



FY 2021 Congressional Budget Justification Summary

U.S. Nuclear Regulatory Commission

February 10, 2020

The Nuclear Regulatory Commission

- **Mission:** To license and regulate the Nation's civilian use of radioactive materials to provide reasonable assurance of adequate protection of public health and safety, to promote the common defense and security, and to protect the environment.
- The NRC's FY 2021 budget request reflects the agency's continued commitment to protecting public health and safety and ensuring the long-term safety and security of nuclear power facilities and nuclear materials.



Budget Request Summary

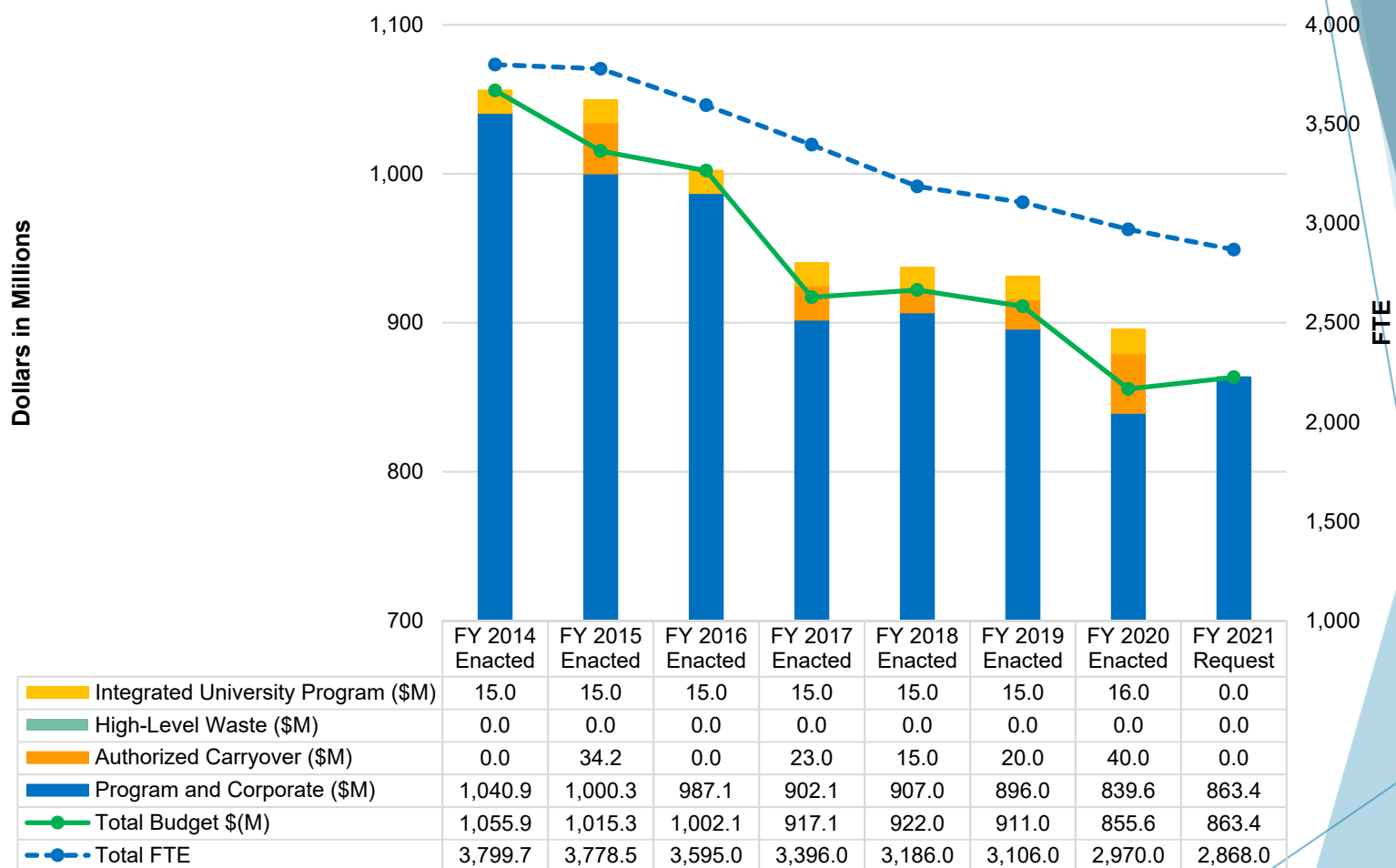
| Major Program | FY 2020 Enacted | | FY 2020 Total Authority | | FY 2021 Request | | Delta FY 21 – FY 20 EN | | Delta FY 21 – FY 20 TA | |
|------------------------------------|-----------------|----------------|-------------------------|----------------|-----------------|----------------|------------------------|----------------|------------------------|----------------|
| | \$M* | FTE | \$M* | FTE | \$M* | FTE | \$M* | FTE | \$M* | FTE |
| Nuclear Reactor Safety | 426.7 | 1,815.0 | 447.6 | 1,815.0 | 452.8 | 1,755.0 | 26.2 | (60.0) | 5.3 | (60.0) |
| Nuclear Materials and Waste Safety | 120.2 | 481.0 | 126.1 | 481.0 | 125.6 | 462.0 | 5.4 | (19.0) | (0.5) | (19.0) |
| Corporate Support | 279.4 | 611.0 | 292.6 | 611.0 | 271.4 | 588.0 | (8.0) | (23.0) | (21.2) | (23.0) |
| Integrated University Program | 16.0 | 0.0 | 16.0 | 0.0 | 0.0 | 0.0 | (16.0) | 0.0 | (16.0) | 0.0 |
| Subtotal | \$842.2 | 2,907.0 | \$882.2 | 2,907.0 | \$849.9 | 2,805.0 | \$7.6 | (102.0) | \$(32.4) | (102.0) |
| Office of the Inspector General | 13.3 | 63.0 | 13.3 | 63.0 | 13.5 | 63.0 | 0.2 | 0.0 | 0.2 | 0.0 |
| Total | \$855.5 | 2,970.0 | \$895.5 | 2,970.0 | \$863.4 | 2,868.0 | \$7.8 | (102.0) | \$(32.2) | (102.0) |

*\$M includes full-time equivalent (FTE) costs as well as contract support and travel. Numbers may not add due to rounding.

- The FY 2021 budget request is \$863.4 million, including 2,868 FTE. This represents an increase of \$7.8 million, including a decrease of 102 FTE, when compared with the FY 2020 Enacted Budget.
- When compared to the FY 2020 total budget authority, which included the use of \$40 million in authorized prior-year carryover, this request represents a decrease of \$32.2 million or approximately 3.6 percent.
- The FY 2021 budget request includes \$17.7 million in the Nuclear Reactor Safety Program for the continued development of a regulatory infrastructure for advanced nuclear reactor technologies.
- The FY 2021 budget request does not include funding for licensing activities related to the proposed deep geological repository for the disposal of spent nuclear fuel and high-level radioactive waste at Yucca Mountain, Nevada.
- The FY 2021 budget request does not include resources for the Integrated University Program.

Budget Request Trend

U.S. Nuclear Regulatory Commission
FY 2014 – FY 2021 Budget



- Since FY 2014, the agency budget has decreased by 17 percent, excluding resources for Yucca Mountain and the Integrated University Program. The agency has also reduced FTE by 25 percent during this period.

Net Budget Authority

| | FY 2020 Enacted | FY 2021 Request | Delta FY 21 – FY 20 |
|-----------------------------|--------------------|--------------------|------------------------|
| | \$M* | \$M* | \$M* |
| Budget Authority | 855.6 | 863.4 | 7.8 |
| Offsetting Fees | 728.1 | 740.4 | 12.3 |
| Net Budget Authority | \$127.5 | \$123.0 | \$(4.5) |

*\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

- Effective in FY 2021, Public Law 115-439, “Nuclear Energy Innovation and Modernization Act,” (NEIMA) establishes a revised framework for fee recovery.
 - NEIMA designates fee-relief activities identified by the Commission and other specific activities excluded from fee recovery as “excluded activities.”
 - NRC will recover approximately 100 percent of its budget, less “excluded activities,” from licensee fees.
- NRC will recover \$740.4 million of its FY 2021 budget request from fees assessed to NRC licensees. This will result in a net budget authority of \$123.0 million, a decrease of \$4.5 million when compared with the FY 2020 Enacted Budget.

Composition of Net Budget Authority

| | FY 2020 Enacted | FY 2021 Request | Delta FY 21– FY 20 |
|---|--------------------|--------------------|-----------------------|
| | \$M* | \$M* | \$M* |
| Generic Homeland Security | 14.2 | 11.7 | (2.4) |
| Waste Incidental to Reprocessing | 1.3 | 1.2 | (0.1) |
| Advanced Reactors Regulatory Readiness | 15.5 | 17.7 | 2.2 |
| International Activities | 14.5 | 0.0 | (14.5) |
| Nuclear Waste Fund | 0.0 | 0.0 | 0.0 |
| Defense Nuclear Facilities Safety Board | 1.2 | 1.2 | 0.0 |
| Integrated University Program | 0.0 | 0.0 | 0.0 |
| Fee Relief Activities | 80.9 | 91.2 | 10.3 |
| Net Budget Authority | \$127.5 | \$123.0 | (\$4.5) |

*\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

- NRC’s net budget authority is comprised of fee relief activities and other specific activities excluded from fee recovery, otherwise known as “excluded activities.”
- The FY 2021 budget request does not include funding for licensing activities related to the proposed Yucca Mountain deep geological repository for the disposal of spent nuclear fuel and other high-level radioactive waste.
- For FY 2021, the Commission identified international activities, not including the resources requested for import and export licensing, as fee-relief activities to be excluded from fee recovery, in accordance with NEIMA.

Nuclear Reactor Safety Highlights

| Business Line | FY 2020 Enacted | | FY 2021 Request | | Delta FY 21 – FY 20 | |
|-------------------------------|-----------------|----------------|-----------------|----------------|---------------------|---------------|
| | \$M* | FTE | \$M* | FTE | \$M* | FTE |
| Operating Reactors | 342.6 | 1,483.0 | 372.8 | 1,470.0 | 30.3 | (13.0) |
| New Reactors | 84.1 | 332.0 | 80.0 | 285.0 | (4.1) | (47.0) |
| Nuclear Reactor Safety | \$426.7 | 1,815.0 | \$452.8 | 1,755.0 | \$26.2 | (60.0) |

*\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

Resources for the Nuclear Reactor Safety Program increase primarily because of an increase in salaries and benefits to support enacted pay raises and increases in awards spending.

- Resources for the Operating Reactors Business Line also increase primarily to support three new support subsequent license renewal applications (North Anna Power Station and two unnamed plants); a new medical radioisotope construction permit application for Coqui and three ongoing medical radioisotope operating license application reviews; and entry-level hiring to support the agency's ongoing Strategic Workforce Plan (SWP). The increases are partially offset by a decline in workload, efficiencies in processing licensing actions, the merger of the Office of Nuclear Reactor Regulation (NRR) and the Office of New Reactors (NRO), and the anticipated closure of the Duane Arnold Energy Center.
- Resources for the New Reactors Business Line decrease primarily due to the completion of the NuScale design certification review and Clinch River early site permit application review; decrease in the areas of construction inspections, allegations and investigations, and vendor inspections as Vogtle Unit 3 is expected to transition to the reactor oversight program early in FY 2021; and the merger of NRR and NRO. The decreases are partially offset by an increase in workload in the area of advanced nuclear reactor technologies and entry-level hiring to support the agency's ongoing SWP.

Nuclear Materials and Waste Safety Highlights

| Business Line | FY 2020 Enacted | | FY 2021 Request | | Delta FY 21 – FY 20 | |
|---|-----------------|--------------|-----------------|--------------|---------------------|---------------|
| | \$M* | FTE | \$M* | FTE | \$M* | FTE |
| Spent Fuel Storage and Transportation | 22.9 | 102.0 | 28.1 | 102.0 | 5.2 | 0.0 |
| Nuclear Materials Users | 56.2 | 205.0 | 55.5 | 201.0 | (0.7) | (4.0) |
| Decommissioning and Low-Level Waste | 21.8 | 93.0 | 22.8 | 86.0 | 1.0 | (7.0) |
| High-Level Waste | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fuel Facilities | 19.2 | 81.0 | 19.3 | 73.0 | 0.0 | (8.0) |
| Nuclear Materials and Waste Safety | \$120.2 | 481.0 | \$125.6 | 462.0 | \$5.4 | (19.0) |

*\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

Resources for the Materials and Waste Safety Program increase primarily because of an increase in salaries and benefits to support enacted pay raises and increases in awards spending. These increases are partially offset by decreases in the Nuclear Materials Users, Decommissioning and Low-Level Waste, and Fuel Facilities Business Lines described below.

- Resources for the Spent Fuel Storage and Transportation Business Line increase primarily to support development of technical bases for the review of transportation packages for accident tolerant fuel and development of regulatory guidance and infrastructure to conduct safety reviews for high-burnup and enrichment extension fuel designs that may be submitted in future license applications.
- Resources for the Nuclear Materials Users Business Line decrease in alignment with projected workload.
- Resources for the Decommissioning and Low-Level Waste Business Line decrease as a result of the reduction within the Uranium Recovery Program and the Materials and Decommissioning Program. The decreases are partially offset by the transition of the Duane Arnold Energy Center from operations to the power reactor decommissioning program.
- Resources for the Fuel Facilities Business Line decrease primarily due to the efficiencies associated with organization restructuring within the NRC's Office of Nuclear Material Safety and Safeguards.

The FY 2021 budget request does not include funding for Yucca Mountain activities. NRC will continue to use unobligated carryover funds appropriated from the Nuclear Waste Fund to address the remand by the U.S. Court of Appeals for the District of Columbia Circuit in the case *In re Aiken County* regarding the licensing process for the U.S. Department of Energy's Yucca Mountain license application.

Corporate Support Highlights

| Product Line | FY 2020 Enacted | | FY 2021 Request | | Delta FY 21 – FY 20 | |
|---------------------------|-----------------|--------------|-----------------|--------------|---------------------|---------------|
| | \$M* | FTE | \$M* | FTE | \$M* | FTE |
| Administrative Services | 86.2 | 78.0 | 73.6 | 71.0 | (12.6) | (7.0) |
| Financial Management | 29.9 | 96.0 | 32.9 | 93.0 | 3.0 | (3.0) |
| Human Resource Management | 20.3 | 44.0 | 20.2 | 43.0 | (0.2) | (1.0) |
| IT/IM Resources | 91.1 | 179.0 | 94.9 | 174.0 | 3.8 | (5.0) |
| Outreach | 3.2 | 13.0 | 3.2 | 13.0 | 0.1 | 0.0 |
| Policy Support | 29.3 | 137.0 | 29.8 | 133.0 | 0.5 | (4.0) |
| Training | 4.2 | 13.0 | 3.9 | 12.0 | (0.3) | (1.0) |
| Acquisitions | 15.2 | 51.0 | 12.9 | 49.0 | (2.3) | (2.0) |
| Corporate Support | \$279.4 | 611.0 | \$271.4 | 588.0 | \$(8.0) | (23.0) |

*\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

- Resources for Corporate Support decrease primarily as a result of the elimination of the planned restack and renovation of two floors in the One White Flint North building, and the planned release of the Three White Flint North conference space, and the planned release of a floor of the Two White Flint North building. Decreases are also a result of efficiencies related to administrative services support, facilities management, and physical personnel security; implementation of more cost effective telecommunication technologies and transition to governmentwide shared services; and reduced costs as a result of integrating the agency's financial and procurement systems. The decreases are partially offset by an increase in salaries and benefits to support enacted pay raises and increases in awards spending.

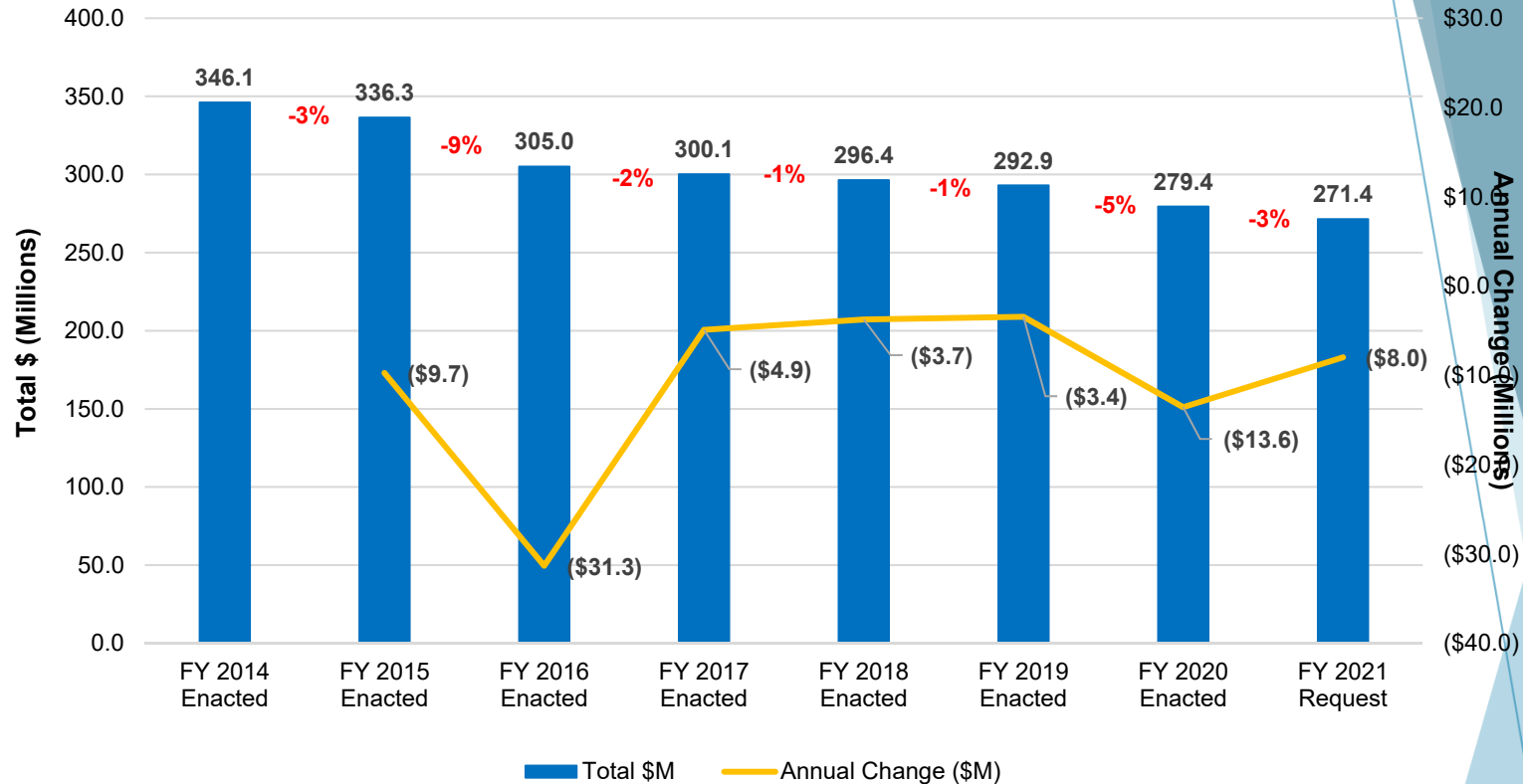
Nuclear Energy Innovation and Modernization Act (NEIMA)

NEIMA impacts the following areas in the NRC's Congressional Budget Justification (effective FY 2021)

- **Corporate Support** - NEIMA caps the NRC's corporate support costs at 30 percent of the annual budget request for FY 2021, stepping down to 28 percent in FY 2025 and beyond, to the maximum extent practicable.
- **Operating Power Reactors Annual Fee** - NEIMA caps the operating power reactor licensee annual fee to the amount established in the FY 2015 final fee rule, adjusted for inflation, to the maximum extent practicable.
- **Requested Activities** - NEIMA requires anticipated expenditures for "requested activities of the Commission" to be identified in the annual budget justification.
- **Performance Metrics** – NEIMA requires the development of performance metrics for requested activities of the Commission.

Corporate Support Percentage

Corporate Support Budget FY 2014 - FY 2021



- Since FY 2014, the Corporate Support budget has decreased by approximately \$74.7 million, or approximately 22 percent.
- Resources requested for Corporate Support constitute 31 percent of the agency's total budget and reflects the agency's effort to comply with NEIMA to the maximum extent practicable. Further reductions to corporate support in FY 2021 were not feasible and would jeopardize the corporate activities necessary to accomplish the agency's mission.
- The Corporate Support budget supports continuing efforts to modernize IT to increase productivity and security, leverage data as a strategic asset, share quality services, leverage common contracts and best practices to drive cost reductions and efficiencies.

Operating Power Reactors Annual Fee

| Estimated FY 2021 Operating Power Reactors Annual Fee | |
|--|--------------|
| | \$M* |
| FY 2021 Operating Power Reactors Allocation | 628.0 |
| Estimated Part 170 Fee Collections | 188.3 |
| Estimated Part 171 Allocations | 439.7 |
| Generic Transportation Resources Allocated | 0.5 |
| Adjusted Part 171 Allocations ¹ | 440.2 |
| Generic Low-Level Waste Surcharge | 3.9 |
| Part 171 Billing Adjustments | 1.5 |
| Total FY 2021 Annual Fee ² | \$445.5 |
| FY 2021 Annual Fee per Operating Power Reactor³ | \$4.8 |
| FY 2015 Annual Fee per Operating Power Reactor Adjusted for Inflation ⁴ | \$5.4 |
| Delta: FY 2021 Annual Fee - FY 2015 Annual Fee Adjusted for Inflation | (\$0.6) |

*Numbers may not add due to rounding.

¹Adjusted amount after generic transportation resources allocation.

²Sum of Adjusted Part 171 Allocations, Generic Low-Level Waste Surcharge, and Part 171 Billing Adjustments.

³Assumes 93 operating power reactors

⁴Based on 1.5 percent Consumer Price Index increase per fiscal year.

- The operating power reactors annual fee estimate is based on the NRC staff's allocation of the FY 2021 budget request to fee collections under 10 CFR 170 and allocations within the operating power reactors fee class under 10 CFR 171, it assumes 93 operating power reactors in FY 2021, and applies various data assumptions from the FY 2019 final fee rule.
- Based on these allocations and assumptions, the operating power reactor annual fee for FY 2021 is estimated to be \$4.8 million, approximately \$0.6 million below the FY 2015 operating power reactors annual fee amount, adjusted for inflation to \$5.4 million.

Requested Activities

| Requested Activity by Business Line | FY 2021 Request | |
|---------------------------------------|-----------------|--------------|
| | \$M* | FTE |
| Operating Reactors | 27.7 | 121.2 |
| New Reactors | 15.1 | 65.0 |
| Spent Fuel Storage and Transportation | 9.0 | 33.7 |
| Nuclear Materials Users ¹ | 5.5 | 28.5 |
| Decommissioning and Low-Level Waste | 2.6 | 9.7 |
| Fuel Facilities | 2.6 | 7.7 |
| Total | \$62.5 | 265.8 |

*\$M includes full-time equivalent (FTE) costs as well as contract support and travel. Numbers may not add due to rounding.

¹\$4.8M, including 24.4 FTE, budgeted to support requested activities within the Nuclear Materials Users Business Line are recovered through annual fees under 10 CFR Part 171.

- NEIMA defines a requested activity of the Commission as the processing of applications for (1) design certifications or approvals, (2) licenses, (3) permits, (4) license amendments, (5) license renewals, (6) certificates of compliance, (7) power uprates, and (8) any other activity requested by a licensee or applicant.
- A total of \$62.5 million, including 265.8 FTE, is budgeted to support requested activities of the Commission, including import and export licensing activities, for FY 2021.
- Note the table above is not an exhaustive list of NRC’s budgetary resources for fee for service activities recovered through 10 CFR 170. Other fee for service activities, such as inspections, do not meet NEIMA’s definition of a requested activity, and therefore, are not included.

Summary

- The NRC's FY 2021 budget request reflects resources necessary to accomplish mission critical activities related to safety and security in the Nuclear Reactor Safety Program and Nuclear Material and Waste Safety Program.
- The FY 2021 budget request reflects the agency's effort to comply with NEIMA to the maximum extent practicable.
- The agency will continue efforts to implement efficiencies and invest resources in initiatives that will result in future savings.

