

## ORGANIZATIONAL EXCELLENCE

The NSF Strategic Plan for FY 2003-2008 established Organizational Excellence (OE) as a fourth strategic goal for the agency, on a par with the agency's previously established goals of Ideas, Tools, and People. This reflects the fact that excellence in NSF's internal operations is essential to achieving the Foundation's mission and accomplishing its goals.

The activities that advance NSF's OE goal are funded through five appropriations accounts. Additional details on each account are provided in the respective chapters.

**Salaries and Expenses (S&E)** increases by \$35.01 million, or 14.2 percent, to \$281.82 million in FY 2007. These resources include funding for personnel compensation and benefits, information technology (IT) enabled business systems, administrative travel, training, rent, and other operating expenses necessary for effective management of NSF's research and education activities.

**Office of Inspector General (OIG)** increases by \$500,000, or 4.4 percent, to \$11.86 million in FY 2007. These resources include funding for personnel compensation and benefits, contract audits, training and operational travel, office supplies, materials, and equipment.

**National Science Board (NSB)** decreases by approximately \$40,000, or -1.0 percent, to \$3.91 million in FY 2007. These resources include funding for personnel compensation and benefits, contracts, training and operational travel, office supplies, materials, and equipment.

**Program Accounts - Research and Related Activities (R&RA) and Education and Human Resources (EHR)** - increase by \$970,000, or 1.9 percent, to \$51.94 million in FY 2007. OE costs directly related to programs are funded within R&RA and EHR. Direct program OE activities include funding for Intergovernmental Personnel Act (IPA) agreements and certain Foundation-wide activities such as major studies, evaluations, outreach efforts, and NSF contributions to interagency e-Government activities.

### Organizational Excellence by Appropriations Account

(Dollars in Millions)

	FY 2005 Actual	FY 2006 Current Plan	FY 2007 Request	Change over FY 2006	
				Amount	Percent
Salaries and Expenses	\$223.45	\$246.81	\$281.82	\$35.01	14.2%
Office of Inspector General <sup>1</sup>	10.17	11.36	11.86	0.50	4.4%
National Science Board	3.65	3.95	3.91	-0.04	-1.0%
R&RA Appropriation	35.08	40.97	41.94	0.97	2.4%
EHR Appropriation	7.72	10.00	10.00	-	-
Subtotal, Program Support	42.80	50.97	51.94	0.97	1.9%
Total	\$280.07	\$313.09	\$349.53	\$36.44	11.6%

Totals may not add due to rounding.

<sup>1</sup>The FY 2007 Request and the FY 2006 Current Plan for the OIG includes the NSF financial statement audit, which was funded through R&RA and EHR accounts in FY 2005 (\$792,587). For more information, see the OIG appropriations chapter.

**NSF Workforce**  
Full-Time Equivalents (FTE)

	FY 2005	FY 2006	FY 2007	Change over	
	Actual	Current Plan	Request	FY 2006 Amount	FY 2006 Percent
<i>S&amp;E FTE Allocation</i>					
<i>Regular</i>	1,225	1,248	1,270	22	1.8%
<i>Student</i>	35	35	35	-	-
<i>Subtotal, S&amp;E FTE Allocation</i>	1,260	1,283	1,305	22	1.7%
<i>S&amp;E FTE Usage (Actual/Projected)</i>					
NSF Regular	1,171	1,185	1,255	70	5.9%
NSF Student	29	35	35	-	-
Subtotal, S&E FTE <sup>1</sup>	1,200	1,220	1,290	70	5.7%
Office of the Inspector General <sup>2</sup>	63	61	63	2	3.3%
National Science Board <sup>3</sup>	12	13	14	1	7.7%
Arctic Research Commission	4	3	4	1	33.3%
Total, Federal Employees	1,279	1,297	1,371	74	5.7%
IPAs	134	170	170	-	-
Detailees to NSF	7	6	6	-	-
Contractors (est.) <sup>4</sup>	210	210	376	166	79.0%
Total, Workforce	1,630	1,683	1,923	240	14.3%

<sup>1</sup>Additional information regarding FTEs funded through the S&E appropriation are available in the S&E chapter.

<sup>2</sup>The Office of Inspector General is described in a separate chapter and is funded through a separate appropriation.

<sup>3</sup>The National Science Board is described in a separate chapter and is funded through a separate appropriation.

<sup>4</sup>As of July 2005, 386 contractors were engaged in NSF activities.

The staffing profile in the table above shows that a small but significant percentage of the NSF workforce – 170 people or more than 10 percent – consists of temporary employees hired through the authority provided by the IPA. IPAs do not count as federal FTE. A smaller number of visiting staff – roughly 40 people annually – are employed through NSF’s own Visiting Scientist, Engineer, and Educator Program (VSEE). VSEEs count as federal FTE and are included in the *Federal Employees* total (see table above).

The use of IPAs and VSEEs, commonly referred to as rotators, has been a defining characteristic of NSF since its inception in 1950. As is noted in the most recent NSF Strategic Plan:

“Over one half of NSF’s Program Officers are non-permanent employees, either “on loan” from their host institutions as visiting scientists, engineers, and educators (VSEEs) or employed through grants to the home institutions under the terms of the Intergovernmental Personnel Act (IPA). These employees are a unique set of human resources, providing NSF with increased flexibility, new ideas and fresh science and engineering perspectives.”

IPAs are considered federal employees for many purposes during their time at NSF, even though they remain employees of their home institutions. They are not paid directly by NSF and are not subject to federal pay benefits and limitations. NSF reimburses the home institution for the IPA’s salary and benefits using the traditional grant mechanism. IPAs are also eligible to receive *per diem*, relocation

expenses, and reimbursement for any income foregone because of their assignment at NSF (i.e., lost consulting fees). VSEEs, by contrast, receive a salary directly from NSF (through the S&E appropriation), although they continue to receive benefits through their home institutions, which are reimbursed by NSF.

While at NSF, rotators function in a manner virtually identical to the Foundation's permanent staff – leading the merit review process, overseeing awards, and shaping future program directions. To smooth their transition and help them appreciate their responsibilities at NSF, the NSF Academy leads a set of intensive training activities, including a three-day, off-site Program Management Seminar offered several times each year for new rotators and permanent staff.

R&RA and EHR Program Support funds account for roughly 15 percent of the total OE portfolio. More detailed information on the Program Support costs is shown in the tables below. The first table identifies the two cost elements of Program Support.

### Summary of IPA and Program Support

(Dollars in Millions)

	FY 2005 Actual	FY 2006 Current Plan	FY 2007 Request	Change over FY 2006	
				Amount	Percent
IPA Costs	24.08	30.60	31.00	0.40	1.3%
Program Related Administration	18.72	20.37	20.94	0.57	2.8%
<b>Total, Program Support Costs</b>	<b>\$42.80</b>	<b>\$50.97</b>	<b>\$51.94</b>	<b>\$0.97</b>	<b>1.9%</b>

Program Related Administration includes funding for certain Foundation-wide activities such as major studies, evaluations, outreach efforts, and NSF contributions to interagency e-Government activities. The following table breaks down the IPA costs by appropriation into basic compensation, travel, and other benefits.

### IPA Costs by Appropriations

(Dollars in Millions)

	FY 2005 Actual	FY 2006 Current Plan	FY 2007 Request	Change over FY 2006	
				Amount	Percent
<b>R&amp;RA</b>					
IPA Compensation	\$15.84	\$20.05	\$20.38	\$0.33	1.6%
IPA Lost Consultant & Per Diem	1.54	2.14	2.13	-0.01	-0.5%
IPA Travel	2.05	2.91	2.92	0.01	0.3%
<b>Subtotal, R&amp;RA Costs</b>	<b>19.43</b>	<b>25.10</b>	<b>25.43</b>	<b>0.33</b>	<b>1.3%</b>
<b>EHR</b>					
IPA Compensation	3.78	4.33	4.35	0.02	0.5%
IPA Lost Consultant & Per Diem	0.52	0.81	0.85	0.04	4.9%
IPA Travel	0.35	0.36	0.37	0.01	2.8%
<b>Subtotal, EHR Costs</b>	<b>4.65</b>	<b>5.50</b>	<b>5.57</b>	<b>0.07</b>	<b>1.3%</b>
<b>Total, IPA Costs</b>	<b>\$24.08</b>	<b>\$30.60</b>	<b>\$31.00</b>	<b>\$0.40</b>	<b>1.3%</b>

Totals may not add due to rounding.

## **Performance Highlights**

With the addition of OE to the NSF Strategic Plan in FY 2003, NSF now conducts a comprehensive assessment of its OE activities as part of its GPRA reporting activities. Further information on the OE assessment is available in the Performance Information chapter of this document.

NSF has established the following four indicators to assess its progress toward the OE goal:

- Operate a credible, efficient merit review system.
- Utilize and sustain broad access to new and emerging technologies for business application.
- Develop a diverse, capable, and motivated staff that operates with efficiency and integrity.
- Develop and use performance assessment tools and measures to provide an environment of continuous improvement in NSF's intellectual investments as well as its management effectiveness.

The OE assessment activities included input from the NSF Advisory Committee for GPRA Performance Assessment (AC/GPA) and the NSF Advisory Committee for Business and Operations (AC/B&O). NSF conducted a self-assessment for the second, third, and fourth indicators, which was then reviewed by the AC/B&O. The AC/GPA led the assessment of the merit review indicator.

The AC/GPA noted in its 2005 report that: "...NSF has demonstrated significant achievement for...the merit review indicator of the Organizational Excellence outcome goal." The report also notes: "the Advisory Committee on Business and Operations concluded that NSF demonstrated significant achievement for the other indicators of the Organizational Excellence goal."