

**AGENCY OPERATIONS AND AWARD MANAGEMENT****\$285,590,000**

The FY 2008 Budget Request for Agency Operations and Award Management (AOAM) is \$285.59 million, an increase of \$3.77 million, or 1.3 percent, over the FY 2007 Request of \$281.82 million. Adequate funding for Agency Operations and Award Management, particularly for staffing and information technology, is critical to the efficient operations of the agency.

**Summary of Agency Operations and Award Management by Function**

(Dollars in Millions)

	FY 2006 Actual <sup>1</sup>	FY 2007 Request	FY 2008 Request	Change over FY 2007	
				Amount	Percent
<b>Human Capital</b>					
Personnel Compensation & Benefits	\$153.21	\$171.48	\$182.29	\$10.81	6.3%
Management of Human Capital	7.11	7.13	7.13	-	-
Operating Expenses	11.84	10.06	10.06	-	-
Travel	6.12	8.95	8.95	-	-
Subtotal, Human Capital	178.28	197.62	208.43	10.81	5.5%
<b>Technology and Tools</b>					
Information Technology	35.48	51.62	42.18	-9.44	-18.3%
Space Rental	20.81	23.88	26.28	2.40	10.1%
Other Infrastructure	9.99	8.70	8.70	-	-
Subtotal, Technology and Tools	66.28	84.20	77.16	-7.04	-8.4%
Business Analysis	2.50	-	-	-	N/A
<b>Total, AOAM</b>	<b>\$247.06</b>	<b>\$281.82</b>	<b>\$285.59</b>	<b>\$3.77</b>	<b>1.3%</b>

Totals may not add due to rounding.

<sup>1</sup>Includes \$250K in appropriation transfer**AOAM NSF Workforce**

(Full-Time Equivalent (FTE) and Other Staff)

	FY 2006 Actual	FY 2007 Request	FY 2008 Request	Change over FY 2007	
				Amount	Percent
NSF AOAM-- Regular	1,163	1,270	1,270	-	-
NSF AOAM -- Student	32	35	40	5	14.3%
Subtotal, FTE Allocation	1,195	1,305	1,305	-	-
Detailees to NSF	5	6	6	-	-
<b>Total, Workforce</b>	<b>1,200</b>	<b>1,311</b>	<b>1,311</b>	<b>-</b>	<b>-</b>

NSF proposes to change the name of the *Salaries and Expenses* account to *Agency Operations and Award Management*. The proposed name is a straightforward description that reflects both the content of the activity and its overall purpose.

**Appropriation Language**

For agency operations and award management necessary in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed \$9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; \$285,590,000: *Provided*, That contracts may be entered into under this heading in fiscal year 2008 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

**Agency Operations and Award Management  
FY 2008 Summary Statement**  
(Dollars in Millions)

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	Enacted/ Request	Rescission	Carryover/ Recoveries	Transfers	Total Resources	Obligations Incurred/Est.
FY 2006 Appropriation	250.00	-3.19	-	0.25	247.06	247.06
FY 2007 Request	281.82	-	-	-	281.82	281.82
FY 2008 Request	285.59	-	-	-	285.59	285.59
\$ Change from FY 2007						3.77
% Change from FY 2007						1.3%

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Subtotals may not add due to rounding.

*Summary of Major Changes*

*(Dollars in Millions)*

**FY 2007 Request, AOAM.....\$281.82**

**Human Capital** +\$10.81

Funding for Human Capital increases by \$10.81 million to a total of \$208.43 million, a 5.5 percent increase over the FY 2007 Request. The major component of this increased investment is:

- \$182.29 million for Personnel Compensation and Benefits (PC&B), an increase of \$10.81 million, which supports an increase in the usage of full-time equivalents (FTE) to the full FTE allocation sought in the FY 2007 Request. The increase also reflects the general pay raise, locality pay, and costs related to employee benefits.

**Technology and Tools** -\$7.04

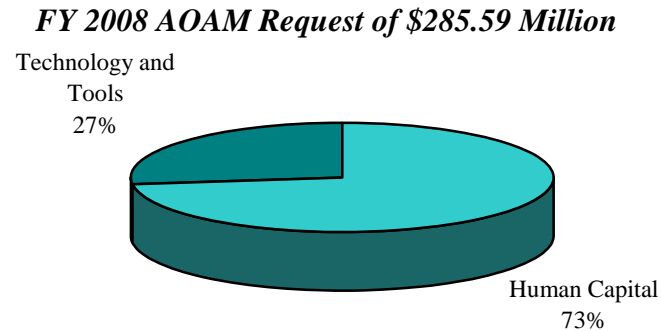
Funding for Technology and Tools is \$77.16 million, which represents an decrease of \$7.04 million, or -8.4 percent, over the FY 2007 Request. The major components of this investment are:

- \$42.18 million for Information Technology (IT), a decrease of \$9.44 million. The Request provides for basic maintenance for ongoing operations. To accommodate the reduced funding, NSF will delay implementation of new capabilities and planned investments for the NSF grants management applications.
- \$26.28 million for Space Rental, an increase of \$2.40 million over the FY 2007 Request. The increase is required to offset rapidly rising GSA rental costs, rising real estate taxes, increased utility costs, and to acquire additional leased space for roughly 25-30 additional staff.

Subtotal, Changes +\$3.77

**FY 2008 Request, AOAM.....\$285.59**

**AGENCY OPERATIONS AND AWARD MANAGEMENT – FY 2008 REQUEST BY MAJOR FUNCTION**



NSF is committed to supporting excellence in science and engineering research and education. In order for NSF to excel, the Foundation must have strong internal infrastructure and management process. To acknowledge this, the NSF Strategic Plan includes Stewardship as a strategic goal, on a par with the program related goals of Discovery, Learning, and Research Infrastructure. The Plan defines Stewardship as: “support excellence in science and engineering research and education through a capable and responsive organization.”

The Plan includes a number of long-term priorities for the Stewardship goal. These emphasize improving transparency, consistency, and uniformity of the merit review process; continued emphasis on award oversight and management, particularly for large facilities; and implementing a range of activities to maintain and strengthen relationships with the agency’s key stakeholders in the research and education community.

**HUMAN CAPITAL (\$208.43 million)**

The FY 2008 request for Human Capital totals \$208.43 million, an increase of \$10.81 million, or 5.5 percent, over the FY 2007 Request of \$197.62 million. These investments consist of four major components: Personnel Compensation and Benefits, Management of Human Capital, Operating Expenses, and Travel.

**Human Capital Funding**

(Dollars in Millions)

	FY 2006 Actual	FY 2007 Request	FY 2008 Request	Change over FY 2007	
				Amount	Percent
Personnel Compensation and Benefits	\$153.21	\$171.48	\$182.29	\$10.81	6.3%
Management of Human Capital	7.11	7.13	7.13	-	-
Operating Expenses	11.57	10.06	10.06	-	-
Travel	6.39	8.95	8.95	-	-
<b>Total, Human Capital</b>	<b>\$178.28</b>	<b>\$197.62</b>	<b>\$208.43</b>	<b>\$10.81</b>	<b>5.5%</b>

Totals may not add due to rounding.

**Personnel Compensation and Benefits (\$182.29 million)**

**Personnel Compensation & Benefits**

(Dollars in Millions)

	FY 2006 Actual	FY 2007 Request	FY 2008 Request	Change over FY 2007	
				Amount <sup>3</sup>	Percent
<i>Regular FTE Allocation</i>	<i>1,248</i>	<i>1,270</i>	<i>1,270</i>		
Regular FTE Usage (actual/projected)	1,163	1,255	1,270	15	1.2%
Regular Salary					
Base Salary	\$116.01	\$128.65	\$132.03	\$3.38	2.6%
Salary Cost of Additional FTE	-	6.97	1.55		
Pay Increase & Locality Pay <sup>1</sup>	-	2.06	3.06		
Subtotal, Regular FTE Salary	\$116.01	\$128.65	\$136.64	\$7.99	6.2%
<i>Student FTEs</i>	<i>32</i>	<i>35</i>	<i>40</i>	<i>5</i>	<i>14.3%</i>
Student Salary	\$0.96	\$1.00	\$1.22	\$0.22	22.0%
<i>Total, FTEs</i>	<i>1,195</i>	<i>1,290</i>	<i>1,310</i>	<i>20</i>	<i>1.6%</i>
Subtotal, FTE Pay	\$116.97	\$129.65	\$137.86	\$8.21	6.3%
Benefits and Other Compensation <sup>2</sup>	\$36.24	\$41.83	\$44.43	\$2.60	6.2%
<b>Total, PC&amp;B</b>	<b>\$153.21</b>	<b>\$171.48</b>	<b>\$182.29</b>	<b>\$10.81</b>	<b>6.3%</b>

<sup>1</sup>The increase includes the annualization of the FY 2007 pay raise and locality pay, nine months of the projected FY 2008 pay raise, as well as anticipated within grade and promotion increases.

<sup>2</sup>This category includes employee benefits, detailees to NSF, terminal leave, awards, and other benefits.

<sup>3</sup>The increase in the FY 2008 base salary reflects the full annual cost of employees hired throughout FY 2007.

The FY 2008 request for Personnel Compensation and Benefits is \$182.29 million, an increase of \$10.81 million, which fully funds 1,270 (FTE) employees and includes comparability and locality pay and costs related to employee benefits.

### **Management of Human Capital (\$7.13 million)**

The FY 2008 Management of Human Capital request is \$7.13 million, equal to the FY 2007 request. Funding will be used for recruitment and retention activities targeting scientists, engineers, and educators who reflect the diversity of the communities served. Emphasis will be placed on the continued creation and implementation of policies designed to attract and retain high quality staff. Policies that will be reviewed and enhanced, as appropriate, include those governing marketing and assessment strategies, incentive programs, work flexibilities, and performance management practices. The new human capital policies will drive compensation practices that focus on hard-to-fill disciplines, and new programs which provide broader support to scientists and engineers employed from outside the metropolitan area.

NSF will also address succession planning, leadership, and employee development strategies to support improved supervisory and managerial education programs, with special emphasis on the rotational nature of many of its managerial personnel. FY 2008 funds will be used to comprehensively assess the content of its learning programs and the methodologies used to deliver them. Programs and technologies will be established to address essential skill gaps.

FY 2008 funds will continue to support workforce and staffing planning initiatives, required personnel security objectives, health unit and employee assistance services, provision of personnel processing and payroll services, and operational and strategic support to assist in the accomplishment of objectives in NSF's Strategic Plan.

NSF will refine its human capital information infrastructure by continuing its efforts to implement fully interconnected capabilities, including robust analytics, skill gap assessment tools, interactive workforce planning and forecasting tools. The activities will incorporate e-Government solutions, address the President's Management Agenda (PMA), support the Office of Personnel Management's Human Resource Line of Business, and augment the curricula, content, and knowledge management portfolio of NSF's Academy. Therefore, in addition to funds spent on the human capital program improvements, \$2.26 million is requested in the Technology and Tools section of the Agency Operations and Award Management (AOAM) account to analyze and obtain human resource information systems and to provide the IT infrastructure necessary to support these activities.

### **Operating Expenses (\$10.06 million)**

Operating Expenses remains the same as the FY 2007 Request. These include direct costs of supplies, equipment, and other operating expenses necessary for the management of NSF's research and education activities. Operating Expenses also includes services for technical assistance in award oversight and monitoring consistent with NSF's implementation of the Competitive Sourcing initiative.

### **Travel (\$8.95 million)**

Travel request remains the same as the FY 2007 Request. These resources fund travel required for enhanced oversight of existing awards as recommended by the agency's Inspector General. These funds will also be used to intensify management and oversight activities, enable staff to participate in national and international science and engineering conferences and workshops, and provide access to strategic training opportunities.

**TECHNOLOGY AND TOOLS (\$77.16 million)**

The FY 2008 request for Technology and Tools is \$77.16 million, a decrease of \$7.04 million, or -8.4 percent, from the FY 2007 Request of \$84.20 million. These investments consist of three major components: Information Technology, Space Rental, and Other Infrastructure.

**Technology and Tools Funding**

(Dollars in Millions)

	FY 2006 Actual	FY 2007 Request	FY 2008 Request	Change over FY 2007	
				Amount	Percent
Information Technology	\$35.48	\$51.62	\$42.18	-\$9.44	-18.3%
Space Rental	20.81	23.88	26.28	2.40	10.1%
Other Infrastructure	9.99	8.70	8.70	-	-
<b>Total, Technology and Tools</b>	<b>\$66.28</b>	<b>\$84.20</b>	<b>\$77.16</b>	<b>-\$7.04</b>	<b>-8.4%</b>

Totals may not add due to rounding.

**Information Technology**

The FY 2008 Information Technology request is \$42.18 million, a decrease of \$9.44 million from the FY 2007 Request. This request provides basic maintenance for ongoing operations and continued participation in E-Gov initiatives, without implementing new capabilities for NSF grants management applications or modernizing legacy applications and automation of existing paper-based or manual processes.

**Summary of Information Technology by Function**

(Dollars in Millions)

Information Technology	FY 2006 Actual	FY 2007 Request	FY 2008 Request	Change over FY 2007	
				Amount	Percent
Next Generation Grants Mgmt & e-Gov Initiatives	\$3.00	\$10.70	\$11.00	\$0.30	2.8%
IT Infrastructure Maintenance and Operations	19.20	22.27	17.60	-4.67	-21.0%
IT Security and Privacy	2.44	5.00	3.97	-1.03	-20.6%
IT Management	0.60	1.10	0.73	-0.37	-33.6%
Applications Maintenance	10.24	12.55	8.88	-3.67	-29.2%
- Finance and Administrative Applications	4.30	4.30	3.21	-1.09	-25.3%
- FastLane and Legacy Grants Applications	5.94	8.25	5.67	-2.58	-31.3%
<b>Total, Information Technology</b>	<b>\$35.48</b>	<b>\$51.62</b>	<b>\$42.18</b>	<b>-\$9.44</b>	<b>-18.3%</b>

Totals may not add due to rounding.

- **Next Generation NSF Grants Management and e-Government Initiatives**

In FY 2008, funding for these initiatives will increase from \$10.70 million to \$11.00 million. This modest funding increase will allow NSF to maintain its grant management applications at current levels and to continue participating in e-Government initiatives. Planning for major new capabilities will be initiated but full implementation will be delayed, in areas such as adopting new technologies in business processes, enhancing organizational productivity, and ensuring accessibility to a broadened group of participants.

This increase will partially fund NSF's multi-year plan for modernizing several of the legacy applications that support internal grants management activities. While NSF has had great success with its external customer-facing system, notably FastLane, which receives and manages proposals, the rest of the end-to-end proposal processing systems have been undergoing a phased modernization effort. A cornerstone of our high priority modernization effort is eJacket, a web-based application, which has evolved from a search and retrieval application for submitted proposals, to an investment that has replaced many of the paper processes and legacy (non Web-based) systems used by NSF.

The request will support e-Government initiatives including the Human Resources Line of Business [see Management of Human Capital section], E-Authentication and maintenance support for E-Travel and E-Payroll initiatives.

Other high priority investments that are partially funded and will be implemented in future years include a public citations dissemination effort. The public citation work will provide public access to grant award information including references to publication citations and related reports that will enhance the public's awareness of NSF's current and future research activities.

- ***IT Infrastructure Maintenance and Operations***

In FY 2008, support for IT Infrastructure Maintenance and Operations will decrease from \$22.27 million to \$17.60 million. This funding provides basic maintenance and operations levels for ongoing operations and provides limited support for new efforts essential for system modernization, such as directory services and tools to manage configuration, quality assurance, and software testing. Some initiatives will be implemented in future years, such as: deploying the next generation network, providing a new enterprise database solution, and providing additional remote access capabilities to support and increase the productivity of teleworkers and traveling staff.

Funding will also provide for reduced levels of basic help desk services which support both business applications and desktop configuration management. New application support will be limited and planned improvements will be postponed.

- ***IT Security and Privacy***

In FY 2008, NSF will decrease funding from \$5.0 million to \$3.97 million from the FY 2007 level. This is a major increase, \$1.53 million, over the FY 2006 Request. This funding provides basic IT security services and continued protection of sensitive information as required by privacy policies. Funding will also support implementation of functionality to address new mandates for improved controls to assure protection of privacy and sensitive information. NSF will fully fund certification and accreditation of activities including risk assessments, security control testing, contingency planning, and implementation and evaluation of a business continuity capability.

Continued investment in robust solutions is needed to meet evolving and more serious threats. Critical investments will be needed to support specific areas such as: network security, application security, security control testing and tools, automated vulnerability assessment tools, and remediation and intrusion detection services.



- IT Management**  
 In FY 2008, NSF will decrease spending from \$1.10 million to \$0.73 million. This investment includes services that support Chief Information Officer requirements for managing NSF's IT investment portfolio. FY 2008 funding will support enterprise architecture efforts that define current, target, and transitional architecture to frame future NSF IT investments. This investment will be used for continued support of OMB mandated requirements for an earned value management system to improve the management of major IT projects and will support more integrated investment planning.
- Applications Maintenance**  
 In FY 2008, NSF will decrease support for this activity from \$12.55 million to \$8.88 million. FY 2008 efforts will be limited to maintenance of critical systems such as finance and administrative applications, FastLane, and legacy grants applications.

**Summary of Space Rental and Other Infrastructure by Function**

(Dollars in Millions)

	FY 2006 Actual	FY 2007 Request	FY 2008 Request	Change over FY 2007	
				Amount	Percent
<b>Space Rental &amp; Other Infrastructure</b>					
Space Rental	\$20.81	\$23.88	\$26.28	\$2.40	10.1%
Other Infrastructure	9.99	8.70	8.70	-	-
- <i>Administrative Contracts</i>	3.71	3.81	3.63	-0.18	-4.7%
- <i>Government Goods and Services</i>	4.13	2.52	3.00	0.48	19.0%
- <i>Administrative Services Equipment &amp; Supplies</i>	2.13	2.37	2.07	-0.30	-12.7%
<b>Total, Space Rental &amp; Other Infrastructure</b>	<b>\$30.80</b>	<b>\$32.58</b>	<b>\$34.98</b>	<b>\$2.40</b>	<b>7.4%</b>

**Space Rental**

The FY 2008 request for Space Rental is \$26.28 million, an increase of \$2.40 million, or 10.1 percent, over the FY 2007 Request. These resources will offset escalating GSA rental costs, increased real estate taxes, rising utility costs, and additional leased office space. The additional office space comprises \$1.20 million of the increase and includes rent for new space as well as annualizing costs for space acquired in the previous year.

**Other Infrastructure**

In FY 2008, support of Other Infrastructure will remain unchanged at \$8.70 million.

Other Infrastructure funding supports three major sets of activities:

*Administrative Contracts* support will decline slightly from \$3.81 million to \$3.63 million as services for proposal delivery and panel support will be pared back. Administrative contracts are used to provide facility management and administrative support services.

Government Goods and Services support will increase from \$2.52 million to \$3.00 million. This category of expenditures covers security guards and building improvements such as electrical upgrades and building renovations. The increase is due to rising costs of security guards and the need to maintain and, in some cases refresh, the agency's physical infrastructure.

Administrative Services Equipment and Supplies will decrease slightly from \$2.37 million to \$2.07 million. With eJacket becoming the official record at NSF, printing at NSF is transitioning from batch process to on-demand. This new process requires multi-function copiers and scanners, which are also needed for decentralized e-records support. This initiative, which will reduce printing costs and eliminate manual recordkeeping of nearly 100,000 proposal jackets, will be deferred to future years.

### Agency Operations and Award Management by Object Class

The following table shows the planned distribution of general operating expenses (GOE) by object class and salaries and benefits. A brief explanation of each general operating expenses category follows.

#### General Operating Expenses by Object Class and Salaries and Benefits (Dollars in Thousands)

	FY 2006 Actual	FY 2007 Request	FY 2008 Request	Change over FY 2007	
				Amount	Percent
Travel and Transportation of Persons	\$6,118	\$8,970	\$8,970	-	-
Transportation of Things	271	200	200	-	-
Rental Payments to GSA	20,816	23,888	26,280	2,392	10.0%
Communications, Utilities and Misc. Cha	1,459	1,500	1,600	100	6.7%
Printing and Reproduction	209	175	132	-43	-24.6%
Advisory and Assistance Services	11,024	12,471	11,018	-1,453	-11.7%
Other Services	9,968	10,205	10,231	26	0.3%
Purchases of Goods & Srvcs from Gov't.	4,223	2,515	3,000	485	19.3%
Medical Care	764	575	575	-	-
Operations and Maintenance of Equipme	29,927	37,525	28,490	-9,035	-24.1%
Supplies and Materials	4,245	2,600	1,682	-918	-35.3%
Equipment	4,827	9,718	11,123	1,405	14.5%
Subtotal, GOE	93,851	110,342	103,301	-7,041	-6.4%
Salaries and Benefits (PC&B)	153,206	171,480	182,289	10,809	6.3%
<b>Total, AOAM</b>	<b>\$247,057</b>	<b>\$281,822</b>	<b>\$285,590</b>	<b>\$3,768</b>	<b>1.3%</b>

Totals may not add due to rounding.

#### Description of categories:

- **Travel and Transportation of Persons** remain level over the FY 2007 Request. These resources fund travel required for planning, outreach, and increased oversight of existing awards as recommended by the agency's Inspector General.

- **Transportation of Things** consists of household moves associated with bringing new staff to NSF. Resources for this activity remain unchanged from the FY 2007 Request.
- **Rental Payments to GSA** includes the rent charged by GSA for NSF's facility in Arlington, Virginia, and additional floors in an adjacent building. The increase of \$2.39 million in FY 2008 is required to fund GSA's estimate for currently occupied space, real estate taxes, an increase in Federal Protective Service costs, and a modest increase in leased space.
- **Communications, Utilities, and Miscellaneous Charges** includes all costs for telephone lines and services, both local and long distance, and postage. The increase of \$100,000 is driven by normal inflationary increases.
- **Printing and Reproduction** includes contract costs of composition and printing of NSF's publications, announcements, and forms, as well as printing of stationery and specialty items. These costs decrease by \$43,000 from the FY 2007 Request.
- **Advisory and Assistance Services** includes development, learning, and career enhancement opportunities offered through the NSF Academy, contracts for human capital operational activities, work life initiatives, outreach, and related services. Funding for this activity decrease \$1.46 million from the FY 2007 Request.
- **Other Services** include warehousing and supply services, mail handling, proposal processing, equipment repair and maintenance, building-related costs, furniture repair, contract support for conference room services, security investigations, and miscellaneous administrative contracts. The FY 2008 request for other services increases slightly by \$26,000 over the FY 2007 Request, to bolster award oversight and management efforts as well as increases in physical security, physical infrastructure and maintaining administrative support services.
- **Purchases of Goods and Services from Government Accounts** includes reimbursable services purchased from GSA. These costs include security guard services, some electrical upgrades, and modest renovation services. The FY 2008 request increases by \$485,000 primarily to cover renovation costs and the rising costs of security guards.
- **Medical Care** includes costs associated with the health services contract, providing limited on-site medical services to the agency's staff. This includes performing physical examinations for the NSF staff on assignment at the South Pole. Funds for this activity remain unchanged from the FY 2007 Request.
- **Operations and Maintenance of Equipment** includes management and operation of the central computer facility 24 hours/day, 365 days/year; operation of the customer service center and FastLane help desk; maintenance of database server hardware and related peripherals; software licensing fees; data communications infrastructure and network systems support; electronic mail support; and remote access (e.g., internet and World Wide Web). Costs decrease by \$9.04 million in FY 2008 which will continue operations of legacy applications and existing paper-based or manual processes.
- **Supplies and Materials** include office supplies, library supplies, paper and supplies for the NSF central computer facility, and miscellaneous supplies. Funding for this activity decreases by \$918,000 over the FY 2007 Request.

- **Equipment** costs include new and replacement computing equipment, desktop computers, data communications equipment, video-teleconferencing equipment, office furniture, file cabinets, and support equipment such as audio-visual equipment. These costs increase by \$1.405 million in FY 2008.