National Science Foundation
Business and Operations Advisory Committee
Executive Summary for Spring 2014 meeting
April 30 – May 1, 2014

<u>Committee members in attendance</u>:

James Barbret	Wayne State University
Jake Barkdoll	Consultant
Cindy Blazy	Belmont University
Marti Dunne	New York University
Charlene Hayes	Johns Hopkins University
Michael Holland	New York University
Cindy Hope	University of Alabama
Alicia Knoedler	University of Oklahoma
Greg Jackson	NBC Universal
Jan Jones	United States Capitol Police
Kathryn Newcomer	George Washington University
John Palguta	Partnership for Public Service
Katy Schmoll	University Corporation for Atmospheric Research
Susan Sedwick	University of Texas at Austin
Dick Seligman	California Institute of Technology
Devon Streit	Department of Energy
John Tao	O-Innovation Advisors LLC
Joe Thompson	Retired
David Trinkle	UC Berkeley
Doug Webster	Cambio Consulting Group

This report summarizes the discussions that took place at the spring 2014 meeting of the Business and Operations Advisory Committee (BOAC). The meeting was devoted to five main topics: Future NSF, Measuring Effective Policy Implementation: OMB Uniform Guidance, Report from Working Group on the Linking NSF Organizational Goals and Objectives with Employee Performance Plans, Virtual Panels, and the Business Systems Review Process.

<u>Introduction</u>
The BOAC welcomed six new members: Mike Holland, Jan Jones, Alicia Knoedler (liaison to the Committee on Equal Opportunities in Science and Engineering), John Palguta, Susan Sedwick and Doug Webster. This is the last meeting for Jake Barkdoll, Carson Eoyang (not present), Katy Schmoll and co-Chair Dick Seligman. Greg Jackson will join Charlene Hayes as co-Chair going forward.

Gene Hubbard has left NSF as Head, Office of Information and Resource Management (OIRM). Dr. Cliff Gabriel is now Acting Head of OIRM.

<u>BFA/OIRM Updates</u>

Marty Rubenstein, Chief Financial Officer and Head of Budget, Finance and Award Management (BFA), provided the following updates:

- The lapse in appropriations, causing the government shutdown in October 2013, severely affected NSF. It took weeks of work to make a clean shutdown happen and to get back up-to-speed when NSF staff returned to work.
- Recovery Act: Funding is winding down. The requirement to do quarterly recipient reporting will end soon. A summary report will be published.
- NSF issued its new strategic plan. NSF is now doing reviews against GPRA strategic objectives. We will report out our findings at the end of May.
- The next 5 months will be intense due to the **iTRAK** roll-out. Will end the FY on September 19 and close out early to shut down the old financial system. NSF will be online again on October 14. So far, the project is on track and under budget. NSF is doing minimal customization to help reduce costs.

Jeff Rich, Senior Advisor in the Office of Information and Resource Management (OIRM), provided the following updates (subbing for Cliff Gabriel):

- NSF is rolling out a new agency-wide travel system – Concur. This is a well-known COTS system. NSF is currently in the middle of a pilot with 20% of the normal volume. Future phases will increase the volume to 32% and then to 48%. A full deployment is targeted for this summer.
- Merit Review modernization is also a near-term goal. A number of our current merit review systems need to be evaluated for modernizations efforts. The goal is to be as efficient with flat budgets. This year will be the first phase, including a move to web-based systems.
- HR Initiatives:
  - o FEVS – NSF had a positive increase in overall scores. Nearly all the organizations saw increases from last year's survey. NSF had one of the highest response rates at 75%. Action plans to address FEVS results were tailored for each directorate.
  - o Telework – NSF has an updated telework policy. The new policy is more flexible in many areas. For example, earning credit hours while teleworking.
  - o Retirements – A high percentage of current NSF staff will become retirement-eligible during the next three years. This is a concern because the move will also occur during that time.

<u>Future NSF</u>

Joe Burt gave the report on the move of NSF from Arlington, Virginia to a new facility in Alexandria, Virginia. The report included a detailed review of the actions that have taken place thus far, as well as those planned for the future. Charlene Hayes and Doug Webster were the discussants for this topic. They led the BOAC through a discussion of the four issues that had been raised for BOAC comment and recommendations:

- Staff Attrition. NSF has expressed concern about the possible attrition that may occur when the move takes place. BOAC commented that not all attrition should be viewed as a negative consequence. However, senior management should identify proactively those key personnel for whom retention is critical to the success of the organization and conduct "stay" interviews. Management should make an effort to meet with them on a one-to-one basis to determine their future plans and to encourage them to remain with the Foundation.
- Downsizing of Space/Expansion of Telework. The BOAC discussed several steps that could be taken to mitigate the negative effects of a reduction in available space. Management should consider offering more telework arrangements to employees to reduce the need for office space, offering hoteling space instead. Employees should also be engaged in the process of designing the space, even giving them the opportunity to do something as simple as choosing colors might help.
- Suspension of Merit Review Panels during the Three-Month Move Process. The BOAC recommended that steps be taken to avoid the need to suspend merit review panels during the move period. Merit review is one of NSF's major functions and a way should be found to keep the process moving, even during the move period.

The BOAC praised the staff for an excellent job in orchestrating a highly complex relocation project. The staff is moving in the right direction and should continue along the main efforts that were discussed.

Measuring Effective Policy Implementation: OMB's Uniform Guidance.

The BOAC received a brief background on the Uniform Guidance (UG) and the expectations regarding metrics to assess its implementation from Dale Bell, Jean Feldman, and Alex Wynnyk. Discussants were Cindy Hope and Kathy Newcomer.

Jean Feldman announced that NSF has received approval from OMB to accomplish its implementation of the UG through a revision of its Proposal and Award Policies and Procedures Guide (PAPPG). The draft PAPPG has been published for public comment. Joe Ellis, representing OMB in his interim role with that office, explained that OMB would be announcing to the agencies the metrics to be used in assessing the effectiveness of the UG and its implementation.

BOAC members and NSF staff expressed concerns that the implementation date of December 26, 2014 for the UG's Administrative Requirements and Cost Principles does not provide sufficient time for an effective and efficient implementation of the UG. Further, the lack of

opportunity for NSF and the other federal agencies to have input into the selection of metrics may present unnecessary challenges for the agencies in appropriately assessing its implementation and could, though unintended, result in additional administrative burden for its awardees. Information regarding the appropriate means of developing metrics was presented by Kathy Newcomer. Cindy Hope led the discussion of how NSF might best manage the OMB requirement for metrics.

BOAC recommendations were focused primarily on good communications. Suggestions included determining the policy drivers/motivators behind the UG and the metrics and focusing communications on those policy motivators of particular concern to NSF. The Foundation could then determine a group of measures to be used in assessing how it addresses the purpose of each selected policy, with the OMB required metrics included among the measures. This could allow NSF to appropriately manage the message, conveying what is of importance to NSF, while making clear that the metrics are only measures of progress toward NSF's goals and are not goals themselves. NSF was encouraged to communicate its goals and objectives and how its chosen measures would be used to assess progress both within NSF and the awardee community. Further, the BOAC asked NSF to continue its communications with OMB and COFAR regarding the types of problems that should be expected given the short amount of time NSF and its awardees are being given to implement the extensive new requirements of the UG. When the Committee presented these observations and recommendations to Director Córdova and Deputy Director Marrett, Dr. Marrett suggested the formation of a subcommittee to further assist NSF in determining how to manage UG implementation and the related metrics.

Report from the Subcommittee to Consider the Issue of Linking NSF Organizational Goals and Objectives with Employee Performance Plans.

The subcommittee held a virtual meeting in the fall of 2013 to deal with this topic that was initially presented at the spring 2013 BOAC meeting. The report of the subcommittee was presented by Judy Sunley and Chrissy Peterson. They summarized the actions taken to date and those planned for the future, including: bridging the gap and aligning goals and plans, linking results and agency collaboration. This was followed by a BOAC discussion of the subcommittee's report and a general conclusion that the NSF staff is on the right track for dealing with this highly complex, but very important issue. The BOAC recognizes that the agency has taken only initial steps toward linking performance measures to plans, but voted to accept the report with enthusiasm and to forward it to Marty Rubenstein and Cliff Gabriel.

Virtual Panels.
Dr. Jose Munoz presented a report on the Foundation's efforts to employee virtual review panels. Greg Jackson was the discussant.

- Substantial fractions of NSF panels now rely partially or entirely on virtual meetings, namely meetings conducted over the internet using video and/or voice conferencing systems.

- Different Directorates use virtual panels in very different ways, depending somewhat on the experiences their typical panelists have had with conferencing technologies. The BOAC agreed that diversity was important, but needed careful watching lest it unduly complicate the Foundation's work.
- NSF has experimented with several systems, and gradually narrowed the choices to two video/voice systems (except for a document-sharing system used for the review of fellowship applications). The BOAC had earlier suggested that NSF was using too many different technologies, and it applauded the move toward a smaller number of standard technologies.
- The optimal size for virtual panels seems to be about six participants, so they are smaller than regular face-to-face panels.
- Virtual panels appear to reduce participation obstacles for panelists, largely because they obviate the need for travel. However, they increase the burden for NSF staff, who now must manage not only the discussion but also the technology used for the discussion. The point of weighing cost reduction driven by virtual panels with increased administrative burden by staff was further confirmed in the comments by Dr.'s Córdova and Marrett later in the meeting.
- It has been difficult to obtain good data on how panelists evaluate virtual versus face-to-fact panels. The BOAC discussed this and suggested that perhaps direct interviews with samples of panelists might yield better data than questionnaires sent to all panelists.
- Dr. Munoz suggested, and the Committee agreed, that although virtual panels broaden participation and save the Foundation substantial money, it is important to strike the right balance between virtual and face-to-face panels. Dr. Munoz argued that the right target was about 1/3 of panels being virtually.
- In the discussion, the Committee members suggested that the Foundation consider carefully its policies and expectations for end-user equipment such as webcams and headsets. Virtual panels do not work well when panelists lack this equipment, but the Foundation does not yet have clear policies for who should purchase such equipment, and how it should be distributed and retrieved. Currently the burden rests entirely on panelists, and this may be an inappropriate transfer of costs from the Foundation to panelists.

Business System Review (BSR) Process.
Scott Horner and Florence Rabanal presented an update on the BSR process. In particular, they reported on the staff response to the recommendations made by the BOAC subcommittee in 2012. Major topics addressed included:
- Scoping. Good progress has been made in the scoping process, i.e., focusing the BSR on the most important business processes for the recipient, given the work that has been done by internal and external auditors and other reviewers. The most recent BSRs have reflected significant scoping efforts. This has not significantly reduced the work of the BSR staff, but it comes early in the process rather than during the review itself.

- Reviewers/Experts. One of the themes running through the subcommittee's three reports is the suggestion that BSR reviewers come from the ranks of business administrators at other NSF large facilities, rather than using contractors. The legal office at NSF has expressed reluctance to employ this approach, citing issues of conflict of interest and recompetition of facilities. The BSR teams have recently included retired NSF subject matter experts. This seems to be a very good compromise and the BOAC encouraged this process to continue.
- Business Assistance. Providing business assistance to facilities is a major objective of the BSR program. Staff generally agreed with the subcommittee's comments and recommendations in this area. The challenge of addressing business assistance within the context of a BSR is a significant one. The staff continues to seek better ways of incorporating business assistance and information on best practices into the BSR process.
- Handoff to Division of Acquisition and Cooperative Support (DACS). Collaboration between the BSR program and DACS continues to improve. There is a need to formalize the handoff process from the BSR to DACS for the most effective postaward monitoring of large facilities.

The discussion was led by Katy Schmoll and Dick Seligman. They expressed general satisfaction with the progress that the BSR program continues to make. Several members of the BOAC urged the staff to pursue the use of "peers" as BSR team members.

Meeting with Dr. Córdova and Dr. Marrett. Both Dr. France Córdova and Dr. Cora Marrett met with the BOAC. A lively discussion was held. The BOAC reviewed the topics of discussion and the recommendations on the topics that were presented at this meeting. With respect to the Business Systems Reviews (BSR), Dr. Córdova indicated her awareness of the concern regarding involvement of peers in the BSR process, particularly in terms of conflicts of interest. She suggested that many of the retirees who will no longer have affiliations with Large Facilities could give un-conflicted assessments in the BSR process. She sees promise in the pool of retiree-experts that can assist in this process. Dr. Córdova remarked on the value of the BOAC and indicated that she will discuss the importance of this advisory committee when she meets with the National Science Board.

Dr. Marrett stressed the importance of the BOAC looking at the topics of employee engagement and the Federal Employee Viewpoint Survey. She concurred with the BOAC's assessment of the successes of the Future NSF (Headquarters Relocation) group. Dr. Marrett indicated her appreciation of the BOAC and its willingness to serve a resource regarding a wide range of NSF concerns.