

# **Worker and Community Transition**

## **Program Mission**

The Office of Worker and Community Transition was formed in September 1994 to mitigate the impacts on workers and communities caused by changing Department of Energy (DOE) missions, consistent with Section 3161 of the Defense Authorization Act of 1993. The Department will continue to experience restructuring of its contractor work force in Fiscal Year 2002 and beyond, both in the number of employees and in the functions of employees in the contractor work force. These adjustments will be driven by changes in the management of the strategic stockpile, shifts in skill mix requirements, and closure of facilities. It is difficult to predict at this point in the budget cycle what the specific funding needs will be during FY 2002. The program is counter-cyclic, i.e., if the Defense or Environmental Management programs experience significant adjustments during FY 2001 or FY 2002, the needs for Worker and Community Transition funding would increase. The estimates at this time, therefore, are subject to change dependent upon other program funding.

The Office of Worker and Community Transition has been and will continue to be a major management tool for streamlining the Department of Energy yet maintaining effectiveness during a major downsizing activity and changes in the make-up of the contractor work force that began in FY 1993. In some cases, the missions for facilities have ended and the facilities will be closed. In such cases, the Office is focusing on developing early closure strategies to ensure retention of skills until cleanup milestones are achieved and then to assist in the transition of workers into other careers outside of the Department of Energy. Work force management is a key factor in achieving early closure targets which have the potential for saving the Department billions of dollars in funding.

Since FY 1993, the Office has developed the expertise to oversee work force planning for the Department, assist in developing benefits packages for displaced workers, oversee labor relations efforts, lessen the impact of downsizing on affected workers and communities by fostering alternative employment opportunities, and integrate asset disposition, where possible, into community transition efforts. Through the actions of this Office, significant cost savings have been realized, far exceeding the amount spent on the entire program. By helping the sites expeditiously separate workers, large quantities of payroll costs have been saved. By transferring property to local authorities as part of the community transition program, the Department has been able to save millions of dollars in operating costs and projects currently planned will produce more savings.

An independent evaluation of the program mandated by the National Defense Authorization Act for Fiscal Year 1993 and completed September 30, 1998, analyzed the Office of Worker and Community Transition's success in promoting the orderly transition at the Department's facilities. That evaluation indicated that the benefits provided by the Department of Energy are similar to those provided at Department of Defense (DOD) facilities undergoing transition and the average costs are lower than either DOD's or the costs experienced by a sample of major private employers. The evaluation also found that the community transition assistance was a major factor in mitigating worker and economic disruptions in the affected communities and that, although the ratio of uncosted but obligated funds is moderately high, it is consistent with the outyear commitments of other economic diversification initiatives.

The General Accounting Office also surveyed 25 major companies to determine work force reductions and downsizing strategies. The survey found that at least 18 out of 25 companies (72 percent) provide incentives to employees to voluntarily separate. The survey also found that most firms used hiring freezes and internal transfers before offering voluntary separation programs. A survey conducted by Actuarial Services Associates, Inc. found that it is common for companies to offer early retirement or voluntary programs before layoffs. A survey conducted by Lee Hecht Harrison, Inc. of more than 3,000 human resources managers found that most firms provide outplacement, tuition, and other assistance to separated workers. The survey also found that 75 percent of firms that provided severance benefits provided one week per year of service. Extended medical benefits during the severance period were offered by 65 percent of the respondents.

The independent study further concluded that commercial responses to work force restructuring are thus similar to the Department of Energy's methods. DOE work force restructuring plans frequently utilize internal transfers followed by voluntary programs before layoffs are used to separate workers. Outplacement and training is available for most separated workers. For most restructuring plans, severance benefits are calculated using the formula of one week per year of service. Finally, DOE provides medical benefits for most separated workers who are not covered by other medical benefits plans.

The Department, however, is motivated by more than the desire to emulate the best business practices of the private sector. Regardless of the employer — whether it is public or private — major decreases in regional work force have negative economic and social effects. The economic effects include the obvious lost individual income and decrease in tax revenue. Major decreases in the DOE-related work force also have secondary impacts. As disposable income of affected workers decreases within the community, there are corresponding decreases in revenue for businesses that supported the affected workers. Social effects have been observed for individual workers — including those who remain as well as those who leave — and the community in which they live. Increases in social problems, e.g., substance abuse, spousal abuse and suicide, have been shown to increase in communities where large numbers of job layoffs are occurring.

While private companies may use work force change strategies similar to those of the Department, those measures may only partially mitigate the impacts mentioned above, especially if replacement jobs are not available. A private companies may reduce its work force with minimal cost for separation benefits and other Federal, state, and local units of government must bear the responsibility for the remaining economic and social costs if replacement jobs are not available, although the employer must endure the loss of productivity caused by workers' uncertainty about the future. The Federal government, as simultaneously the employer, provider of many social services, and recipient of tax revenue, has a comprehensive interest in decreasing the cumulative economic and social impacts caused by significant changes in its funded work force. Community transition assistance helps attract or retain job opportunities which can: (1) decrease the loss of individual income, tax revenue, and secondary job losses; (2) decrease the social problems and the corresponding cost of social services (borne by other Federal agencies and state and local units of government) caused by DOE work force restructuring, and; (3) help to develop alternative employment which would contribute to maintaining productivity in remaining workers by providing confidence that other employment opportunities will be available in the event of further downsizing.

The Worker and Community Transition budget provides funding for activities associated with enhanced benefits beyond those required by contract, existing company policy or collective bargaining agreements at defense nuclear facilities, and is part of the overall Department's Other Defense Activities budget request. In addition, Congress has identified this appropriation as the only authorized source of funding for local impact assistance to communities affected by work force reductions at defense nuclear facilities.

The Office of Worker and Community Transition coordinates policy direction and implementation for field operations involving work force planning, restructuring, labor standards and relations, community transition activities, and asset management across the Department. This program also provides for the personal and contractual services for all federal management, and administrative personnel to carry out the Worker and Community Transition mission including related costs such as space, materials, utility, supplies, communication and building maintenance at DOE Headquarters.

During Fiscal Year 1997, the functions of the Office of Materials-Asset Management were transferred from the Office of Policy and International Affairs to the Office of Worker and Community Transition. This was done to integrate asset management programs with community transition and work force restructuring efforts, particularly with the initiation of specific pilot project proposals authorized by Congress. The responsibility of coordinating the Strategic and Critical Materials requirement for the Department through the Market Impact Committee, a Presidential Advisory Committee, was also a function of the Office of Materials-Asset Management and intergrated into the Office of Worker and Community Transition. Both new functions, in conjunction with community transition and work force restructuring programs, provided the Office of Worker and Community Transition with a central management and coordination role of the Department's overall asset base.

A further integration of asset management and community transition involves re-industrialization. Even with private industry, if a facility is closed it must still receive adequate maintenance and security to avoid becoming a hazard to the community. To decrease the cost for security and maintenance, a company may demolish a manufacturing facility and sell the materials for scrap to recover part of the cost of demolition. If an alternate user can be found, however, the costs of demolition are avoided and, depending upon the terms of use, income may be generated and costs of maintenance and security reduced or eliminated entirely. Through the Department's re-industrialization program, the Department of Energy locates their excess facilities and equipment that must be maintained, with the cost of maintenance accruing to the Department. In the reindustrialization process, businesses are recruited to make use of these excess Department of Energy facilities and equipment. As part of the terms for the use of the Department's assets, the private businesses will assume maintenance responsibilities. The Department would then receive a return on its investment in the assets as well as be relieved of the cost of asset maintenance. At the same time, private industry is making use of former Department equipment to produce goods and services and provide jobs located in affected communities. Further, workers who had been affected by work force restructuring should be highly competitive for jobs operating that equipment.

Through its programs, the Office of Worker and Community Transition is achieving National Nuclear Security Objective 3 of the Department of Energy Strategic Plan to ensure the vitality and readiness of DOE's nuclear security enterprise. The programs are also addressed in the Worker and

## **Program Goals**

- Mitigate the impacts on workers and communities from contractor work force restructuring at defense sites, and assist community planning for all site conversions, while humanely and cost-effectively managing the transition to the reduced work force that will better meet ongoing mission requirements through the application of best business practices.
- Coordinate the disposition of program office assets in a manner consistent with good management practices in order to assist communities in economic development while ensuring that the strategic and critical materials for weapons are included in the biennial report to Congress and any sale of those materials has a minimal economic impact.

## **Program Objectives**

- *To facilitate work force planning by Department contractors* — develop a process and tools for projecting contractor work force requirements at each site on the basis of mission, budget estimates, and work force skills, to assure that priority missions can be accomplished safely and efficiently.
- *To restructure the Department of Energy contractor work force* — establish work force restructuring policy, coordinate and implement work force restructuring, and evaluate the outcomes of work force restructuring plans consistent with section 3161 of the National Defense Authorization Act for Fiscal Year 1993, the contract reform initiative, and other Departmental policies.
- *To provide fair treatment to workers who must be displaced throughout the Department* — within budget constraints, provide benefits to affected workers, such as: incentives or other options to minimize involuntary layoffs; adequate advanced notification; retraining for other employment and rehiring preference to displaced workers where practicable; relocation assistance and outplacement assistance; and local community impact assistance, consistent with best business practices.
- *To manage contractor labor relations* — establish policy for contractor labor relations, oversee the collective bargaining process, and assist field organizations in labor/management relations.
- *To assist community transition* — develop policies for community transition, and assist communities affected by Departmental changes by facilitating their economic development planning and plan implementation activities to produce alternative replacement employment sources in affected communities.
- *To identify and dispose of assets that are excess or unneeded for current Department missions* — develop asset inventory procedures, develop and implement pilot projects designed to accelerate asset dispositions, establish a DOE-wide asset management recovery and disposition program,

and work with field and program managers to develop cost-effective methods for asset disposition.

- *To identify and maintain strategic and critical materials for current Department missions or required by the Department of Defense* — coordinate with Department of Energy Defense Programs, weapons production and maintenance sites, and the Department of Defense to ensure that current and future needs of strategic and critical materials are acquired and stockpiled and, if inventories are excess to Department of Energy needs and needed by the Department of Defense, transfer excess to the Department of Defense.

### **Performance Measures.**

- Achieve annual recurring cost savings from separated workers that is at least three times the one time cost of separation.
- Support local community transition activities that will create or retain cumulatively 27,500 to 29,000 new private sector jobs by the end of FY 2002.

### **Significant Accomplishments and Program Shifts**

- The program successfully managed the reduction of about 51,300 contractor personnel in six years (Fiscal Year 1993 - 2000).
- More than two thirds of separations to-date have been voluntary, with an average (including workers separated through attrition) separation cost of approximately \$14,900 per position. When attrition is excluded, average separation costs have been approximately \$20,400.
- Based on the average cost per contractor worker, total annual recurring savings to-date for the 51,300 prime contractor positions eliminated is in excess of \$3.6 billion for salaries and benefits.
- Provided advice and counsel on significant labor issues at field sites including Lawrence Berkeley National Laboratory, Los Alamos National Laboratory, Richland, Idaho, and Savannah River.
- Provided local impact assistance to affected communities that cumulatively created or retained more than 24,745 private sector jobs through the end of FY 2000, with an anticipated additional 20,000 jobs by the end of the year 2005. One job has been created or retained to date for each \$8,300 provided to affected communities by the program. This figure compares favorably with the experience of other Federal agencies in similar efforts.
- By October 1, 2001, completed the deposit of \$32.9 million into the Asset Sales Initiative account at the Department of Treasury as a result of the sales of unneeded Departmental assets.
- Protected Department of Energy holdings of beryllium metal for national security missions.

## Funding Profile

(dollars in thousands)

	FY 2000 Comparable Appropriation	FY 2001 Original Appropriation	FY 2001 Adjustments <sup>a</sup>	FY 2001 Comparable Appropriation	FY 2002 Request
Worker and Community Transition.....	20,522	21,500	-47	21,453	21,246
Program Direction.....	3,487	3,000	-7	2,993	3,200
Subtotal, Worker and Community Transition.....	24,009	24,500	-54	24,446	24,446
Use of Prior-Year Balances <sup>b</sup> .....	-100	0	0	0	0
Total, Worker and Community Transition.....	23,909	24,500	-54	24,446	24,446

**Public Law Authorization:**

Public Law 102-484, "National Defense Authorization Act for Fiscal Year 1993," Section 3161

<sup>a</sup> Office of Worker and Community Transition portion of 0.22 percent recission.

<sup>b</sup> Office of Worker and Community Transition portion of EWD reduction for use of prior-year unobligated balances assigned to this program. The total reduction is applied at the appropriation level.

## Funding by Site<sup>a</sup>

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
<b>Albuquerque Operations Office</b>					
Kansas City.....	150	0	0	0	0.0%
Los Alamos National Laboratory.....	0	500	1,000	500	100.0%
Native American CRO.....	125	250	0	-250	-100.0%
Pinellas.....	50	2,100	0	-2,100	-100.0%
Total, Albuquerque Operations Office.....	325	2,850	1,000	-1,850	-64.9%
Headquarters.....	3,487 <sup>b</sup>	2,993 <sup>b</sup>	14,946 <sup>c</sup>	11,953	399.4%
Idaho Operations Office .....	6,000	6,000	0	-6,000	-100.0%
Nevada Operations Office.....	0	500	2,000	1,500	300.0%
<b>Oak Ridge Operations Office</b>					
Oak Ridge Operations Office.....	10,797	2,500	2,000	-500	-20.0%
Paducah/Portsmouth Site Office <sup>d</sup> .....	2,800	2,553	0	-2,553	-100.0%
Total, Oak Ridge Operations Office.....	13,597	5,053	2,000	-3,053	-60.4%
<b>Ohio Field Office</b>					
Fernald Area Office.....	250	200	500	300	150.0%
Mound Area Office.....	0	5,000	0	-5,000	-100.0%
Total, Ohio Field Office .....	250	5,200	500	-4,700	-90.4%
Richland Operations Office.....	110	250	1,000	750	300.0%
Rocky Flats Field Office.....	240	100	0	-100	-100.0%
Savannah River Operations Office.....	0	1,500	3,000	1,500	100.0%
Subtotal, Worker and Community Transition.....	24,009	24,446	24,446	0	0.0%
Use of prior-year balances.....	-100	0	0		
Total, Worker and Community Transition.....	23,909	24,446	24,446	0	0.0%

<sup>a</sup> The funding for the Worker and Community Transition program during FY 2002 will be distributed according to the needs of the program. Because the Environmental Management program could experience significant work force transition, it is possible that the majority of the funds could be used for work force transition purposes. The exact location of these actions are unknown at this time.

<sup>b</sup>Program Direction costs.

<sup>c</sup>Includes \$3,200,000 Program Direction costs and \$16,300,000 not designated at this time.

<sup>d</sup>An additional reimbursable account established by United States Enrichment Corporation (USEC) for worker and community transition activities is not included in this table for FY 2000.

## **Site Description**

### **Albuquerque Operations Office**

#### **Los Alamos National Laboratory**

Funding during FY 2002 would assist the Los Alamos National Laboratory community reuse organization in efforts to diversify the economy of the region. These efforts include activities to expand telecommunication infrastructure, foster training programs to provide workers with the skills needed for prospective employers, develop access to adequate potable water and wastewater treatment, assist in transportation improvements, and provide access to energy needed to attract potential businesses to the region.

#### **Native American Community Reuse Organization (CRO)**

Funding during FY 2001 is assisting in the administration of the Native American (CRO) which encompasses the eight Northern Pueblos and three of the Southern Pueblos.

### **Headquarters**

Any funding which has not been committed is reserved at headquarters. At this time estimates indicate that about half of the requested FY 2002 funding will be expended for worker transition. However, the sites where worker transition activities will occur are not currently known because program budgets are not completed. Further, if program appropriations are different than anticipated, allocation of funding will differ from that shown in the preceding table.

### **Nevada Operations Office**

Funding in FY 2002 would provide assistance to the Nevada Test Site Development Corporation for community transition efforts that will diversity the economy of the region. These efforts include planning, supporting new and emerging businesses, establishing a loan program targeted toward long-term, high-value private sector jobs, and administrative costs of the NTS Development Corporation.

### **Oak Ridge Operations Office**

The funding in FY 2002 will complete a commitment by the Department to assist the community in attracting replacement industries for the latest group of displaced workers who were separated during earlier fiscal years. Funding would assist the Community Reuse Organization for East Tennessee (CROET) in the following projects: (1) Facilitating the use of DOE assets at the Oak Ridge Horizon and Heritage Centers; (2) Establish the National Transportation Research Center which will equip a facility focusing on resolving some of the nation's long-term transportation problems; (3) Promote the growth of high-tech businesses by developing infrastructure and other resources needed to recruit



new industries; (4) Support a partnership with local educational institutions, industry, DOE, and other federal agencies to provide advance manufacturing training.

### **Paducah/Portsmouth Site Offices**

USEC is likely to conduct work force restructuring activities during FY 2002 although its magnitude is unknown at this time. If worker transition actions occur, they could decrease the funding available to some of the proposed community transition projects.

### **Ohio Field Office**

#### **Fernald Area Office**

The funding for the Fernald Area Office would assist the Fernald Community Reuse Organization in planning and implementing its community transition efforts. These efforts include a revolving loan fund, entrepreneurial development, assisting Fernald employee-owned businesses, establishing a business incubator, and formation of a local development corporation.

### **Richland Operations Office**

Funding in FY 2002 would provide assistance to the Tri-Cities Industrial Development Council, the local Community Reuse Organization (CRO) surrounding the Hanford Site. These projects include: 1) minority Development program, 2) a community incentive fund, 3) a business/industry recruitment program, and 4) a reindustrialization program. The minority business development is a partnership between the CRO and Columbia Basin College. The funds would be used to develop a revolving loan/equity fund that would be used to help new minority business startups as well as existing businesses. The incentive fund would be used to provide such incentives as employee training opportunities, rent/lease reductions for businesses, and other business expansion incentives. The recruitment program would focus on the new recruitment of new industry into the local area to help offset the local economy's dependence on the Hanford Site. The reindustrialization program would use site assets to help attract new industry into the Tri-Cities region as well as help existing business expand.

### **Savannah River Operations Office**

The Tri-County Alliance, made up of the South Carolina counties of Allendale, Barnwell and Bamberg, has established a special use industrial park on land know as the Allied General Nuclear Site (AGNS) in Barnwell County. The Tri-County Alliance is within a region designated as "least developed" by the state of South Carolina based on its chronic, above average unemployment, low per capita income, and proximity to a U.S. government defense facility that has undergone significant reductions in employment. The creation of an industrial park in the region is viewed as the most effective means of offsetting reductions in employment in the Savannah River Site and improving the economic viability of the area. The FY 2002 funding would be spent on the following

infrastructure activities: 1) water distribution, 2) sewage collection, 3) waste water treatment construction, 4) road network construction, and 5) railroad construction.

# **Worker and Community Transition**

## **Mission Supporting Goals and Objectives**

The activities of the work force restructuring program establish policy for, coordinate implementation of, and evaluate the outcomes of work force restructuring consistent with section 3161 of the National Defense Authorization Act for Fiscal Year 1993, the contract reform initiative, best business practices and other Departmental policies as well as Objective NS3 of the Fiscal Year 2002 Draft Performance Agreement for the Department of Energy. The functions of the work force restructuring program include providing guidance to DOE field management for developing work force restructuring plans; assuring adequate advance notification for planned reductions; reviewing and approving voluntary incentive programs to encourage workers with redundant skills to separate; reviewing draft work force restructuring plans prior to circulation for stakeholder review and comment; approving necessary involuntary separations; providing enhanced benefits to former defense program contractor employees being separated; and submitting final work force restructuring plans to the Congress. Based on Secretarial direction, work force restructuring objectives are considered for reductions that exceed a threshold of 100 workers at any site, including those not specifically covered by section 3161, in a single year. This activity assures that necessary work force reductions are conducted in a manner that encourages voluntary separations, assists displaced workers in securing new employment, provides basic benefits for a reasonable transition period, and is consistent with cost guidance and best business practices. The activity makes critical priority decisions to match these objectives with fiscal constraints.

Work force planning assures that contractor work force restructuring is conducted in a manner that assures that critical skills for ongoing mission requirements are retained, enhances efficiency, and accurately forecasts mission performance implications of potential future budget reductions. This goal is being achieved through the development of an integrated work force planning process based on a uniform work force data base and classification system for Department contractor employment. It supports the Departmental objective of realigning efforts to areas of maximum efficiency without jeopardizing critical task assignments.

Management of contractor labor relations establishes policy for such activities, oversees the collective bargaining process, and assists field organizations in labor/management relations. These activities promote an improved working relationship between labor and management in the Department's contractor work force. The result is uniform application of relevant labor standards, increased productivity, enhanced safety and security, and a reduction in disruptive labor disputes. The function also helps to implement the contract reform initiative, outsourcing policy and other elements of strategic alignment.

Section 3161 of the FY 1993 Defense Authorization Act establishes an objective for the Department to "provide local impact assistance to communities that are affected by the restructuring plan" and to coordinate such assistance with other federal programs. This activity also provides an informational clearinghouse to assist local community economic development planning; identifies potential sources of both public and private funding outside the Department; and, on a high priority basis, funds projects that have a high probability of producing positive results for displaced workers and their affected communities. The Office has established criteria for evaluating community transition

funding proposals and has signed an interagency agreement with the Department of Commerce to utilize its independent expertise to evaluate and approve proposals. The Department, in close cooperation with parties in the affected communities, also seeks to utilize excess Departmental assets to help create economic activity and produce replacement employment for workers displaced by work force restructuring plans.

The mission of the Asset Management Program is to assist senior management in the development of a corporate strategy for the acquisition and disposition of materials and assets in response to new missions of the Department and in response to requirements necessary to maintain current missions. This corporate strategy will be directly affected by the declining program and program direction funds necessitating reductions of personnel and physical facilities. The Asset Management Program is assisting in the development of procedures for asset sales and transfers, leasing and donation procedures and material and asset management programs at field locations in conjunction with co-located communities. In addition, the Asset Management Program is the lead element in the Department of Energy as the representative to the Presidential Advisory Management Impact Committee, which addresses the acquisition and disposition of strategic and critical materials. The funding for the Asset Management Program is included in program direction.

## Funding Schedule

(dollars in thousands)

	FY 2000	FY 2001	FY 2002 <sup>a</sup>	\$ Change	% Change
Work Force Restructuring.....	10,550	4,870	10,746	+5,876	120.7%
Community Transition Assistance.....	9,972	16,583	10,500	-6,083	-36.7%
Total, Worker and Community Transition.....	20,522	21,453	21,246	-207	-1.0%

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<sup>a</sup>FY 2002 estimates are preliminary. Because the Worker and Community Transition Program is counter-cyclic, more exact estimates will depend on other program funding during FY 2002.

## Detailed Program Justification

(dollars in thousands)

	FY 2000	FY 2001	FY 2002
<b>Work Force Restructuring</b> .....	<b>10,550</b>	<b>4,870</b>	<b>10,746</b>

- Work force restructuring includes reviewing and approving work force restructuring plans and actions, providing enhanced benefits to separated workers, coordinating work force planning activities to retain critically needed skills, and assisting field offices in labor negotiations.

The proposed funding level would provide enhanced benefits for approximately 2000 workers. If additional workers are affected by worker transition activities, the amount of funding devoted to worker transition will increase with a corresponding decrease in the portion provided for community transition.

Due to uncertainty regarding activities at the gaseous diffusion facilities in Piketon, Ohio, and Paducah, Kentucky, those workers are not included in the number mentioned above..

The elements of work force planning and labor negotiations will impact the achievement of the performance measures discussed earlier. For work force restructuring, the measures include outside hiring levels, number of involuntary separations, reemployment of workers, and reducing the size of the work force while keeping separation payments within a target level.

The efforts of work force transition have resulted in annual savings of approximately \$3.6 billion. Annual savings for FY 2001 and FY 2002 are estimated to be at least three times the costs of work force transition benefits.

<b>Community Transition Assistance</b> .....	<b>9,972</b>	<b>16,583</b>	<b>10,500</b>
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Approved community transition projects have created or retained 24,745 jobs as of the end of FY 2000. Community transition funding is expected to create or retain about 1600 jobs during FY 2001 and about 1100 jobs in FY 2002.

- Community Transition Assistance Small Projects.....

Funding for these projects of than \$1 million or less are expected to create about 50 jobs in FY 2001 and 370 jobs in FY 2002.

- Idaho Operations Office.....

Under the terms of a legal settlement with the State of Idaho, the Department was committed to provide a total of \$30 million over the calendar years 1996 - 2000, contingent upon appropriations, to the State of Idaho. This funding was expected to create about 600 jobs per year during FY 2000 and FY 2001.

(dollars in thousands)

	FY 2000	FY 2001	FY 2002
<ul style="list-style-type: none"> <li>• Mound Facility.....</li> </ul> <p>At the Mound Facility, the Department has committed to providing \$15 million over three years, contingent upon appropriations, to accelerate the reuse of the site following its sale. The appropriations language for FY 2001 indicated that projects denied funding during FY 2000 should receive priority during FY 2001. The funds would be used in conjunction with other grants to perform site improvement work which would make the Mound Facility more marketable. This funding is expected to create a total of about 1,500 jobs, with about 500 jobs during FY 2001 to result from the funding. The Department could save up to \$150 million by this early closure because it could stop paying the operating costs three years earlier than had been planned.</p>	0	4,800	0
<ul style="list-style-type: none"> <li>• Nevada Operations Office.....</li> </ul> <p>The appropriations language for FY 2001 indicated that projects denied funding during FY 2000 should receive priority during FY 2001. The funds for the Nevada Test Site Development Corporation are expected to create or retain about 50 jobs during FY 2001 and 200 jobs during FY 2002.</p>	0	500	2,000
<ul style="list-style-type: none"> <li>• Oak Ridge Operations Office.....</li> </ul> <p>The Department of Energy made a commitment in FY 1999 to provide \$8.75 million to the Community Reuse Organization for East Tennessee for community transition. The projected allocation of \$2 million for FY 2002 would complete that commitment. The funding would be expected to create or retain about 200 jobs.</p>	2,750	0	2,000
<ul style="list-style-type: none"> <li>• Pinellas Site.....</li> </ul> <p>The FY 2001 appropriations act specified that \$2.1 million be provided to the Pinellas Site for community transition. This funding will contribute to the creation or retention of about 210 jobs.</p>	50	2,100	0
<ul style="list-style-type: none"> <li>• Portsmouth Site Office.....</li> </ul> <p>The funding at the Portsmouth Site will be used to offset the impacts of worker transition activities at the United States Enrichment Corporation facility. About 110 jobs would be created or retained during FY 2001.</p>	0	1,153	0

(dollars in thousands)

	FY 2000	FY 2001	FY 2002
• Savannah River Operations Office.....	0	1,500	3,000

The appropriations language for FY 2001 indicated that projects denied funding during FY 2000 should receive priority during FY 2001. The funding provided to the Tri-County Alliance through the community reuse organization is expected to create or retain about 150 jobs in FY 2001 and 330 during FY 2002.

<b>Total, Worker and Community Transition.....</b>	<b>20,522</b>	<b>21,453</b>	<b>21,246</b>
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## Explanation of Funding Changes from FY 2001 to FY 2002

	FY 2002 vs. FY 2001 (\$000)
<b>Worker Transition</b> ..... Demand for worker benefits will remain high due to the anticipated work force transition activities of major programs. If funding levels cause additional work force activities, the increase for work force restructuring will be greater with a corresponding decrease in the portion allocated to community transition activities.	<b>+5,876</b>
<b>Community Transition Assistance</b> ..... Funding needs for worker transition require the allocation of funds to that program element rather than community transition. As mentioned above, the decrease could be greater if the number of workers affected by restructuring is greater than the number estimated.	<b>-6,083</b>
Total Funding Change, Worker and Community Transition.....	-207

# Worker and Community Transition Program Direction

## Mission Supporting Goals and Objectives

Program direction provides funding for administrative support to ensure that all operations are conducted in the most effective and efficient manner. This element also provides for the personnel and contractual services of all federal management and administrative personnel to carry out the missions of the Office of Worker and Community Transition at Department of Energy Headquarters and Field Offices.

Program direction has been grouped into four categories:

**Salaries and Benefits** provides for all the salaries, other benefits, e.g., employer contribution to retirement, employer contribution to health benefits and awards for superior service. The employees funded by this category perform strategic planning for the program, integrate internal and external policies and directives; represent the Office both within and outside the Department; provide technical direction and guidance for programs and projects; perform program assessment; and exercise internal controls.

**Travel** is provided for the traveling and per diem expenses of program staff in the performance of their official duties. Under certain circumstances, travel expenses of non-government personnel or government personnel from other programs may be compensated if they are serving a mission of the Office. Specifically, staff travel to affected communities to provide technical and program assistance to field offices, contractor employees, and community representatives and conduct program assessments. They also participate in meetings, conferences, and training selected to increase their professional expertise and program effectiveness.

**Support Services** for the Office of Worker and Community Transition consists of the payment for management support services of non-government personnel. These personnel assist the staff of the Office of Worker and Community Transition in accomplishing their missions by providing technical support, performing or assisting in program analyses, and assisting in the subsequent preparation of reports. The support services personnel also provide general program management functional support.

**Other Related Expenses** includes the necessary materials, services, utilities, and office space needed to conduct the program in an efficient manner. The major portion of this category consists of the items included in the working capital fund. This working capital fund includes such items as, office space; telephones; printing and duplicating services; and computer network connections and technical support. The other portion of other expenses includes procurement of supplies for the conduct of office functions.

## Funding Schedule

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
Headquarters					
Salaries and Benefits.....	2,222	2,100	2,100	0	0.0%
Travel.....	85	85	85	0	0.0%
Support Services.....	695	408	615	+207	+50.7%
Other Related Expenses.....	485	400	400	0	0.0%
Total, Headquarters.....	3,487	2,993	3,200	+207	6.9%
Full Time Equivalents.....	21	19	18	-1	-5.3%

## Detailed Program Justification

(dollars in thousands)

	FY 2000	FY 2001	FY 2002
<b>Salaries and Benefits</b> .....	<b>2,222</b>	<b>2,100</b>	<b>2,100</b>
<p>Staff oversees actions to achieve approximately 3,000 to 5,000 prime contractor changes per year. They will work to streamline the approval of work force restructuring plans and develop and implement policies to integrate contract reform mechanisms. They will provide oversight of upcoming labor negotiations at four sites. They will continue efforts to mitigate impacts on communities affected by work force reductions.</p> <p>During FY 2002, the Asset Management Program staff will continue to assist in the transfer of unneeded materials at field sites throughout the complex, especially in the transfer of ozone depleting substances, and in the transfer of excess personal computers from the Department of Interior to the National Electronics Recycling Center at Oak Ridge.</p>			
<b>Travel</b> .....	<b>85</b>	<b>85</b>	<b>85</b>
<p>Travel will enable staff to provide technical assistance to field offices on work force planning and community transition. Staff will also be able to assist field offices in labor negotiations, conducting program assessments, and providing technical assistance in asset management. Training is also included in this cost category.</p>			
<b>Support Services</b> .....	<b>695</b>	<b>408</b>	<b>615</b>
<p>Support services consist of two elements. The first is assistance in the preparation of both routine and extraordinary analyses and reports as needed. Support services will also assist in the maintenance of the Work Force Information System (WFIS). This system will allow the department and its site management contractors to assess the skills of the present work force in comparison to projected needs and match the skills of workers identified for separation with the needs of vacancies. Overall, this system should lead to better personnel management, reduce separation costs, and contribute to retaining important skills..</p>			
<b>Other Related Expenses</b> .....	<b>485</b>	<b>400</b>	<b>400</b>
<p>The amount in this category consists mainly of the working capital fund. Space rental, telephones, copiers and printing, computer support, general office supplies, and mailing costs are included in this fund. Other expenses are for items not encompassed by the working capital fund, e.g., computer software and professional journals.</p>			
<b>Total, Program Direction</b> .....	<b>3,487</b>	<b>2,993</b>	<b>3,200</b>
	<b>3,487</b>	<b>2,993</b>	<b>3,200</b>

## Explanation of Funding Changes from FY 2001 to FY 2002

	FY 2002 vs. FY 2001 (\$000)
<b>Salaries and Expenses</b> ..... No change is expected. Reductions in number of personnel is expected to offset the impacts of inflation.	0
<b>Travel</b> ..... No change is expected in Travel	0
<b>Support Services</b> ..... A decrease in the number of staff in the Office of Worker and Community Transition will require the assistance of support service contractors to complete all necessary tasks.	+207
<b>Other Related Expenses</b> ..... No change is expected. Completion of some programs and reductions in the need for certain services is expected to offset the impacts of inflation.	0
<b>Total Funding Change, Program Direction</b> .....	+207

### Support Services

(dollars in thousands)

	FY 2000	FY 2001	FY 2001	\$ Change	% Change
Technical Support Services.....	0	0	0	0	0.0%
Management Support Services.....	560	268	475	+207	77.2%
ADP Support.....	75	75	75	0	0.0%
Administrative Support Services.....	60	65	65	0	0.0%
<b>Total, Support Services</b> .....	695	408	615	+207	50.7%

### Other Related Expenses

(dollars in thousands)

	FY 2000	FY 2001	FY 2002	\$ Change	% Change
Working Capital Fund.....	440	352	352	0	0.0%
Other.....	45	48	48	0	0.0%
<b>Total, Other Related Expenses</b> .....	581	593	600	0	0.0%