



**TO:** NCUA Board

**DATE:** December 21, 2015

**FROM:** Office of the Executive Director

**SUBJ:** Technical Amendment--Rule Regarding Central Office Organization—12 C.F.R. Section 790.2(b); Revisions to Delegations of Authority

**ACTION REQUESTED:** Board approval of: (1) the attached proposed final technical amendment to NCUA's regulations on its central office organization, conforming them to reflect changes in the Executive Director's and the OMWI Director's functional and reporting responsibilities. Specifically, the amendment moves the Director of Equal Employment Opportunity (EEO) responsibility from the Executive Director to the Director of the Office of Minority and Women Inclusion (OMWI) and revises the OMWI Director's reporting line from the Executive Director to the NCUA Chairman; and (2) the attached proposed revisions to the related Delegations of Authority - Human Resources.

**DATE ACTION REQUESTED:** January 21, 2016.

**OTHER OFFICES CONSULTED:** OMWI, OGC.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**RESPONSIBLE STAFF MEMBERS:** John Kutchey, Deputy Executive Director, and Linda Dent, Associate General Counsel, Office of General Counsel.

**BACKGROUND:** The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010<sup>1</sup> required several agencies to establish OMWI offices with each OMWI Director reporting to the "agency administrator."<sup>2</sup>

OGC determined that the Chairman is the agency administrator for reporting purposes and that delegated authorities at NCUA permitted the Executive Director to serve as the reporting conduit to the Chairman. In 2011, NCUA established its OMWI office with the OMWI Director reporting to the Executive Director. At that time, the equal employment opportunity (EEO) program remained separate with the Executive Director serving as the EEO Director.

<sup>1</sup> Pub. L. 111-203, §342 (2010), codified at 12 U.S.C. §5452.

<sup>2</sup> 12 U.S.C. §5452(b)(1).

In January 2014, a realignment took effect merging the EEO function into OMWI. The intent was to merge the complementary functions and transfer the EEO Director duties to the OMWI Director. However, the OMWI Director retired during the consolidation, which delayed the transfer of the EEO Director duties. Various senior executives served as the Acting OMWI Director until a permanent replacement was hired in July 2015.

With the permanent director in place over both the OMWI and EEO functions, it is now appropriate to transfer the EEO Director duties to the permanent OMWI Director. In implementing federal anti-discrimination laws, the Equal Employment Opportunity Commission requires each executive agency to designate an EEO Director who shall serve under the immediate supervision of the agency head without further authority to delegate. Accordingly, assigning the EEO Director designation to the OMWI Director necessitates a change in the OMWI Director’s direct reporting line.

In researching this recommendation, we also found the OMWI Director at other agencies generally reports directly to the agency’s top official. The following chart lists the current official reporting structure for each applicable agency.

Agency	Direct Report to Agency Head?	Official Report for OMWI Director
<b>Consumer Financial Protection Bureau</b>	Yes	Director
<b>Federal Deposit Insurance Corporation</b>	Yes	Office of the Chairman
<b>Federal Housing Finance Agency</b>	Yes	Director
<b>Federal Reserve Board</b>	Yes	Chairman
<b>National Credit Union Administration</b>	No	Executive Director
<b>Office of the Comptroller of the Currency</b>	Yes	Comptroller
<b>Securities and Exchange Commission</b>	Yes	Chairman
<b>Treasury Departmental Office</b>	Yes	Assistant Secretary for Management <sup>3</sup>

<sup>3</sup> The Treasury Departmental Office of Management is responsible for internal management and policy for Treasury Departmental Offices in areas such as budget, planning, human resources and procurement, among others. The Assistant Secretary for Management serves as the agency head relating to these areas. The OMWI Director also has a reporting channel to the Treasury Secretary.

**SUMMARY:** We recommend the Board designate the Director of OMWI as NCUA's Director of EEO and specify that the OMWI Director reports to the NCUA Chairman. These actions require the amendment of NCUA's regulations in Part 790 regarding central office organization.

The proposed final technical rule moves the designation of EEO Director from the description of the Office of the Executive Director to the Director of OMWI in the description of OMWI in Section 790.2(b). This is consistent with the merger of the EEO Program into OMWI.

The amended rule also revises the OMWI Director's reporting line from the Executive Director to the NCUA Chairman. These rule changes require amendment of the related Delegations of Authority.

**RECOMMENDED ACTION:** NCUA Board approval of the proposed final rule and the proposed changes to the Delegations of Authority, as reflected in the attached red-lined document showing each change.

**ATTACHMENTS:** Proposed final rule and proposed delegations with red-line changes depicted.