National Science Foundation
Advisory Committee for Business and Operations
Spring 2017 Meeting Minutes
June 20-21, 2017

Tuesday, June 20, 2017

Members in Attendance

Lee Cheatham	Brookhaven National Lab
Adam Goldberg	Department of Treasury
Charles Grimes	Consultant
Michael Holland	New York University
Ned Holland	Center for Urban Science & Progress
Jan Jones	United States Capitol Police
John Kamensky	IBM Center for the Business of Government
Alicia Knoedler (Virtual)	University of Oklahoma, Norman
Rachel Levinson	Arizona State University
Kim Moreland	University of Wisconsin- Madison
John Palguta	Partnership for Public Service
Theresa Pardo	University of Albany- State University of New York
Susan Sedwick	Susan Sedwick, PhD LLC/Attain, LLC
Dave Spencer	WTe Corporation
John Tao	O-Innovation Advisors, LLC
Joe Thompson	Retired
Pamela Webb	University of Minnesota
Doug Webster	US Agency for International Development

Members not in attendance

Robert Dixon	Cheyney University
Stephanie Short	U.S. Department of Energy

Welcome/Introductions/Recap

Susan Sedwick called the meeting to order, introduced co-chair, Chuck Grimes and herself, and asked all committee members present, and participating virtually, to introduce themselves including the four new members in attendance: Adam Goldberg, US Department of Treasury; Ned Holland, retired from the US Department of Health and Human Services; Rachel Levinson, Arizona State University; and Pamela Webb, University of Minnesota. Dr. Robert Dixon, Cheyney University, was unable to attend. Committee members were directed to the placement of the update on recommendations from past BOAC meetings in the packet.

BFA/OIRM/OLPA Updates

Presenters: Marty Rubenstein, BFA, Joanne Tornow, OIRM; Karen Pearce, OLPA

Joanne provided an update of staff changes, including news of the sudden passing of Chief Information Officer, Amy Northcutt. The data center move is moving along well with the "forklift" move of servers scheduled for the July 4 weekend with services scheduled to resume normally on July 5 . NSF has set a goal of losing 500,000 pounds of paper before the move and is halfway there. June 20 was the last date for NSF employees to participate in the Federal Employee Viewpoint Survey.

Marty provided an update of staff changes in BFA that were a balance of internal promotions and external hires. In the latest audit, the deficiency for large center oversight was removed although there was a new deficiency identified in the area of information security.   The American Innovation and Competitiveness

Act (AICA) of 2017 (P.L. 114-329) was signed into law on January 6, 2017. The AICA replaces the America COMPETES Act and is a policy bill. Sections 109 and 110 provide information relevant to facilities oversight. NSF met the deadline for implementation of the DATA Act and the audit of NSF's DATA Act compliance is underway. Marty also noted that the late completion of FY 2017 appropriations (with final action in May) poses challenges for NSF, particularly in light of the earlier closeout dates driven by the relocation. In addition, she updated the committee on the status of the 2018 federal budget process. Planning for 2018 budget reflects an 11% reduction and a total budget of $6.65B.

Karen provided an update on Congressional actions since the last meeting. The 2018 budget is behind schedule but that is not unexpected in the first year of a new administration. OLPA is reviewing the American Innovation and Competitiveness Act for compliance.

Committee Discussion:
There were a number of questions raised about how budget cuts were managed at NSF to which several NSF staff members responded. NSF directorates are given great autonomy to make programmatic decisions as a result of any cuts to the NSF budget but the guiding principle is to protect core programs (those things that only NSF funds) while balancing science and infrastructure funding. One strategy being considered is to defer a competition for a program rather than eliminating the program altogether. A question was raised about how the Program Management Accountability Act might apply to NSF to which the response was that the definition of "program" could be debated, it is NSF's interpretation that the lowest level of programs at NSF are the directorates or division. Michael Sieverts indicated that OMB is currently developing the timeline for implementing this act, with initial guidance not expected until later in the year.

Update on Relocation of NSF Headquarters
Presenter: Brian MacDonald, OIRM

The committee members were treated to a video tour of the new NSF headquarters, although the video was produced approximately six weeks prior and much progress has been made since. The budget, construction and interior finishes are all on track, and the electronic data center relocation is 95% complete. Negotiations with the Union have been completed. The six-week process for the physical move begins August 24. Each week those employees being relocated must be packed by 3 pm on Thursday and report to their new office on the following Monday. NSF is staffing up security in advance of the data center "forklift move". There will be a panel hiatus between August 28 – September 4 with panels resuming on September 5 at the new headquarters with enhanced workflow and options for panel facilities. The focus remains on communications with information disseminated through the Weekly Wire, website, videos, town halls, tours and through directorate liaison meetings. Each directorate is working on branding. Vendor (restaurants, child care facilities, gyms, etc.) and commuter fairs have been held to familiarize employees with the local amenities. A command center will be in operation through October 26 to troubleshoot any issues.

Committee Discussion:

It was noted that Google Maps is already routing to the new building which is a problem and Brian will follow up. A question was asked about retention of staff to which Dianne Campbell (Human Resources Director) responded that the goal was to retain 70% and the trend is currently tracking above that. The federal hiring freeze has been lifted but there are larger than normal numbers of attendees at retirement seminars. To the question of what the current mood was, there are still a few who are not enthused with the #1 concern being the commute. A committee member mentioned that while virtual panels are a very positive development, there is a tipping point of no more than 5 or 6 virtual participants before efficacy is impacted.

The building will be 100% ADA compliant and LEED Silver with a chance that it might be LEED Gold. Union negotiations were accomplished because discussions were interest-based, with both sides committed to making things work and there was a good working relationship.

Reforming the Federal Government- Overview
Presenters: Marty Rubenstein, BFA, Joanne Tornow, OIRM

On April 12, 2017, the Office of Management & Budget (OMB) released a memorandum (M-17-22) for all executive departments and agencies called the "Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce." The memorandum instructs agencies to submit an Agency Reform Plan to OMB as part of the agency's FY 2019 budget submission, with an initial high-level draft due June 30, 2017. In developing these plans, agencies are to consider fundamental scoping questions about the agency's role and responsibilities, what activities it should perform, and how to improve existing business processes. A significant portion of the meeting was dedicated to this topic and eliciting input from the BOAC members.

Marty and Joanne gave an overview of the process and progress to date but NSF is in early stages and could not share specific recommendations. NSF is not aiming to reduce its workforce. Over 200 reform ideas were generated by NSF staff through brainstorming sessions and other means. NSF intends to generate ideas bottoms-up, have management sift and sort the staff ideas and finally implement the selected initiatives agency-wide, focusing on those that will help NSF better meet its mission.

OMB will collect each agency's initial implementation strategies and synthesize with consideration for cross agency and cross-cutting ideas. It is unclear exactly how this will work but it is anticipated there will be a public release to gather public comments. There has been some mention of "shared services" but just as a concept that might be explored.

Committee Discussion:

A question was raised about the timeline. By June 30, NSF must submit their initial implementation draft to OMB. The Director set up a steering committee in May and staff brainstorming has been accomplished. There will be a town hall next week on the reform effort and the Associate Directors are meeting with the Director and Chief Operation Officer this week to identify ideas to discuss with OMB on July 15. It was suggested that NSF give some consideration to categorizing ideas as incremental, low hanging fruit, disruptive and for future consideration as a means of prioritization. It was suggested that incentives for employee buy in will be needed but those incentives must be relevant to the employees. The goal is to keep the process transparent to NSF employees.

The goal is on reform (primarily reduction of burden and helping to meet NSF's mission) and it will be necessary to identify barriers to accomplishing major and disruptive change which does not rule out the need for legislative action.

Conversation with NSF's Steering Committee for Agency Reform
Presenters: JD Kundu (MPS); Rhonda Davis (Office of Diversity and Inclusion); Sean Jones (CISE)

The three panelists gave brief overviews of their perception on the process to date based on their vantage points: information technology, inclusion and science. All have found the process open, inclusive and engaged. The Committee members see their role as shepherding and helping to identify and implement the process, not to come up with the reform ideas. There are five additional members, including the president of the union.

Committee Discussion:

It was noted that the real challenge will be follow-through and implementation. Communication and transparency within the agency is very important. Staff want to know not only what will happen at large for NSF but more importantly, what will happen to them personally. To the question of how big people are thinking, each panelist reiterated the dedication of reimagining NSF and a desire to create meaningful

change even if that created some chaos. The steering committee members are volunteers but do have one FTE fully dedicated to supporting this effort.

Recommendation: The BOAC urged the committee to be bold in pursuing both small improvements and transformational change that may require heavy lifting by not being limited by what seems possible.

Reforming the Federal Government- What Does Reform Mean for NSF?
Presenters: Marty Rubenstein, BFA, Joanne Tornow, OIRM
Discussants: Adam Goldberg and Jan Jones

Marty and Joanne facilitated a discussion revolving around the following probing questions:
- How can NSF overcome barriers to change considering NSF's decentralized nature and "change-fatigue?"
- What can we learn from past successful change efforts in other federal and non-federal contexts?
- How can we build commitment across all levels of the organization?

Committee Discussion (led by Jan Jones and Adam Goldberg):

Jan acknowledged that the NSF structure does pose a significant challenge but urged NSF to use the reform mandate as an opportunity to reform what NSF has been wanting to do noting that the mandate does not rule out the need for legislation to remove barriers. She stressed that it is imperative that NSF identify desired outcomes as a first step. An example suggested was the use of shared services and streamlining of processes. NSF should not be afraid of suggesting legislative action needed to remove barriers. Discussion ensued regarding the culture of NSF and the decentralized nature of the organization. Any reform efforts need to take these into consideration in order to maximize the success of the effort.

Adam reminded NSF that it would be okay to be parochial in doing what is right for NSF and defining what success would look like for NSF. He noted that shared services do not result in immediate savings and it is important to stay agile while taking incremental and tangible steps toward the desired goals and end results. The Committee discussed NSF's extensive use of pilots, which has had varying levels of success. Pilots have been more successful when localized and less so when attempting to standardize processes across NSF.

Wednesday, June 21, 2017

Reforming the Federal Government- Reform Implementation
Presenters: Marty Rubenstein, BFA, Joanne Tornow, OIRM
Discussants: John Kamensky and Joe Thompson

This session was dedicated to hearing about the committee members' experiences with reform efforts. Workload has been an issue that NSF has had limited success addressing. This is an opportunity to solve real problems. One challenge is cross-directorate cooperation in view of the decentralized nature of NSF, with individual directorates and even programs within directorates having autonomy to develop their own processes.

John and Joe provided exceptionally engaging insights on their involvement in federal reform efforts from the OMB (John) and agency/field (Joe) perspectives.

1. Be cautious of the guidance you receive e.g. a directive to hire one person for every three people who leave. Buyouts don't necessarily work to increase efficiency because they create sometimes vast knowledge gaps.
2. Jump in early and be the pioneers. Early adopters define the path and become the pilot. And it takes the heat off down the road.
3. There is strength in numbers. Cross agency councils are helpful. Go to all the meetings and engage.
4. Understand that the White House is story and event driven. Make sure the NSF story gets heard.
5. Conduct an environmental scan of the effort to identify the expectations, challenges, stakeholders, and resource requirements, including time and funds.
6. Realize that most reform efforts result in some success but few are more than 50 percent successful. Those that are most successful have good leadership, a strong case for change, robust monitoring, a thorough understanding of the environment, effective communications and luck.

Committee Discussion (led by John Kamensky and Joe Thompson):
The following insights were provided by the discussants and the Committee.

- While is it okay to be parochial, some issues may require or benefit from cross-agency cooperation.
- Take time to understand what success will look like for NSF and identify the metrics for tracking success.
- Reform is bigger than change and not necessarily consensus-driven since it may change people's jobs.
- Reform can result in staying the same, especially at NSF which is exceptionally collegial.
- The challenge is to select changes that are meaningful but adaptable enough so a potential fail cannot be corrected.
- Agility, governance and context matter.
- Establish a community of practice at NSF to help facilitate multi-directorate/disciplinary collaboration.
- Engage the watchers.
- Avoid change fatigue. At some point, you must celebrate the change and normalize.
- One size does not fit all.
- Pilots don't necessarily work for everyone.
- Work together with other science agencies.

Report from NSF on Implementation of the Recommendations of the Subcommittee on NAPA Implementation Regarding NSF's Use of Cooperative Agreements to Support Large Scale Investments in Science and Technology

Presenter: Fae Korsmo, OD
Discussant: Mike Holland

Fae reported that the subcommittee recommendations have provided a useful roadmap. NSF has used lessons learned from a report on the recompetition of large facilities from several years ago and has added a final stage which is a transition to operational. NSF is looking to implement some "quick win" recommendations (such as to have the COO identified as the responsible official). NSF is still exploring ways to orient new leadership in directorates with large facilities and working on ways to untangle the overlap for approvals that was identified in the report.

Mike noted that the primary objective was to improve the visibility of these projects, including the need to balance control in the hands of experts with the awareness of senior officials who need to maintain accountability. Mike suggested "light touch" strategies to keep senior leadership apprised and emphasized the need to get the approvals overlap disaggregated so the facilities don't have double jeopardy. He is satisfied with the way NSF is reading and interpreting the intention of the report.

<u>Committee Discussion</u>:

Keep in mind that operational engineers who are certified as PEs are not the same as innovative engineers. Keeping that in mind when staffing to ensure those in the Large Facilities office speak both languages is critical. The Committee is satisfied that NSF is addressing these long-term issues that have existed for some time.

Meeting with Dr. Córdova and Dr. Ferrini-Mundy (via WebEx)
Discussants: Chuck Grimes

Chuck welcomed Drs. Córdova and Ferrini-Mundy and had the Committee introduce themselves. The discussants for each of the sessions listed below reported on their respective

The discussants from the sessions provided brief summaries of the presentations and ensuing discussions regarding the federal reform directive.
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- NSF has an energized workforce and demonstrated successes to use as models for reform and a dedicated steering committee.
- Do what is right for NSF and identify what success means for NSF.
- Take advantage of reform to do what NSF wanted to do even without the reform effort.
- Be agile.
- Shared services will not mean savings in the short term. The cost to move and implement is significant, but the return can be even greater.
- Pilots must be scalable.
- Keep science at the core. The decentralized nature of how NSF is organized in autonomous directorates is a challenge that should be addressed.
- If shared services are pursued, consider how you can make that work for NSF. Use this as an opportunity for interagency cooperation with other science agencies.
- Choose well. Do your homework. Be prepared to work hard. Stay light on your feet and keep smiling.
- Be bold and willing to be the pioneer.

Dr. Córdova commented that NSF's Assistant Directors have been looking at the reform effort closely and have synthesized over 200 ideas received from across the agency. This group narrowed the list and will choose a small number of very powerful ideas. NSF's goal is to let the science lead. The workforce needs to group around the science. Greater partnerships, with both government and industry, are also much needed.

Dr. Córdova asked the Committee as to whether NSF should get into a discussion on cultural change with OMB as part of government reform. The Committee noted that organizing around scientific disciplines alone has been sufficient for many years, but the interdisciplinary nature of NSF's work calls for change. Framing cultural change as being about the science, not simply reform or agency culture, is likely to be more compelling to OMB.

Formation of New Subcommittee on NSF's Strengthened Oversight of Large Facility Cost Surveillance
Presenters: Matt Hawkins, BFA and Jeff Lupis, BFA
Discussant: Kim Moreland

Matt provided an overview of the purpose of the new committee which is an assessment that requires cost accounting expertise with a goal of improving up front cost analysis and estimating, cost control during performance and how to best manage reserves in large facility budgets. Kim will be the official

BOAC liaison to the subcommittee and is seeking suggestions for subcommittee membership. There was a brief discussion with the following points identified for consideration:

1. Once the NSF cost oversight of large facilities is addressed, consider bringing in a third party to review the effort.
2. Ensure NSF's scope with regard to large facilities is properly defined.
3. Seek to understand whether cooperative agreements foster more interaction between parties.
4. Consider the impact of indirect costs.
5. Expect the recipient to identify key areas where they are waiting for the latest technology.

Susan Sedwick made a motion, seconded by Pamela Webb that a Subcommittee on NSF's Strengthened Oversight of Large Facility Cost Surveillance be established under the Business Operations Advisory Committee. The motion was passed unanimously.

Wrap Up/Loose Ends

The BOAC recommends these considerations for NSF's response to the reform mandate:
- Keep true to the science mission.
- Use lessons learned, e.g. relocation process has been done extremely well because of strong leadership, ample planning, effective communication and a shared desire to maximize the benefits of the move.
- Be the pioneer. Be first. Be visible.
- Interdisciplinary and interagency collaboration is necessary and NSF should be at the forefront. Model reform here and then roll it out for the entire science agency community.
- Consider how science can be funded across the continuum which may require cooperative proposals involving funding from multiple agencies. Identify the statutory and legislated barriers but keep in mind the complexity in peer review space.
- Listen well to the other agencies.
- Consider how an agile framework can facilitate disruptive innovation.

Topics suggested for the fall 2017 meeting were:
- A tour of the new building.
- Report on lessons learned from the relocation experience.
- NSF response to Reform Report.
- Discuss results of the Federal Employment Viewpoint Survey.
- Report from the new subcommittee.

Adjournment

The meeting was adjourned at noon.