



COMMUNITY REUSE ORGANIZATION

*two states, one future*

**PRESENTATION TO  
SAVANNAH RIVER SITE CITIZENS ADVISORY BOARD  
JULY 25, 2017**

**Presented by  
Rick McLeod  
President/CEO, SRSCRO**



# Purpose

- Request from the Strategic & Legacy Management Committee for an update on the Savannah River Site Community Reuse Organization activities.



# Where did Community Reuse Organizations come from?

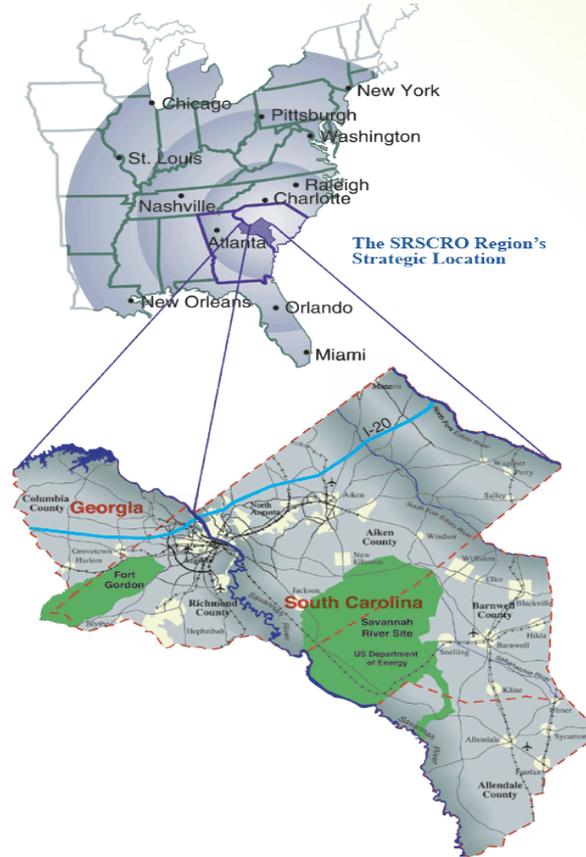
- Section 3161 of the Defense Authorization Act of 1993 initiated the creation of “Community Reuse Organizations” across the US in response to the negative social and economic impacts of workforce restructuring
- DOE made a commitment to provide financial assistance for economic development and site reuse activities developed by the affected communities
- 15 CROs were formed across the US





# A Regional Organization

- **Board = 22 members (11 from each state)**
- **Five Counties, Two States**
- **Designated by DOE-SR as the CRO for SRS**
- **Private Non-Profit 501 (c) 3**
- **Funding – Non-Federal Operating Dollars**



# Focus Areas

- **Economic Development**
  - Asset Revitalization
- **Workforce**
  - Nuclear Workforce Initiative (NWI<sup>®</sup>)
- **Community Issues**
  - SRS Economic Impact Study





# Assets Transition Program

## What is it?

- Mutual agreement between Department of Energy and SRS Community Reuse Organization (SRSCRO) – officially known as *Savannah River Site Asset Transition Plan for Economic Diversification*, signed in December 2005, revised May 2012
- Allows for official transfer of selected excess personal property and related personal property assets from SRS to SRSCRO
- Bottom line is most DOE assets are 60 years old, and not suitable for modern competitive business, so the large majority of assets get liquidated for cash.
- How we do this more efficiently is a constant process, striving for more efficiency for SRSCRO as well as the SRS Contractors, at the same time managing DOE's risks.



# ATP Process (#1)

- **Asset Transition Program** - Normal traditional asset process
  - Excess personal property will be picked-up from the N-Area laydown yard or other designated area by SRSCRO. Any loading will be accomplished by DOE-SR contractor personnel in the N-Area laydown yard.
  - Inter-organizational hand offs, double handling, rework, process defects (more paper than assets)
  - No common measures of success - "spend a dollar to take out a nickel's worth of trash"
    - DOE-SR – no risk; opportunities to disposition are reduced
    - SRNS Property Management – compliant, cycle time from DAA to final disposition
    - SRSCRO – revenue, net proceeds



# Excess Assets – Personal Property

- Initial screen - SRS operational organizations
- Additional screen – Other DOE sites
- Personal Property to SRSCRO after screenings - EADS Condition Codes: 1 - Unused: 4 Used, good: 7-9 Repairs Required, fair: X=Salvage unrepairable, poor: S=Scrap
- 30-day availability to organizations creating jobs in the region or municipalities/non-profits
- Sale to the public at market rates after 30-day period



# 30-Day Excess Property Requests

2006 - 2016

	For Profit	NFP	Total Requests	Accepted	Refused by SRSCRO	Declined by Requestor	Estimated Jobs Created
2006	4	25	29	100.0%	0.0%	5.0%	30
2007	1	16	17	64.7%	3.4%	17.6%	2
2008	3	15	19	78.9%	21.1%	0.0%	27
2009	1	30	31	90.3%	9.7%	29.0%	0
2010	1	17	18	88.9%	11.1%	50.0%	0
2011	2	15	17	100.0%	0.0%	35.3%	859
2012	0	4	4	75.0%	25.0%	25.0%	0
2013	0	19	19	89.5%	10.5%	0.0%	0
2014	3	4	7	100.0%	0.0%	28.6%	0
2015	1	6	7	85.7%	14.3%	28.6%	0
2016	1	7	8	100.0%	0.0%	0.0%	5
<b>Total</b>	<b>17</b>	<b>158</b>	<b>176</b>				<b>923</b>



# ATP Process (#2)

- **Asset for Removal Projects** – Relatively new process
  - Old way - M&O did micro counting, bagging, tagging, load, transport unload, re-load on SRSCRO truck.
  - New Way - SRSCRO counts, tags, loads and transports - SRSCRO self-performs
  - SRSCRO will perform these designated services in return for the identified assets.
  - Lower margin for SRSCRO, but assets received quicker and in better condition
  - Greatly reduces DOE-SR disposition costs
  - Allowed under ATP



# ATP Process (#3)

- Asset For Services Projects

- Targeting “non-traditional“ assets by taking assets out of M&O contract
- SRSCRO is doing the work previously performed by the M&O - removal, transport, counting, bagging, etc.- risks are managed
- Real Estate License
- SRSCRO willingness to expand capabilities to increase volume/revenue
- Less SRNS work, reduced double handling and rework, increased SRSCRO labor component of disposition
- Benefits:

- Assets for Services 5 Year Cost Reduction Savings - \$8 million

Avoided Disposal Costs	\$ 6.0 M	<i>(steam line, rail, transformers, FM 200)</i>
Avoided Trailer Demolition Cost	\$1.8 M	<i>(10 A Area trailers + 38 trailers in Ph1&amp;2)</i>
"Kick and Count" Savings	\$ 0.2 M	<i>(D Area tools)</i>



# SRSCRO Program Investments

- **Infrastructure Improvement Account**
  - “One-Time” Disbursement of \$1 million in 2014 (\$200,000 per County) to SRSCRO recognized Economic Development Entity in each County.
- **Economic Development Account**
  - \$50,000 per SRSCRO County per year (\$250,000 total – per year) to SRSCRO recognized Economic Development Entity in each County. Such funds must be leveraged or matched 50/50.
- **Workforce Education and Training Account**
  - SRSCRO sponsored initiatives in workforce education and training, such as the Nuclear Workforce Initiative (NWI®) and Regional Workforce Study & Summit
- **Staff Support and Community Issues Account**
  - Whitepapers, Studies, and Reports and (i.e., SRS Infrastructure Needs, SRS Economic Impact Study, Comprehensive Fuel Cycle Research Study);
  - Public Forums and Community Exchanges (i.e., SRS Budget Forum, ECA Peer Exchange);
  - Meetings (i.e., Local, State and Federal level meetings on SRS community issues).
- **Asset Revitalization and SRS Reindustrialization Account**
  - SRSCRO financial resources on self-performed asset removal projects and potential reindustrialization efforts.



# Potential Future Partnerships

- **Expand “Used Product” Assets**
- **Excess Computers and Precious Metals**
- **Direct Services – Warehouse Operations**
- **“Assets for Assets”**
  - **Compelling Place to Work**
- **Excess Facility Reutilization**
- **Land Transfers**



# Education Philosophy

We have an obligation to ensure that people of our region develop the skills needed for jobs in our region.



**Growing Our Own Through Collaboration<sup>®</sup>**



# Primary Activities

- ANSR & WORC Grant Programs
- Nuclear Science Week Coordination
- STEM Career Connections Event
- NWI® Staffing Committee Host (HR Professionals from regional nuclear employers)
- Employer/Educator Convener for STEM Workforce Development
- Teacher Workshop Support





# Local Post-Secondary Education Partners Supporting Nuclear Workforce Needs

- Aiken Technical College (SC)
- Augusta Technical College (GA)
- Augusta University (GA)
- University of South Carolina Aiken (SC)
- University of South Carolina Salkehatchie (SC)



# Collaboration to Advance Nuclear Skills Regionally \$4.8 M DOE Grant – Five Years

<b>Aiken Technical College</b>	<b>Nuclear Quality System (NQS) Associate Degree Advanced Nuclear Welding</b>
<b>Augusta Technical College</b>	<b>Chemical Technology Associate Degree Nuclear Career Advisement Program</b>
<b>Augusta University</b>	<b>Nuclear Science Tracks in Chemistry and Physics Degree Programs</b>
<b>University of SC Aiken</b>	<b>Environmental Remediation and Restoration Specialized Biology Degree</b>
<b>University of SC Salkehatchie</b>	<b>Expansion of STEM Coursework for Region</b>
<b>SRSCRO</b>	<b>Promotion of Regional Nuclear Science Programs, Grant Management</b>



# ANSR Grant Highlights

- **\$4.8 M** Seed Funding from DOE
- **\$4.6 M** College Investment and Leverage
- **5** New Degree Programs
- **821** - Cumulative College Student Enrollment
- **217** - Student Enrollment Current Year
- **159** ANSR Graduates (as of 2/2016) – 159
- **143** - ANSR Job Placement (90%) as of 2/2016)
- **3854** - STEM Program Impact



# WORC

## Workforce Opportunities in Regional Careers

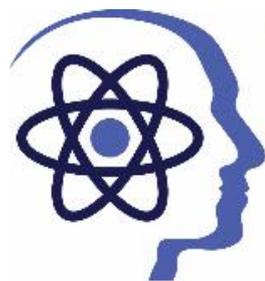
### Main Components

- 5 College & University Partners in 2 states
- SRSCRO Program Management/Fiscal Agent
- 22 relevant degree programs (2 & 4 year)
- Scholarships
- Student Retention Strategies
- Program Marketing & Recruitment

### Funding

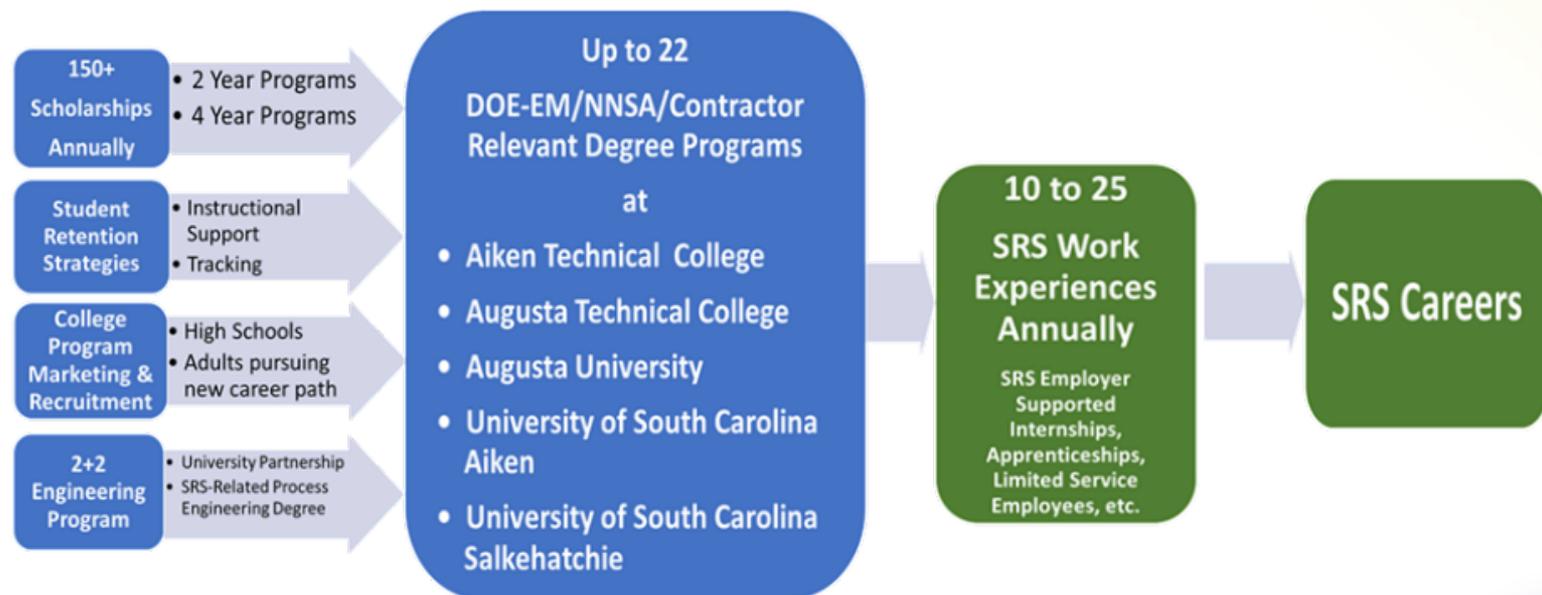
- \$5M over 5 Years from DOE-EM & NNSA





# W·O·R·C

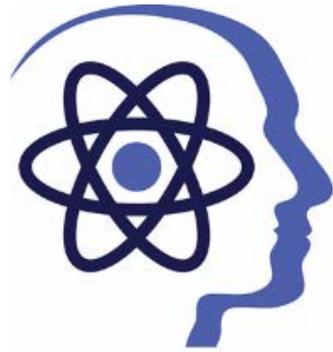
WORKFORCE OPPORTUNITIES  
IN REGIONAL CAREERS



# WORC – Initial Impact

- 218 scholarships awarded in 22 relevant education & training programs (range of \$500 to \$3,000 per student)
- Over 53 students selected for internships/interviews for Summer 2017 at SRS
- New SRS internship opportunities that align with long-term workforce needs
- New promotional strategies initiated for relevant training programs using social media





**W O R C**

**WORKFORCE OPPORTUNITIES  
IN REGIONAL CAREERS**

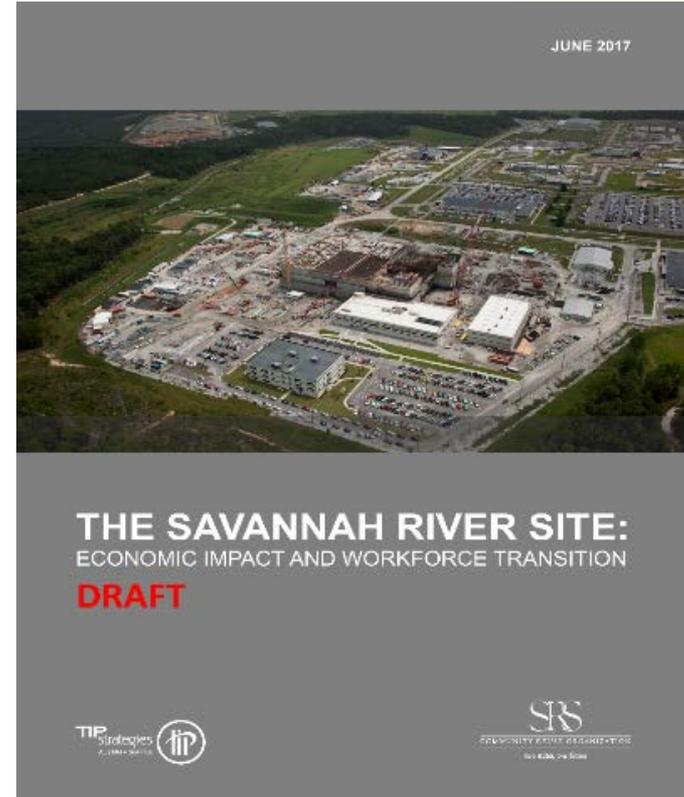
**Real Impacts  
Real People  
Real Jobs**





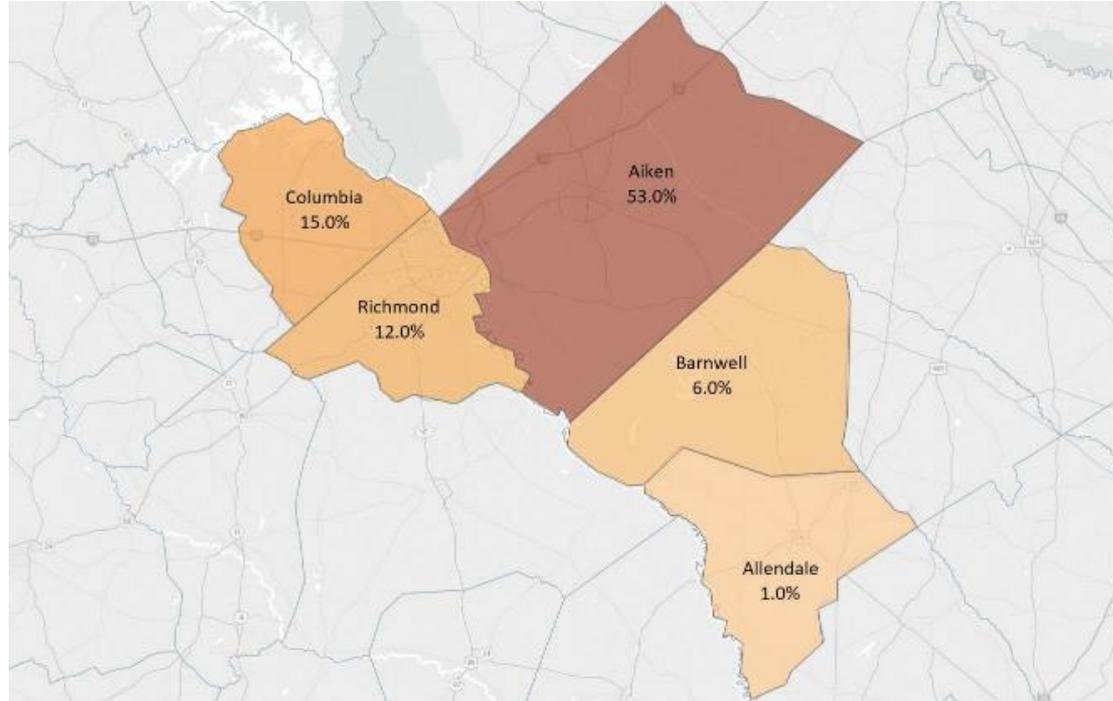
# Community Issue

- In 2016, the average salary for all SRS workers was \$86,819 and the average level of fringe benefits for all SRS workers was \$32,797, making the average overall compensation \$119,615.
- The average salary is slightly higher at \$87,978 for an SRS worker who resides in the five-county area. Fringe benefits are also slightly higher at \$33,378 for a total compensation of \$121,356.
- By comparison, the average earnings per job for the region (wages, salaries, benefits, and other compensation) is \$52,159.
- On a per capita basis, the income impact of SRS operations is \$2,603 per person in the five-county area.
- Two different scenarios:
  - Job loss of 1,000
  - Transition of 25 to 35 percent of the workforce



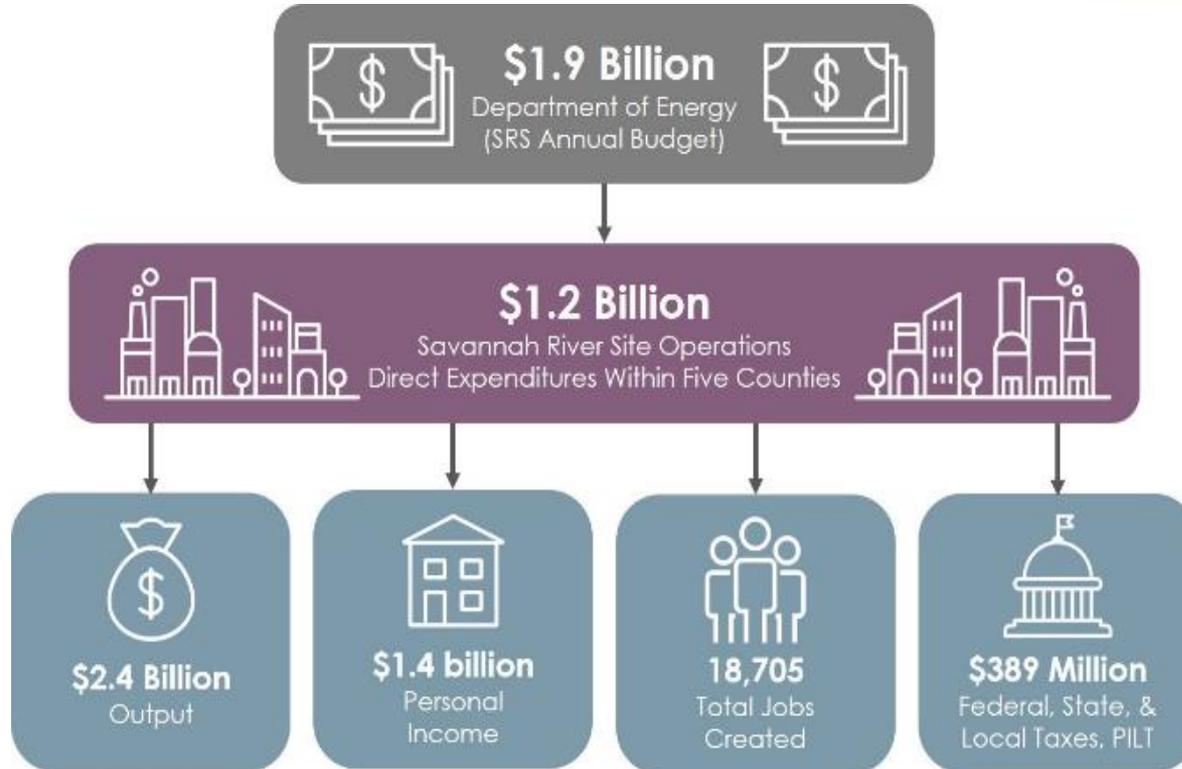
# Community Issue

## WORKFORCE DISTRIBUTION 2016, BY COUNTY



# Community Issue

## SUMMARY OF SRS TOTAL ECONOMIC AND FISCAL IMPACT



# Community Issue

## A LOSS OF 1,000 JOBS – 5 County Region

IMPACT TYPE	EMPLOYMENT	LABOR INCOME	OUTPUT
Direct Effect	813	\$93,843,453	\$103,804,598
Indirect Effect	312	\$11,832,924	\$30,269,404
Induced Effect	651	\$21,553,231	\$73,689,048
Total Effect	1,776	\$127,229,608	\$207,763,050

