

## CFO Talking Points for the B&O Advisory Committee Meeting (Spring 2015)

### ➤ BFA Deputy Office Head Retires; 40 Years of NSF Service

- I want to start by noting the upcoming retirement of Joanna Rom, after almost 40 years at NSF. Her first contact with NSF was actually in high school; she was a Saturday math student at an NSF funded program at Queens College in New York. After college she came to NSF a management intern.
- Joanna has worked with almost everyone here at NSF over the years as a grant and contract officer, as Policy Office Head and as Division Director, Grants and Agreements.
- For the past several years, she has served as Deputy Head of our Office of Budget, Finance and Award Management (BFA), working on a wide variety of issues including, most recently, co-chairing our Relocation Working Team and serving as Executive Secretary of the NSB Audit & Oversight Committee.
- Many of you, especially Susie and Cindy, also know Joanna from her work on the Executive Committee of the Federal Demonstration Partnership. I congratulate Joanna on a long and distinguished career in public service and know you all wish her as she starts her next chapter.

### ➤ iTRAK's Implementation/Operations and Maintenance

- iTRAK launched shortly before our last meeting, and has now been fully operational for more than six (6) months effectively interfacing with 17 internal and external systems. Thousands of transactions have been processed in iTRAK: grantee, vendor, and travel payments are made timely. This strong start is due to the tremendous effort from NSF's senior leadership, staff, and contractors.
- The iTRAK team has successfully implemented monthly software upgrades that were critical in meeting NSF business requirements; established an iTRAK Super User group to assist users across the Foundation; conducted advance user training for all business processes; produced over 50 job aids to include screen shots and step-by-step instructions; and provided in-person user assistance to over 400 iTRAK users.
- iTRAK is now in the Operations and Maintenance (O&M) period which is broken down into two areas, stabilization and maintenance. Stabilization will last one year and includes a focus on change management and communications. The Change Management and Communication Team has taken data received from the iTRAK Help Desk, the iTRAK Command Center (where users would take their work and get hands-on assistance), emails received through the iTRAK email alias, surveys, and iTRAK Super Users to determine where users are experiencing issues. Resolution of the issues is achieved through targeted communications, adjustments to business processes, and additional training and coaching sessions. The Team continues to emphasize communications to keep stakeholders informed of the current issues and resolutions. Additionally, NSF continues to reach out to other Federal Agencies regarding lessons learned.
- The maintenance area of the O&M period includes addressing any system issues, running the iTRAK Help Desk, and supporting NSF with any enhancements necessary. As with any new financial system, routine technical and resource issues will occur. The iTRAK support teams work diligently to analyze and resolve issues on an ongoing basis.
- The first six months of stabilization and O&M have cost more than planned. BFA recently requested an additional \$5.0 million for FY 2015 to cover the efforts described above, as well as a much higher volume of help desk tickets and the associated use of the iTRAK Command Center; unexpected system integration

issues with the NSF Travel System (Concur); additional support for financial audit activities including financial statement processing; and the purchase of additional software licenses.

➤ **Draft NSF Proposal & Award Policies & Procedures Guide (PAPPG) Available for Comment**

- NSF published a notice in the Federal Register on May 19, 2015 announcing the availability of a "for comment" draft of new PAPPG. One issue addressed in the draft is a clarification of the Foundation's two-month salary policy to state that re-budgeting in excess of two-months is permitted unless it results in changes to objectives or scope. This policy clarification keeps NSF aligned with federal guidelines and regulations. The National Science Board, Committee on Audit & Oversight, is reviewing possible options to the current NSF policy.

➤ **Modernization Effort Initiated for NSF Award System**

- NSF's aging Award System is the next internal client-server application scheduled for modernization. The benefits of modernization will be shared by stakeholders across operational and management levels Foundation-wide. It will strengthen accountability, streamline the award process and post-award management, improve the quality of information services, and reduce costs of future maintenance and system upgrades.
- The modernization effort represents collaboration among the BFA's Division of Institution and Award Support and Division of Grants and Agreements, as well as the OIRM's Division of Information Systems. The roadmap identifying requirements for enhancements to current functionalities and introducing new capabilities has been completed. On March 27, 2015, staff received approval to begin the development phase of the new system that will be aligned with on-going upgrades to NSF's information technology infrastructure. Availability of funding and staff resources will make this a three-to-four year effort.

➤ **Digital Accountability and Transparency Act (DATA Act)**

- NSF has commenced agency implementation plans for the DATA Act, a recently enacted statute aimed at making information on federal expenditures more easily accessible and transparent. Implementation of the DATA Act is a major government-wide initiative led by the U.S. Department of Treasury and OMB. The Act also requires the Inspector General of each federal agency to review a sampling of the financial data submitted by the agency and report on the completeness, timeliness, quality, and accuracy of the sampled data and the implementation and use of consistent data standards by each agency. BFA and OIRM are staffing the agency's implementation working group, with the NSF Senior Accountable Official, José Muñoz, sitting in the Office of the Director as NSF's Chief Technology Officer. Government-wide requirements are still evolving, and NSF is continuing to take the lead on assessing how the Act's requirements could impact the agency and our stakeholders.

➤ **ARRA Appropriations Canceling on September 30, 2015**

- The American Recovery and Reinvestment Act (ARRA) appropriation account will cancel on September 30, 2015, and funds will no longer be available for expenditure. Earlier this month, BFA reminded program offices about this cancellation, and sent emails to the lead PIs for all remaining unexpired ARRA awards with unexpended balances greater than \$1,000, providing a copy of the email to the Sponsored Research Offices and managing NSF program officer.

➤ **Update: FY 2015 Appropriations**

- The FY 2015 appropriations bill was enacted in December 2014, providing \$7,344 million to NSF. This is \$172 million, or 2 percent, above the FY 2014 Enacted level of \$7,172 million, and \$89 million, or 1 percent, above the FY 2015 Request of \$7,255 million. This is the first time NSF’s appropriation has been greater than the Request since 2004 (aside from ARRA funding in 2009). With this funding level, Congress showed strong support for the research priorities NSF presented in the FY 2015 Request.

**2015 Funding Comparison**

(dollars in millions)

		Change over FY 2014 Enacted		Change over FY 2015 Request	
		Amount	Percent	Amount	Percent
		FY 2014 Enacted	\$7,172	-	-
FY 2015 Request	\$7,255	\$83	1%	-	-
➤ FY 2015 Enacted	\$7,344	\$172	2%	\$89	1%

➤ **FY 2016 Appropriations**

- Under both the House and Senate budget resolutions, sequestration would return in full in 2016, bringing both non-defense and base defense discretionary funding to their lowest levels, adjusted for inflation, since 2006. The President has made it clear that he will not support any bills crafted under the discretionary funding levels proposed, even though it is expected that some bills may have palatable levels. The Administration has therefore stated publicly that it intends to veto all appropriations bills, since it considers the overall framework unacceptable.
- On May 20<sup>th</sup>, the full House voted to fund NSF at \$7.394 billion, which is \$50 million, or 1 percent, above the FY 2015 enacted level of \$7,344 million; but \$330 million, or 4 percent, below the FY 2016 Request of \$7,724 million. The accompanying report increases funding for four directorates (BIO, CISE, ENG, and MPS) and decreases funding for two (GEO and SBE).
- The Senate Subcommittee markup is anticipated in mid-June.
- At this time, we see no clear path to enactment of a full-year FY 2016 appropriation by October 1, 2015

**2016 Funding Comparison**

(dollars in millions)

		Change over FY 2015 Enacted		Change over FY 2016 Request	
		Amount	Percent	Amount	Percent
		FY 2015 Enacted	\$7,344	-	-
FY 2016 Request	\$7,724	\$379	5%	-	-
FY 2016 House Mark	\$7,394	\$50	1%	-\$330	-4%