



STRENGTH THROUGH SCIENCE



*The FY 2001
Office of Worker and
Community Transition
Budget Request
February 7, 2000*





Office of Worker and Community Transition

Facilitating Change by Ensuring Fair Treatment of Workers and Communities

Program	\$ in millions		Percent Change
	FY 2000 Appropriations	FY 2001 Request	
Work Force Restructuring	\$ 11.4	\$12.5	+9.6%
Community Transition	\$ 9.1	\$ 9.0	-1.0%
Program Direction	<u>\$ 3.5</u>	<u>\$ 3.0</u>	<u>-14.3%</u>
TOTAL	\$24.0	\$24.5	+2.1%

Provide funding for about 1,400 enhanced separation payments in FY 2000 and 1,500 enhanced benefits in FY 2001*

Provide funding to communities that should help create roughly 900 additional jobs in FY 2000 and about 900 more jobs in FY 2001

*At the direction of Congress, this account funds *enhanced* separation benefits provided to contractor employees



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Program Strategies

Changes in the work force at a Department of Energy defense nuclear facility should be accomplished so as to minimize social and economic impacts

- section 3161, National Defense Authorization Act for Fiscal Year 1993

◆ Manage employee retention and career transition

- Early closure strategies depend upon having the right employees working until the very end with Environmental Management. We are developing mechanisms for encouraging retention and separation at the appropriate moment.
- We are supporting Defense Programs initiatives to implement Chiles Commission recommendations on recruiting and retaining critically skilled workers through enhanced work force planning, development of recruitment incentives, and mechanisms to encourage participation in the work force retiree corps



Program Strategies - Continued

- ◆ **Promote flexible use of skilled work force**
 - Contract changes, outsourcing and privatization can result in costly and disruptive employment transitions. We have established means for retaining skilled employees and avoiding severance costs while implementing changes.

- ◆ **Mitigate impacts on displaced workers**
 - Encourage voluntary separations
 - Provide training, medical, relocation and outplacement assistance



Program Strategies - Continued

- ◆ **Support local economic development**
 - Economic development assistance helps local communities offset loss of DOE employment and promotes partnerships between local officials and the Federal government.

- ◆ **Transfer and reuse excess property and facilities**
 - This strategy brings local communities together with the Department to accomplish common objectives – closure and reuse of excess assets.



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Program Accomplishments

- ◆ **Reduced Department's contractor workforce by one-third**
 - yearly savings of \$3.4 billion in avoided payroll and benefits costs
 - most separations were voluntary, and our contractors experienced few lawsuits or workplace incidents
 - work force restructuring in FY 2000 underway at Oak Ridge, Kansas City and Pantex. Additional work force restructuring may occur at Portsmouth, Paducah, Sandia and Rocky Flats in FY 2000

- ◆ **Supported EM's Accelerated closure of excess facilities through work force management activities**
 - saved \$29 million through early closure of the Pinellas Plant in Florida
 - reached sales agreement for transfer of Mound site to local community with potential savings of \$150 million



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Program Accomplishments - Continued

- ◆ Helped communities create over 22,000 jobs
 - averaged approximately \$9,000 per job created or retained
 - average cost per job compares favorably with Department of Defense efforts (\$30,000 per job), Economic Development Administration (\$12,000 - 19,000 per job) and Small Business Administration revolving loan programs (\$35,000 per job)
 - an additional 20,000 jobs projected by the year 2003



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FY 2001: Expected Outcomes

- ◆ **Contractor work force management**
 - separation involving between 1,500 and 3,000 workers may occur
 - key objective will be to support Environmental Management early closure strategies through work force management
 - responsibility for managing significant potential reductions at Portsmouth and Paducah by transitioning workers to clean up activities

- ◆ **Economic recovery and diversification**
 - community assistance programs should create or retain about 900 additional jobs in FY 2001

- ◆ **Costs Avoided**
 - savings from work force management and asset reuse should be in excess of \$100 million