

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

### ➤ BFA Senior Staff Changes

- Most of you have already met my new Deputy Office Head, Teresa Grancorvitz.
- Teresa joins us from the Nuclear Regulatory Commission where she has had a long, impressive career as a financial management leader with experience in areas such as auditing, financial accounting, systems analysis, budget and internal controls.
- As you can see, BFA and the entire National Science Foundation (NSF) will benefit from her years of experience, and I am delighted to have filled a critical leadership position in BFA. Karen Tiplady our Division Director of the Division of Grants and Agreements has been serving as my Acting Deputy Head since Joanna Rom's retirement in June, and I want to take this opportunity to thank her publicly for her service during this important leadership transition period.
- Two additional BFA executives have retired since we last met – Mary Santonastasso, Division Director of the Division of Institution and Award Support (DIAS) and the Shirl Ruffin, Division Director of the Division of Financial Management (DFM).
- For DIAS, NSF appointed Dale Bell to serve as Division Director. He was Mary's Deputy and has long-standing experience in program execution, enterprise performance management, and strategic planning, and he brings much-needed stability to a critical area for the agency.
- For DFM, we have very recently announced the appointment of Mr. Michael Wetklow as Division Director, as well as my Deputy CFO. He is currently the Chief of the Accountability, Performance and Reporting Branch at OMB and will join NSF in January. John Lynskey our Deputy Division Director of DFM has been serving as my Acting Deputy CFO and DFM Division Director since Shirl's retirement in August, and I want to take this opportunity to thank him publicly for his service.
- Finally, I note that I have filled a long-standing vacancy in BFA that is of great consequence to NSF. As many of you know and as evidenced by today's agenda, NSF has prioritized attention to enhanced oversight of the internal management of the business practices of its large facilities as critical to the success of our mission. We recently appointed Matt Hawkins as the Head of the NSF Large Facilities Office to support us in this area. He was the previous Acting Head of LFO with a background in ship operations and project management.
- As you can see, this is a time of significant transition for BFA (and there are several additional key staff changes I have not even mentioned here). We are working hard to ensure that staff cope well with the anxiety that change can often bring. We're doing our best to communicate well and to take care to explain the rationale behind decisions that affect our team.

### ➤ NSF Financial Statement

- NSF received its 18<sup>th</sup> consecutive unmodified ("clean") audit opinion following the FY 2015 Financial Statement Audit, affirming the agency's financial statements for the year ending September 30, 2015.

### ➤ iTRAK Completes First Full Year of Operations

- The end of the fiscal year also marked NSF's successfully completion of its first full year of iTRAK operations, and we opened for business in early October for the 2016 fiscal year. NSF continues to

normalize the iTRAK system (making adjustments in functionality, monitoring and improving system performance, and refining business processes) and has identified several key goals and challenges for FY 2016.

Goals	Challenges
a. <b>Reduce Helpdesk tickets resulting in reduced contractor costs to support iTRAK</b>	Develop users' iTRAK knowledge, skills, and ability to reduce reliance on the Helpdesk
b. <b>Conduct targeted training in areas where users are having problems processing their work in iTRAK to increase user proficiency</b>	Identify solutions for users who continue to struggle using iTRAK after attending multiple training sessions and receiving hands on support
c. <b>Develop a reporting maturity model that moves the focus from operational reporting to decision support</b>	Limited funding in FY 16 for this activity
d. <b>Comply with Government wide mandates, i.e. the Digital Accountability and Transparency Act (DATA Act)</b>	Although the FY 2016 Budget Request includes \$1.45M for this effort, NSF does not expect to receive the funding and will have to reprioritize NSF activities to fund this initiative internally.

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

- BFA and OIRM staff are continuing activities to support NSF's implementation of the DATA Act. The DATA Act was enacted to make information on federal spending 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.
- So far, no new resources have been provided for the DATA Act's implementation, and government-wide requirements are continue to evolve.
- NSF continues to take the lead on assessing how to make government-wide implementation more efficient, and we continue to assess how the Act's requirements could impact our stakeholders.
- 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 Directors NSF's Chief Technology Officer.

➤ **Enterprise Risk Management (ERM)**

- Last year, at the Fall 2014 B&O Committee meeting, we discussed BFA implementing a risk management approach at the BFA-wide level as a tool to address competing work priorities within this office. This fall, BFA did in fact continue our risk management work with BFA defined as the enterprise. We have begun to develop a BFA risk register with the goals of resource allocation, communication and prioritization of workload.
- Additionally, there has been a growing government-wide interest in ERM with federal agencies now expected to look at risk across their entire portfolio and to consider all the possibilities that may impede the mission success.
- There is currently no requirement to establish a formal ERM program or a Chief Risk Officer, but GAO is evaluating the extent to which the 24 CFO Act agencies are presently implementing ERM practices. GAO's impetus on ERM is OMB's new guidance on this matter in two circulars: [A-11 \(Budget\)](#) issued June 2015

in the performance section as related to Strategic Reviews; and A-123 (Internal Controls) which is being revised to incorporate ERM, with the revision expected by the end of the calendar year.

- As NSF considers its next steps in this area, BFA may be a resource in that we have been working on our office-specific risk management activities that may serve as a comparative model for the agency.

➤ **Proposal Submission Modernization Initiative Survey of Principal Investigators and Sponsored Project Offices**

- OIRM and BFA are partnering in a Proposal Submission and Modernization (PSM) initiative to enhance NSF system capabilities for the preparation and submission of proposals. PSM, a multi-year initiative, will upgrade functionality that currently resides in *FastLane* and implement new capabilities in *Research.gov*. In support of this initiative, in July 2015, BFA conducted a survey of Principal Investigators and Sponsored Projects Office staff, receiving nearly 17,000 responses regarding their experience in reviewing and submitting NSF proposals. There was strong interest and support for improvements in the following areas:
  - ✓ pre-populating proposals with existing data;
  - ✓ allowing certain documents or approvals (e.g., data management plan, detailed budgets, Institutional Review Board approval) to be submitted after proposal submission;
  - ✓ revising the format of NSF solicitations to identify the difference between solicitation-specific requirements and standard NSF proposal requirements;
  - ✓ tailoring the proposal interface to reflect the requirements of a given funding opportunity; and
  - ✓ publishing and enforcing an NSF-wide list of proposal compliance requirements.
- BFA and the NSF Directorate for the Biological Sciences are co-chairing the PSM Working Group convened by OIRM to develop requirements for the modernization effort.

➤ **Award Modernization Project (AMP) Releases First Functionality**

- Last Spring, we announced that NSF had initiated a modernization project of its aging Award System.
- Well, in September 2015, NSF released its first re-engineered functionality under the planned modernization – the “Award Summary Page,” available as part of *MyNSF*, a multi-purpose platform that combines several NSF systems into one portal supporting, among other functionality, management, oversight, and reporting on NSF awards.
- Designed to facilitate the work of grants and program officers, the page provides a single source of information for pending and approved awards, and includes internal and external contact information for all key stakeholders, as well as project milestone dates, funding amounts, and all executed amendments.
- The page will eventually serve as a navigational component for additional re-programmed functionality (e.g., award notice generation, management of out-year project commitments, grant and cooperative agreement funds obligation) that will be released incrementally.
- The modernization process is planned to take two-to-three years to complete.

**NSF Budget Update**  
**Talking Points for the Division Director, BFA Budget Division**  
**B&O Advisory Committee Meeting (Fall 2015)**

I'd like to provide a brief update on where we are with the FY 2016 Appropriations.

- First, to recap actions taken this summer:
  - The House passed a bill providing NSF \$7.4 billion, which is 4 percent below our FY 2016 Request. It also included an allocation formula that had the effect of specifying directorate allocations. That formula would result in major reductions for GEO and SBE.
  - The Senate version of the bill provides NSF with \$7.3 billion, or 5 percent below our FY 2016 Request. But, this bill does not include any directorate-specific allocations.
- There were two more recent and notable budget actions:
  - On September 30<sup>th</sup>, Congress passed and the President signed a continuing resolution that funds programs and activities at FY 2015 levels through December 11<sup>th</sup>.
  - On October 31<sup>st</sup>, the Bipartisan Budget Act of 2015 was passed. This law increases the caps on discretionary spending by \$80 billion total over fiscal years 2016 and 2017. The increase is split evenly between the defense and non-defense accounts.
  - For this year, FY 2016, the increase in the cap is 5 percent in overall discretionary spending.
  - For next year, FY 2017, the cap increases by 3 percent over what it was, namely the previous level for the cap. But, this ends up being roughly equal to the total for FY 2016. So, the two year budget deal translates into one step up from FY 2015 to FY 2016, and then both FY 2016 and FY 2017 are at roughly the same overall level.
- The item of most immediate interest is what this means for FY 2016 funding. We know the appropriations committees are working on the bills for the full year, but we don't yet know the proposed levels for NSF. We are hopeful, of course, that the final legislation is closer to our Request than the House and Senate marks.
- Congress has until this Friday, December 11<sup>th</sup>, to complete this action. The most recent news reports are that they will not complete their work and the continuing resolution will be extended.