



## *Administration and Management*

Administration and Management (A&M) totals \$226.77 million in FY 2002, an increase of five percent over FY 2001. The S&E and OIG accounts increase by approximately \$10 million to fund the statutory pay increase, space rental costs, enhancements to information systems, and additional oversight activities.

The A&M function includes administrative costs that are funded through the Research and Related Activities (R&RA) and the Education and Human Resources (EHR) accounts as well as the Salaries and Expenses (S&E) and Office of Inspector General accounts.

A&M also includes the resources to support the agency's salaries, benefits, and training of persons employed at the NSF; general operating expenses, including key initiatives to advance the agency's information systems technology; audits and other Inspector General activities.

(Millions of Dollars)

	FY 2000 Actual	FY 2001		FY 2002 Request	Change	
		Current Plan			Amount	Percent
Salaries and Expenses	\$149.28	\$160.54		\$170.04	\$9.50	5.9%
Program Accounts (R&RA & EHR)	33.94	48.67		49.42	0.75	1.5%
Financial Statement Audit	0.50	0.55		0.55	0.00	0.0%
Travel	[12.00]	[14.00]		[15.00]	[1.00]	[7.1%]
Subtotal, A&M	183.72	209.76		220.01	10.25	4.9%
Office of Inspector General <sup>1</sup>	5.60	6.27		6.76	0.49	7.8%
Total, Administration and Management	\$189.32	\$216.03		\$226.77	\$10.74	5.0%

Totals may not add due to rounding.

<sup>1</sup> FY 2001 Current Plan total excludes \$114,000 in FY 2000 Carryover funds.

Although NSF has had healthy increases in its program responsibilities and budgets in recent years, salaries and expenses have remained relatively flat. The NSF budget increased 13.6 percent in FY 2001; however, the increase for administration costs covered only pay raises, information technology contractual labor costs, and travel. While the agency has been able to manage with small increases allocated for administration and management in the past, the Congress and NSF's Office of Inspector General (OIG) have raised questions about whether NSF can successfully manage future growth. Concerns about the adequacy of staffing come at a time when the government as a whole is facing succession planning and recruiting problems. Additionally, NSF's reliance on Intergovernmental Personnel Act (IPA) personnel, who serve on a term basis, poses a challenge to the agency to make certain that personnel are adequately trained to administer grants. During FY 2001, the Congress directed the NSF OIG to evaluate



the Foundation's management of its growing program responsibilities. As a result, the OIG is planning audit work in this area to ensure that the agency has a reasonable strategy for managing its human capital.

As part of an ongoing Foundation effort to improve operations, a NSF Workforce Committee, comprised of staff from all areas of the agency, is developing a five-year strategic plan for optimum development and utilization of NSF's human capital. The objectives of the committee are to evaluate current human resource profiles, project workforce needs into the future, develop strategies for closing the gaps in current and future human resources needs, and begin a dialogue around the most appropriate development and utilization of staff in core businesses. The results of this study will assist in establishing agency-wide priorities and goals.

The Foundation's A&M activities are funded through four appropriations accounts. In the FY 2002 A&M request, percentage-wise the greatest increase is for the S&E and OIG accounts – see table above for details. However, A&M-related expenses supporting the R&RA and EHR appropriations are almost constant with FY 2001 as shown in the following table.

(Millions of Dollars)

	FY 2001			Change Amount
	FY 2000 Actual	Current Plan	FY 2002 Request	
Program Accounts:				
R&RA Appropriation <sup>1</sup>	24.66	37.06	37.81	0.75
EHR Appropriation <sup>1,2</sup>	9.78	12.16	12.16	0.00
<b>Total, Program Accounts</b>	<b>\$34.44</b>	<b>\$49.22</b>	<b>\$49.97</b>	<b>\$0.75</b>

Totals may not add due to rounding.

<sup>1</sup>Financial statement audit costs are included in the above program accounts.

<sup>2</sup>Excludes A&M expenses for H-1B Nonimmigrant Petitioner Receipts.

## Salaries and Expenses

- The FY 2002 request for Personnel Compensation and Benefits (PC&B) is \$117.51 million, an increase of \$4.16 million over the FY 2001 Current Plan. Within the proposed increase, PC&B will provide the resources to maintain the current FTE level of 1,150, including comparability and locality pay increases and higher benefits costs.
- The FY 2002 request for General Operating Expenses (GOE) is \$52.53 million, an increase of \$5.34 million over the FY 2001 Current Plan. GOE funds the entire range of operating expenses that are necessary for the agency to administer its programs. The GOE level for FY 2002 provides for advances in the agency's information systems technology – to enhance the information infrastructure, to promote e-business opportunities, and to provide for increasing IT contractor costs. It also provides for rental payments to the General Services Administration for existing and newly acquired space. Additionally, an increase in travel funds in FY 2002 is necessary to continue supporting the merit review process and to increase oversight and outreach travel. This request will ensure both a reliable merit review process and the oversight as recommended by the agency's Inspector General. OIG reports continue to cite the lack of travel funds for oversight of NSF's awards as a major management challenge.

## Program Accounts

- The FY 2002 request for administrative activities funded through programmatic accounts remains relatively flat with the FY 2001 Plan. Some examples of administrative activities funded through programmatic accounts are: grants to institutions for temporary assignments of visiting program managers (IPAs), associated costs for their travel and equipment, and contracts supporting direct programmatic-related services.

## Office of Inspector General

- The FY 2002 request for the OIG is \$6.76 million, an increase of \$490,000 over the FY 2001 Current Plan. Under the proposed increase, which will be applied to the higher costs associated with personnel compensation and benefits, OIG will continue to shift its base resources to improve its oversight of NSF's programs and awardees. Funding for the financial statement audit contract is charged to the appropriations being audited. OIG support costs - such as rent and communications - are provided in the Salaries and Expenses appropriation.

The NSF FY 2002 staffing level remains equal to FY 2001 Current Plan level. The table below shows the NSF workforce by account and full-time equivalent employment.

(Millions of Dollars)

	FY 2000 Actual	FY 2001 Current Plan	FY 2002 Request
<b>Federal Employees:</b>			
Salaries and Expenses	1,153	1,150	1,150
Inspector General	44	50	50
Arctic Research Commission	3	4	4
Subtotal, Federal FTE	1,200	1,204	1,204
<b>Non-Federal Employees:</b>			
IPAs	106	140	140
Detailees to NSF	5	10	10
Contractors Performing Administrative Functions	136	210	210
Subtotal, Non-Federal FTE	247	360	360
Total, Workforce FTE	1,447	1,564	1,564

## FY 2002 A&M Highlights

Highlights of the FY 2002 A&M request include the following major initiatives that support improvements to the Foundation's information technology infrastructure in areas such as management of proposal submission, review, award, and financial activities. An NSF Academy will be established to ensure that the NSF workforce is adequately trained to meet existing and emerging challenges in the workplace.

## **Electronic Business**

The recent enactment of the Federal Financial Assistance Management Improvement Act of 1999 has significant implications for NSF's activities and development of electronic systems. The new act sets tight deadlines for planning and implementation of a wide variety of functions that are critical to NSF's mission; including streamlining basic assistance processes, participation in interagency efforts for electronic initiatives, and assisting award recipients in their abilities to meet reporting requirements. While NSF has been a leader in many of these activities, the deadlines of this Act require accelerated system development and greater concentration of resources in activities supporting interagency consistency and customer support. Increased funding is necessary to ensure that the Foundation has the resources not only to meet these challenging deadlines, but also to provide a leadership role in this federal effort.

NSF's business has been changing, and A&M funding has not kept pace with program increases. Therefore, in spite of an aggressive use of technology, NSF has found that it takes a significant effort on the part of the agency staff to implement the complex, interdisciplinary programs. These programs require coordination within the Foundation, with other federal agencies, and among the numerous and diverse science and engineering communities. The scientific complexity that results from these interdisciplinary programs is reflected in the management of proposal submission, review, award, and financial activities. It is critical that the Foundation makes further investments in the agency's information systems that will enable NSF to handle its increasing workload. To meet this growing workload, the Foundation has actively pursued the use of advanced information technologies to improve the way NSF does business and reduce the administrative burden on NSF's customers and staff.

With the FastLane project, NSF has made substantial progress in achieving its goal of a streamlined, paperless electronic grant submission and review process. The Foundation initiated FastLane as a research project in 1994 to test the feasibility of complete electronic handling of proposal processing and grant administration and to explore the capability of electronic processing to reduce the workload burden on both NSF and the research community. FastLane enables NSF and its customer community to conduct and facilitate business transactions and exchange information electronically using the World Wide Web.

In September 1998, the Director of NSF issued Important Notice 123 to university and college presidents and the heads of other grantee organizations. It contained NSF's vision for paperless proposal and award processing. In addition to outlining the steps NSF is taking to bring the vision to reality, the Important Notice included a schedule of when five basic functions will be required for use by our grantees (i.e., mandatory electronic proposal submission.) This notice was NSF's public commitment to using electronic processing for its standard business processes. The final deadline in the Important Notice was October 1, 2000 and the deadline was successfully met and passed without incident.

In addition to increased efficiency and reduced administrative burden, the benefits to be derived from FastLane are increased access by researchers and the public to information about NSF-supported research, and reduced proposal and award processing time. Since its inception, FastLane has experienced accelerating growth in all areas while requiring ever-expanded infrastructure resources to maintain and improve the system. This service that began as an experiment with 16 university partners currently has over 4,000 registered organizations and over 200,000 registered users.

FastLane functions handle the processing associated with proposal preparation and submission, proposal review, proposal status inquiry, award notification, project reports, and award search. These modules were used by grantee institutions to submit over 24,000 proposals (more than 80 percent of the total), over 100,000 reviews, and over 18,000 project reports in FY 2000.



Presently, NSF distributes over \$2.5 billion annually via FastLane using an Internet browser with forms capability. FastLane acts as an automated teller machine via the web for our grantee community allowing requests for cash to be deposited directly into an awardee's bank account through an entirely electronic process. NSF processed approximately 2,200 requests in 1996, the first full year of operation for FastLane cash requests. Four years later, NSF had over 13,000 cash requests, or nearly a 500 percent increase, in user participation. At this time, 40 to 60 grantees request and receive cash through FastLane every day. FastLane opened the electronic Federal Cash Transaction Reports (FCTR) for use in January 1998, allowing grantees to submit their required quarterly reporting on expenditures to NSF in a seamless business-to-business fashion. The FCTR is a "downloadable" report that is accessible by the grantee's internal accounting system. The resulting report is then "uploaded" back to FastLane and processed directly into NSF's financial accounting system. The process requires no manual intervention. Only about 25 percent of NSF grantees took advantage of the electronic FCTR in the first year. Now, all FCTRs are submitted via FastLane. This accounts for approximately 30,000 active NSF awards with a total net award value of approximately \$12.8 billion.

Among the enhancements made to FastLane in FY 2000 were the release of reviews on-line to principal investigators (PIs), availability of award letters online to PIs and organizations, on-line registration of new organizations, improved system reliability, and enhanced password security for our users. The external FastLane Help Desk was expanded from four to six persons to provide centralized, dedicated support to our external users. Many more systems enhancements will continue as needed to provide excellent customer service.

FastLane is now used for 99.8 percent of proposal submissions. To maintain this state-of-the-art system, we must continually enhance FastLane operations and infrastructure, expand the Help Desk hours, and provide ongoing training to NSF's personnel in its use. The required infrastructure includes high-speed servers, storage, and memory. Most importantly, the infrastructure requires significant investments in system security and contracts to maintain and improve the FastLane programs.

The FastLane system is continuously updated as new technologies emerge. Of course, making the system truly user-friendly is a key goal based upon feedback from the research community. When the FastLane planning began in 1994, NSF recognized that the opportunities presented by advances in the Internet and the World Wide Web would have a significant impact on how work is accomplished. The initial project was based on what was known of the capabilities of the Internet and Web at that time. Based on their experiences with FastLane, the user community has identified new opportunities that were not envisioned in 1994. We expect the requirement for new enhancements to continue to expand as new opportunities emerge and as the Web continues to evolve.

### **Budget Internet Information System (BIIS) and Enterprise Information System (EIS)**

The Budget Internet Information System (<http://ntalpha.bfa.nsf.gov>) contains information on GPRA issues such as processing time and award size. It is easily accessible to the public via the Web and is used extensively by the academic community and research and development press. Information currently available includes:

- **Funding Rate by State and Organization:** Contains information on number of competitive proposals and awards, funding rate, NSF processing time, award duration, and award size. The information can be obtained by discipline and includes ten years of trend data.
- **Award Listings by Organization, State, and Institution:** Includes information on funding by state and institution, broken out by academic and industrial performers with detail by discipline and award.

- Award Summary by Top Institutions: Shows information on funding by the top institutions, broken out by academic and industrial performers with detail by discipline and award for the past five years.

The Enterprise Information System (EIS) is an internal NSF, user-friendly system that informs and empowers NSF program and financial managers as they make budget and planning decisions. The EIS includes financial and personnel information. For example, a summary of grant budgets for all NSF awards is available. This includes budgets for investigator salaries, funding for undergraduates and graduates, indirect costs, and equipment costs. Trends and current status of projects also are available.

### **FinanceNet**

NSF is the support custodian for FinanceNet ([www.financenet.gov](http://www.financenet.gov)). The government's Internet "homepage" sponsored by the United States Chief Financial Officer's Council for financial management improvement initiatives and the government-wide internet portal site for information on all federal, state, and local surplus and abandoned property. As the virtual clearinghouse for federal financial management information, FinanceNet is a shared government-wide resource that produces various Internet services to facilitate communication and collaboration among government financial managers and related parties and provides a shared, interagency platform for seeking solutions in virtual environment for common government-wide problems. FinanceNet has proven to be an important interactive tool.

In FY 2000, there were nearly 175,000 subscribers to FinanceNet's daily public and private list servers.

### **NSF Academy**

The Academy initiative, which was conceived in FY 2001, is intended to provide a central resource for the training, education, and development of NSF staff at all levels. The mission of the NSF Academy is to promote an organizational culture that values continuous learning and capitalizes on new technology and its promise for enhanced performance. The Academy is a workplace initiative that integrates a variety of learning opportunities linked to NSF's mission, philosophy, and goals. The initiative seeks to provide professional development for every NSF staff member in order to build a workforce with the competencies to meet future challenges. The Academy will encompass all existing learning and development activities as well as create new initiatives, programs, and processes to ensure the continual development of NSF staff.



### FY 2002 PERFORMANCE GOALS FOR MANAGEMENT

The performance goals for management provide information about the means and strategies NSF uses in support of its outcome goals and articulates performance goals for the investment process by which NSF shapes its portfolio of awards. These goals also address whether centrally funded and coordinated administrative activities are managed efficiently and effectively in support of NSF's mission. See the FY 2002 Performance Plan included in this justification for further detail.

Performance Area	No.	Annual Performance Goals for Successful Management
<b>Proposal and Award Process</b>		
Use of Merit Review	IV-1	At least 85% of basic and applied research funds will be allocated to projects that undergo merit review.
Implementation of Merit Review Criteria – Reviewers <sup>1</sup>	IV-2	Reviewers will address the elements of both generic review criteria at a level above that of FY 2001.
Implementation of Merit Review Criteria – Program Officers <sup>1</sup>	IV-3	Program Officers will consider elements of both generic review criteria in making decisions to fund or decline proposals.
Customer Service – Time to Prepare Proposals	IV-4	Ninety-five percent of program announcements will be available to relevant individuals and organizations at least three months prior to the proposal deadline or target date.
Customer Service – Time to Decision	IV-5	For 70 percent of proposals, NSF will be able to inform applicants whether their proposals have been declined or recommended for funding within six months of receipt.
Diversity – Reviewer Pool	IV-6	Members of underrepresented groups will show increased participation in NSF proposal review activities over FY 2001. (New Goal)
<b>Award Portfolio</b>		
Award Size	IV-7a	NSF will increase the average annualized award size for research projects to a level of \$113,000, compared to a goal of \$110,000 in FY 2001.
Award Duration	IV-7b	NSF will maintain the FY 2001 goal of 3.0 years for the average duration of awards for research projects.

<sup>1</sup> These performance goals are stated in the alternate form provided for in GPR A legislation.

Performance Area	No.	Annual Performance Goals for Successful Management (Continued)
<b>Award Oversight and Management</b>		
Award Oversight	IV-8	NSF will review its large infrastructure projects in order to identify best management practices. (New Goal)
<b>Business Practices</b>		
Electronic Business	IV-11	NSF will continue to advance the role of "e-business" in review, award, and management processes.
Security Program	IV-12	NSF will implement an agency-wide security program in response to the Government Information Security Reform Act. (New Goal)
<b>Human Resources and Workplace</b>		
NSF Staff -- Diversity	IV-13	NSF will show an increase over FY 2000 in the total number of hires to NSF science and engineering positions from underrepresented groups.
Workforce Training	IV-14	NSF will establish an internal NSF Academy to promote continuous learning for NSF staff. (New Goal)

Note: Goals IV-9 and IV-10 on facilities oversight are covered under Performance Goals for Tools