



TO: NCUA Board

DATE: March 16, 2016

FROM: Office of the Executive Director

SUBJ: Enterprise Solutions
Modernization Program

ACTION REQUESTED: Board approval of two temporary positions to lead the Enterprise Solutions Modernization Program, with a corresponding reduction of two field positions.

DATE ACTION REQUESTED: March 24, 2016.

OTHER OFFICES CONSULTED: Office of the Chief Information Officer, Office of Human Resources, Office of Examination and Insurance, Office of the Chief Financial Officer, Regional Directors, Information Technology Prioritization Council

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: \$75,000 annually for four years includes the differences in salary and travel expenses for the two temporary positions that will be added, compared to the two field positions that will be eliminated.

After the two temporary positions expire in four years, on-site examination costs will be reduced as NCUA's modernized systems facilitate more off-site monitoring and less on-site examination time at credit unions.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: John Kutchey, Deputy Executive Director, and Ed Dorris, Chief Information Officer.

SUMMARY: In the 2016-2017 operating budget, funding was approved for a series of information technology (IT) initiatives that include the much-needed next generation of examination and information gathering systems, implementing robust business intelligence capabilities, and acquiring a customer relationship management application. Beyond the IT changes, this modernization effort requires updates to NCUA's data storage and structure, as well as changes to document management policies and practices. The entire initiative makes up the Enterprise Solutions Modernization Program (ESMP).

The result of ESMP will be a more efficient operation and user-friendly experience for staff and stakeholders. It is envisioned that ultimately each user will have a dashboard or desktop that fits their unique profile. This will put more information within reach of data users without the need to search multiple systems.

Specifically, the new system will benefit credit unions as well as examiners:

- Credit unions will be able to request field-of-membership expansions, view member complaints, file Call Reports, apply for grants, make timely payments, and complete a variety of other actions at their convenience through a single user interface with NCUA. The various IT applications in ESMP will feed into the user experience.
- Examiners will be able to review all information about their assigned credit unions from one off-site location and will have better analytics to target the review. The expectation is ESMP will allow for more flexibility and better tools to support field staff working off-site doing examination and supervision work before going into credit unions. As a result, reduced travel costs for staff and reduced on-site examination time for credit unions are an expected outcome.

Given the complexity of ESMP and the significant positive outcomes for staff and external stakeholders, dedicated fulltime management is essential for the duration of ESMP. There are two groups within the ESMP team. The first group is led by the Office of the Chief Information Officer (OCIO), which oversees all aspects of technical development. All staffing for the OCIO portion of the project is already in place. The second group will manage the user experience and work closely with subject matter experts and key stakeholders, internal and external. The two requested temporary positions would lead this effort.

Key duties and responsibilities of the two temporary positions include:

- Communicating and coordinating input, content and feedback with all 14 of NCUA's national offices, all five NCUA regions, credit unions, state supervisory authorities, and other third-party stakeholders to understand and prioritize their needs and requirements.
- Managing the impact on operating policies and programs across NCUA's 19 business units.
- Using their thorough understanding of NCUA's operating policies, practices, and regulations to make key policy and process recommendations to the Office of the Executive Director's oversight team.
- Working collaboratively with OCIO leading the assigned contractors and staff, as well as leading staff-level working groups and management-level advisory groups.
- Ensuring effective program resource usage and budget control.
- Managing change both with internal and external stakeholders, including information sharing, training and rollout considerations.

The budget impact from the two temporary positions is minimal as we plan to manage the workload through a neutral staffing level action. Two field positions will be converted to the two new management positions as they become vacant. The full impact from efficiencies gained

in NCUA's 2016 state examination program, coupled with further consolidation of credit unions, allows for a level of attrition in the field program that offsets the addition of these two temporary positions.

As the two lower-graded field positions are converted to management positions, the salary cost represents the difference between their respective salary caps: \$40,000 per year for four years.

As travel expectations will be greater for the two new management positions than they were for the two lower-graded field positions, the travel cost represents a projected difference of \$35,000 per year for four years.

Thus the total budget impact amounts to \$75,000 per year for four years.

For 2016, the various vacancies created behind the selected employees for the new positions will result in a minimal budget impact that can be managed without new funding.

RECOMMENDED ACTION: NCUA Board approval of a temporary position graded SSP-2 and a temporary position graded CU-15 to lead and coordinate the Enterprise Solutions Modernization Program for terms not to exceed four years, with a corresponding reduction in field positions, and authorization for the Office of the Executive Director to execute the associated reprogramming of budget funds to the Office of the Executive Director.