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.
SRS Community Reuse Organization (SRSCRO)

- Regional Economic Development entity, formerly known as the Savannah River Regional Diversification Initiative (SRRDI)
- Chartered in 1993
- Business Leaders, Elected Officials, Educators, Economic Developers
- Designated as the Community Reuse Organization for the Savannah River Site by DOE-SR in 1996
- Named formally changed to SRSCRO in 2006
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®)

• Community Issues
  • SRS Economic Impact Study
Asset Transition Program

• DOE may establish Community Reuse Organizations (CRO) in areas where communities are affected by reconfiguration or downsizing of DOE sites. (DOE G 580.1-1A 6-9-2015 Personal Property & Guide 580.1A Personal Property Draft - Oct 15, 2014)

• The CRO responsibilities include the following:
  o Develop a local economic development plan.
  o Based on the local economic plan, describe the personal property needed for the specific economic projects to be accomplished.
  o Request title to any property that meets the economic plan requirement and that DOE determines is not needed.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>For Profit</th>
<th>NFP</th>
<th>Total Requests</th>
<th>Accepted</th>
<th>Refused by SRSCRO</th>
<th>Declined by Requestor</th>
<th>Estimated Jobs Created</th>
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<tbody>
<tr>
<td>2006</td>
<td>4</td>
<td>25</td>
<td>29</td>
<td>100.0%</td>
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<td>5.0%</td>
<td>30</td>
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<td>2007</td>
<td>1</td>
<td>16</td>
<td>17</td>
<td>64.7%</td>
<td>3.4%</td>
<td>17.6%</td>
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<tr>
<td>2008</td>
<td>3</td>
<td>15</td>
<td>19</td>
<td>78.9%</td>
<td>21.1%</td>
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<td>2009</td>
<td>1</td>
<td>30</td>
<td>31</td>
<td>90.3%</td>
<td>9.7%</td>
<td>29.0%</td>
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<td>2010</td>
<td>1</td>
<td>17</td>
<td>18</td>
<td>88.9%</td>
<td>11.1%</td>
<td>50.0%</td>
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<td>2011</td>
<td>2</td>
<td>15</td>
<td>17</td>
<td>100.0%</td>
<td>0.0%</td>
<td>35.3%</td>
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<td>2012</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>75.0%</td>
<td>25.0%</td>
<td>25.0%</td>
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<td>2013</td>
<td>0</td>
<td>19</td>
<td>19</td>
<td>89.5%</td>
<td>10.5%</td>
<td>0.0%</td>
<td>0</td>
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<tr>
<td>2014</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>100.0%</td>
<td>0.0%</td>
<td>28.6%</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>1</td>
<td>6</td>
<td>7</td>
<td>85.7%</td>
<td>14.3%</td>
<td>28.6%</td>
<td>0</td>
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<tr>
<td>2016</td>
<td>1</td>
<td>7</td>
<td>8</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>5</td>
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<tr>
<td>Total</td>
<td>17</td>
<td>158</td>
<td>176</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>923</td>
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</table>
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 (steam line, rail, transformers, FM 200)
    - Avoided Trailer Demolition Cost $1.8 M (10 A Area trailers + 38 trailers in Ph1&2)
    - "Kick and Count" Savings $0.2 M (D Area tools)
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
We have an obligation to ensure that people of our region develop the skills needed for jobs in our region.
• 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

<table>
<thead>
<tr>
<th>Institution</th>
<th>Program/Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aiken Technical College</td>
<td>Nuclear Quality System (NQS) Associate Degree Advanced Nuclear Welding</td>
</tr>
<tr>
<td>Augusta Technical College</td>
<td>Chemical Technology Associate Degree Nuclear Career Advisement Program</td>
</tr>
<tr>
<td>Augusta University</td>
<td>Nuclear Science Tracks in Chemistry and Physics Degree Programs</td>
</tr>
<tr>
<td>University of SC Aiken</td>
<td>Environmental Remediation and Restoration Specialized Biology Degree</td>
</tr>
<tr>
<td>University of SC Salkehatchie</td>
<td>Expansion of STEM Coursework for Region</td>
</tr>
<tr>
<td>SRSCRO</td>
<td>Promotion of Regional Nuclear Science Programs, Grant Management</td>
</tr>
</tbody>
</table>
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
WORC
WORKFORCE OPPORTUNITIES IN REGIONAL CAREERS

Up to 22
DOE-EM/NNSA/Contractor Relevant Degree Programs
at
• Aiken Technical College
• Augusta Technical College
• Augusta University
• University of South Carolina Aiken
• University of South Carolina Salkehatchie

10 to 25
SRS Work Experiences Annually
SRS Employer Supported Internships, Apprenticeships, Limited Service Employees, etc.

150+ Scholarships Annually
• 2 Year Programs
• 4 Year Programs

Student Retention Strategies
• Instructional Support
• Tracking

College Program Marketing & Recruitment
• High Schools
• Adults pursuing new career path

2+2 Engineering Program
• University Partnership
• SRS-Related Process Engineering Degree

SRS 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
Mary Lamb

Mary started college at USC Aiken in 2011, but was soon forced to reduce the number of courses she could take after the sudden death of her parents left her with no means of financial support. Mary took one or two classes per semester until she was able to return to full-time studies in 2015 with the support of the ANSR/WORC scholarships. Mary will graduate in August 2017.

Extra Note: Mary needed one final class in summer 2017 and was planning to sell her car to get the $1600 for tuition. We were able to use WORC funds to pay for this final class.
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

$1.9 Billion
Department of Energy
(SRS Annual Budget)

$1.2 Billion
Savannah River Site Operations
Direct Expenditures Within Five Counties

$2.4 Billion
Output

$1.4 billion
Personal Income

18,705
Total Jobs Created

$389 Million
Federal, State, & Local Taxes, PILT
Community Issue
A LOSS OF 1,000 JOBS – 5 County Region

<table>
<thead>
<tr>
<th>IMPACT TYPE</th>
<th>EMPLOYMENT</th>
<th>LABOR INCOME</th>
<th>OUTPUT</th>
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<tbody>
<tr>
<td>Direct Effect</td>
<td>813</td>
<td>$93,843,453</td>
<td>$103,804,598</td>
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<tr>
<td>Indirect Effect</td>
<td>312</td>
<td>$11,832,924</td>
<td>$30,269,404</td>
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<td>Induced Effect</td>
<td>651</td>
<td>$21,553,231</td>
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<tr>
<td>Total Effect</td>
<td>1,776</td>
<td>$127,229,608</td>
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