduate study in areas of agency critical skill needs.
- Budgeted resources remaining after providing support for the four full-time fellows will be used to support a limited number of part-time fellows selected through a competitive process. Part-time fellows will attend classes locally at their duty stations and on their own time although their management may allow them some duty time to travel to or attend classes.
- The Office of Nuclear Regulatory Research (RES) will announce the program by posting position vacancies and fully utilizing full-time fellows' full-time equivalent (FTE) instead of only carrying them in a leave-without-pay status.

Enclosure 1 provides a point-by-point comparison of the changes between the old (pre-fiscal year [FY] 2008) and new Graduate Fellowship Programs.

RESOURCES:

The Office of Human Resources (HR) budget provides \$500K for the Graduate Fellowship Program in FY 2008 and \$500K in their FY 2009 budget, which is still being considered in the FY 2009 budget request. One FTE in FY 2008 and 2 FTE in FY 2009 will support full-time fellows, which are already in the RES FY 2008 budget and in their proposed FY 2009 budget. One or two other offices may elect to sponsor graduate fellows and may provide an additional 2 FTE in FY 2009 of their proposed within-budget resources to support full-time fellows. The portion of budgeted funds previously used to provide full-time fellows' stipends would not be used to support tuition and fees for part-time fellows (the currently existing program had no provision for part-time fellows). The required FTE for the internal management of the Graduate Fellowship Program are being provided within currently budgeted FTE in HR.

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COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objections. The Office of the Chief Financial Officer has reviewed this paper for resource implications and concurs.

/RA/

Luis A. Reyes
Executive Director
for Operations

Enclosure:
Comparison of the Old (Pre- FY 2008) and
New Graduate Fellowship Programs

Comparison of the Old (Pre-FY 2008) and New Graduate Fellowship Programs

Old Graduate Fellowship Program	New Graduate Fellowship Program	Rationale for Program Changes
<p>The Oak Ridge Institute for Science and Education (ORISE) administers the NRC Graduate Fellowship Program (GFP) under an interagency agreement with the Office of Human Resources (HR).</p>	<p>The program is no longer open to external candidates and is focused internally to address the agency's critical skill needs. Opportunities will be posted as fellowship positions in the Office of Nuclear Regulatory Research.</p>	<p>The new Scholarships and Fellowships for Service Program authorized by the Environmental Policy Act of 2005 provides more robust recruitment—NRC may offer more than 40 scholarships and fellowships in FY 2007.</p>
<p>ORISE announces the Graduate Fellowship Program nationally open to both internal and external candidates</p>	<p>NRC administers the GFP internally. Fellows submit Form SF 182 (replacing NRC Form 368) to HR and NRC directly pays the university for expenses such as tuition and fees from HR's budgeted funds.</p>	<p>By administering the GFP internally, NRC is able to forego the overhead costs associated with having the program administered by a Department of Energy laboratory or other outside entity.</p>
<p>ORISE makes direct payments to the university for direct educational expenses including tuition and fees.</p>	<p>Fellows submit Form SF 182 (replaces NRC Form 368) and NRC directly pays the university for direct educational expenses including tuition and fees.</p>	<p>Retaining employees in full-time pay status eliminates the need to either contract for a third-party program administrator or to establish a new NRC system to administer the stipends.</p>
<p>ORISE acts as an intermediary with the universities to monitor the fellows' academic progress.</p>	<p>HR requires fellows to provide grade reports as evidence of satisfactory academic progress prior to receiving funding for subsequent academic semesters or quarters.</p>	<p>By administering the GFP internally, NRC is able to forego most of the costs associated with having the program administered by a Department of Energy laboratory or other outside entity.</p>

Enclosure

Comparison of the Old (Pre-FY 2008) and New Graduate Fellowship Programs

Old Graduate Fellowship Program	New Graduate Fellowship Program	Rationale for Program Changes
Fellows must complete at least 1 year of work experience at NRC prior to beginning their fellowship studies.	Fellows must complete at least 2 years of work experience at NRC or 1 year of work experience and be at the full performance level prior to beginning their fellowship studies.	Selecting employees with proven track records allows NRC to have a clearer understanding of the individual's professional goals, competencies, interest in an NRC career.
Fellows must sign a continued service agreement before beginning graduate studies. The agreement commits fellows to 2 months of NRC employment for each month of subsidized education.	Fellows must sign a continued service agreement before beginning graduate studies. The agreement commits full-time fellows 3 months of NRC employment for each month of subsidized education.	The change enhances fellows' commitment to continued service with the NRC.
Fellows are placed in a leave-without-pay (LWOP) status and receive a stipend equal to 90 percent of their salary including locality pay for their duty station when selected.	Fellows remain in full-employment and full-time pay status during their fellowship and receive their salary including locality pay where they attend graduate study.	Retaining employees in full-time pay status eliminates the need to either contract for a third-party program administrator or to establish a new NRC system to administer the stipends.
Fellows are not required to complete biweekly time and labor reports while in a leave-without-pay status.	Full-time fellows report time spent in classroom, laboratory, research, and study sessions as regular hours in training up to 80 hours per pay period. Fellows are not allowed to earn premium time for any time spent in a training status.	Fellows must comply with the agency's time and labor reporting requirements in order to be paid at their full salary. Regulations only permit employees to earn premium time while in a training status under special circumstances.

Comparison of the Old (Pre-FY 2008) and New Graduate Fellowship Programs

Old Graduate Fellowship Program	New Graduate Fellowship Program	Rationale for Program Changes
<p>Fellows do not need to work during brief school breaks of less than 30 days. For periods of 30 days or more away from full-time enrollment in academic programs, the stipend is discontinued. The fellow may return to work at the NRC to receive a salary or may stay in LWOP status.</p>	<p>Full-time fellows engage in training activities such as research or study for the entire calendar year. They may use accumulated leave during brief school breaks.</p>	<p>Fellows must comply with the agency's time and labor reporting requirements.</p>
<p>Fellows continue to earn leave credit only during the first 80 hours of their leave-without-pay status.</p>	<p>Fellows accrue leave credits during the entire term of their fellowship.</p>	<p>This is a conforming change resulting from fellows continuing in a full-time pay status.</p>
<p>Fellows do not receive automatic career-ladder promotions or within-grade increases during their fellowship.</p>	<p>Fellows who continue to make satisfactory academic progress are eligible for automatic career-ladder promotions or within-grade increases during their fellowship.</p>	<p>This is consistent with the approach that academic study is the fellows' work assignment.</p>
<p>Fellows do not pay into the retirement system while on LWOP. However, they do receive credit toward length of service for LWOP up to a maximum of 6 months in 1 calendar year.</p>	<p>Fellows pay into the retirement system as regular employees and receive credit toward length of service during their entire fellowship.</p>	<p>This is a conforming change resulting from fellows continuing in a full-time pay status.</p>

Comparison of the Old (Pre-FY 2008) and New Graduate Fellowship Programs

Old Graduate Fellowship Program	New Graduate Fellowship Program	Rationale for Program Changes
<p>Fellows' health insurance enrollment terminates when the total time on LWOP reaches the 365-day limit, unless fellows return to work for at least 4 consecutive months. If fellows elect health insurance coverage through the university the cost is included with programmatic expenses paid by NRC.</p>	<p>Fellows' health insurance benefits continue during the term of their fellowship.</p>	<p>This is a conforming change resulting from fellows continuing in a full-time pay status.</p>
<p>Federal Employees Group Life Insurance basic and optional insurance continues without cost to fellows for up to 12 months. If fellows receive some pay in each pay period for at least 4 consecutive months after a period of non-pay status, they are entitled to begin new 12-month periods of continuation of enrollment.</p>	<p>Fellows' group life insurance benefits continue during the term of their fellowship.</p>	<p>This is a conforming change resulting from fellows continuing in a full-time pay status.</p>
<p>The current GFP does not offer opportunities for part-time study.</p>	<p>In addition to full-time fellows, NRC will allow a limited number of competitively selected part-time fellows to earn degrees through part-time (evening) graduate study.</p>	<p>This is a new provision. Many top-performers could acquire critical skills and knowledge through graduate study but cannot or will not put their careers on hold for 2 to 3 years.</p>