



**National Science Foundation  
Advisory Committee for Business and Operations  
Executive Summary for the Fall 2012 Meeting  
November 14-15, 2012**

This is the Executive Summary of the fall meeting of the Advisory Committee for Business and Operations held at the National Science Foundation on November 14-15, 2012.

Dick Seligman, Charlene Hayes  
Co-chairs

Committee members in attendance:

Jake Barkdoll	Consultant
Cindy Blazy	Belmont University
Marti Dunne	New York University
Carson Eoyang	Naval Postgraduate School
Charlene Hayes	Johns Hopkins University
Cindy Hope	University of Alabama
Greg Jackson	EDUCAUSE
Kathryn Newcomer	George Washington University
Katy Schmoll	University Corporation for Atmospheric Research
Dick Seligman	California Institute of Technology
David Spencer	WTe Corporation
Joe Thompson	Retired
David Trinkle	UC Berkeley

This report summarizes the discussions and recommendations of the NSF Business and Operations Advisory Committee (the “Committee”) that took place at the November 14-15, 2012 meeting. Topics are reported in the order in which they appeared on the Committee’s agenda.

### Introduction

Committee Co-chair Dick Seligman informed the committee members of EJ Taylor’s resignation from the Committee due to personal and business commitments. He also introduced the two new members, David Spencer and John Tao, who both bring private sector experience to the group. David Spencer is chairman and Chief Technology Officer of wTe Corporation, a metals and plastics recycling company he founded in 1981. John Tao is a consultant who worked previously in technology partnerships,

intellectual asset management and technology transfer for Weyerhaeuser Company, Air Products and Chemicals, Inc. David joined the meeting remotely. John Tao was unable to attend.

Co-chair Seligman also reviewed the status of prior committee recommendations, noting that all issues are now closed with reports at the spring meeting from the Business Systems Review Subcommittee and the Re-competition Subcommittee.

#### BFA/OIRM/CIO Updates

Marty Rubenstein, Director of BFA and Chief Financial Officer, provided the following updates:

- The iTRAK implementation contract has been awarded to Accenture Federal Services LLC. The COTS software is Oracle Federal Financials.
- The agency is converting to grant-by-grant financial tracking in the Award Cash Management System (ACMS) for 37 awardees, effective January 4, 2013. The new system will record expenses as they are drawn down from the grants by the awardee, enabling timelier financial reporting. The remaining NSF awardees will make the transition to ACMS in April 2013.
- OMB directed agencies to accelerate their spending of any remaining Recovery Act funds and to complete Recovery Act projects by September 30, 2013. Agencies may request waivers from implementation by November 30, 2012.
- In response to OMB's directive for agencies to review policies and controls associated with conference-related activities and expenses, BFA is developing new conference approval and reporting requirements for NSF.
- Marty Rubenstein is the small agency representative to OMB's newly created Council on Financial Assistance Reform (COFAR). COFAR's FY 2013 priorities continue the work of the Grants Policy Committee and Grants Executive Board.
- NSF received its 15<sup>th</sup> consecutive "clean" opinion with no material weaknesses in the audit of its financial statements. The audit report does repeat a significant deficiency on the monitoring of construction type cooperative agreements from the prior year. BFA continues to work with OIG and its auditors to resolve the issue.
- The BFA Policy Coordination Committee has developed standard operating guidance to improve the consistency and impact of BFA policy development, review, and clearance.
- A six month continuing resolution funds NSF at FY 2012 enacted levels, prorated for the duration of the resolution. Not much will be known about sequestration until after the "lame duck" session.

Marty Rubenstein charged three work groups of BFA staff to focus on several strategic priorities designed to help the unit better manage its workload issues. These include a look at using risk assessment to prioritize operations; identifying and reducing duplication among divisions; and, creating a SWAT team of staff with particular skills to address critical needs as a way of providing professional development opportunities. Ms. Rubenstein identified these priorities after receiving the results of a study she commissioned from an OMB staff member on loan to her division for a limited period of time.

Gene Hubbard, Head of the Office of Information and Resource Management and Chief Human Capital Officer provided the following updates.

OIRM developed goals for FY13-FY14. These include: increasing employee engagement and morale; streamlining and creating administrative efficiencies and cutting costs in printing, travel, supplies, etc.; promoting modernization in IT business systems, hardware and software and increased automation of processes and paperwork; enhancing internal communications; and, improving customer service. In response to the articulation of a cost cutting goal, members of the Advisory Committee suggested that one way to immediately cut NSF's costs would be to use lower cost, non-refundable fares automatically for official travel, given the significantly higher costs of government contract fares. As it stands, the traveller must often request the nonrefundable fare and then the travel agent must get the meeting coordinator's approval to book it.

OIRM Challenges for FY13 include IT costs, which were cut by 10% and face a second 10% cut in FY14; understaffing in many areas, including HR and IT, and a skills imbalance in other areas; workload pressures with insufficient resources; and, building security, costs and deteriorating conditions.

Amy Northcutt, NSF's Chief Information Officer, provided an update that illustrated NSF trends from FY 2000-FY 2011, demonstrating a 95% increase in proposals, a 34% increase in NSF funding and a 14% increase in staffing. Ms. Northcutt also provided statistics regarding IT's support of the NSF mission during Fiscal Year 2011.

#### NSF Workforce Challenges – Overview

Gene Hubbard and Judy Sunley reviewed the results of the FY 2012 Federal Employee Viewpoint Survey, which showed a slightly negative trend, with relatively positive scores overall on items reflecting the employees' work experience. The lowest scores received by NSF related to the workload, resources and training needs. The highest scores reflected the employees' willingness to put in extra effort and to look for better ways to do their jobs.

With respect to the work unit, the Agency saw a slightly positive trend, with relatively low scores overall. The responses related to performance management received the lowest scores with the quality of work done by the work group receiving the highest scores. While NSF employees clearly believe in the mission of the agency and believe that NSF is successfully fulfilling its mission, the survey scores reflected an overall negative trend with respect to the agency's leadership and individual employees' personal empowerment. Consequently, workload and performance management both emerged as areas of focus for FY 2013.

#### B&O Advisory Committee's Feedback Regarding Workforce Challenges—Managing Workload and Performance

Carson Eoyang and Joe Thompson led the discussions regarding feedback and recommendations for managing the workload and performance, given NSF's challenges. Using work done during his tenure with the Veterans' Administration as an example, Joe Thompson suggested that NSF consider the use of

a balanced scorecard to set its strategic goals, prioritize its work, align the work with the budget, and to measure progress. The Committee suggested that under the right circumstances using the balanced scorecard as a strategic framework would help to improve quality and efficiency, while providing a basis for rewarding employees for their collective work. NSF should consider it as an option.

Kathy Newcomer presented the findings of a study she and colleagues conducted of the Defense Civilian Intelligence Personnel System, a pay for performance system. Despite its conclusion that pay-for-performance is difficult in the Federal government, the panel recommended that the agency make it a priority to develop an approach for recognizing and rewarding performance at the individual, group and organizational levels. The ultimate reward system should be incorporated into the agency's performance management system. Members of the B&O Committee encouraged NSF to heed that advice.

In summary, the Committee recommended that absent an increase in staff, the agency must take a multi-faceted, integrated and sustained approach to managing the workload and performance. It will require full management and employee commitment. Specific recommendations include: Optimizing the staff's efforts by clarifying priorities, synchronizing schedules and minimizing duplication and redundancy; increasing efficiency by maximizing individual productivity, group or team efficiency, and continued improvement of system-wide processes, structures and technologies; and, moderating or neutralizing negative consequences. The Committee recommended that the agency provide incentives for innovation, efficiency and economy; maintain a positive physical and social work environment; emphasize the psychic, intellectual and social benefits of work; and, provide opportunities for work/life balance, avoiding the use of financial incentives to compensate for work stress.

#### Virtual Meetings

The B&O Advisory Committee discussed the appropriateness of virtual meetings. Comments were mixed with the expression of a lot of reticence to making a commitment to virtual meetings regularly. The major concern is that virtual meetings don't lend themselves to the kind of rich interaction that the Committee has come to enjoy over the last couple of years. Without the rich, personal interactions the Committee members are concerned that the quality of the meetings will suffer. David Spencer joined the fall meeting virtually. That experience only served to reinforce the negative viewpoints, since his participation was frequently hampered and/or interrupted by challenges with the technology. Greg Jackson suggested that NSF consider different technologies that should help to improve the experience. With that suggestion, the Committee members agreed to try to conduct at least one meeting virtually before making the commitment to scheduling them regularly.

#### Environmental Scan: External Factors and Upcoming Challenges and Opportunities Affecting NSF

Several staff members from the Agency presented their views on the external factors affecting the NSF. The panel focused primarily on the fiscal challenges facing the agency with the need to improve technology in the face of sequestration and the fiscal cliff. There were no conclusive suggestions from the Committee regarding these challenges.

### Meeting with the Deputy Director

Dr. Cora Marrett held a discussion with the Committee that addressed a wide range of topics, including the following:

- In regards to performance metrics and the Committee recommendation to consider a balanced scorecard approach, Dr. Marrett noted that NSF is working to improve its evaluation capability and is looking to centralize its metrics for future action planning.
- As to the conversation on managing organizational performance, Dr. Marrett agreed that the vision and communication should originate from senior leadership at NSF. NSF has a team looking at last year's Employee Viewpoint Survey Results; NSF intends to seek input and engagement from employees on moving forward based on the EVS results and action plan.
- When asked about the future challenges at NSF, Dr. Marrett said that the future remains bright, as long as we are clear that we support the advancement of science, engineering, and the nation's interests. She seeks to ensure that NSF maintains clarity in its outreach efforts and communication with the public as a whole. The basis of NSF research is very important for what is needed by the country, but is affected by the economy. If funds are not as available, activities and programs might not be able to grow. Sequestration was specifically noted as a fiscal challenge.