

AGENCY OPERATIONS AND AWARD MANAGEMENT**\$305,060,000**

The FY 2009 Budget Request for Agency Operations and Award Management (AOAM) is \$305.06 million, an increase of \$23.27 million, or 8.3 percent, over the FY 2008 Estimate of \$281.79 million. Adequate funding for AOAM, 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 2007 Actual	FY 2008 Estimate	FY 2009 Request	Change over	
				FY 2008 Estimate Amount	Percent
Human Capital					
Personnel Compensation & Benefits	\$160.93	\$178.49	\$191.58	\$13.09	7.3%
Management of Human Capital	6.72	7.13	7.63	0.50	7.0%
Operating Expenses	9.24	10.06	12.27	2.21	22.0%
Travel	5.52	8.95	10.90	1.95	21.8%
Subtotal, Human Capital	182.41	204.63	222.38	17.75	8.7%
Technology and Tools					
Information Technology	34.82	42.18	45.08	2.90	6.9%
Space Rental	21.60	23.50	25.00	1.50	6.4%
Other Infrastructure	9.65	11.48	12.60	1.12	9.8%
Subtotal, Technology and Tools	66.07	77.16	82.68	5.52	7.2%
Total, AOAM	\$248.48	\$281.79	\$305.06	\$23.27	8.3%

Totals may not add due to rounding.

AOAM NSF Workforce

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

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Change over	
				FY 2008 Estimate Amount	Percent
NSF AOAM -- Regular	1,196	1,270	1,295	25	2.0%
NSF AOAM -- Student	32	40	40	-	-
Subtotal, FTE Allocation	1,228	1,310	1,335	25	1.9%
Detailees to NSF	3	6	6	-	-
Total, Workforce	1,231	1,316	1,341	25	1.9%

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~~ *Department of Homeland Security* for security guard services; ~~\$281,790,000~~:*\$305,060,000*: *Provided*, That contracts may be entered into under this heading in fiscal year ~~2008~~*2009* for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

**Agency Operations and Award Management
FY 2009 Summary Statement**
(Dollars in Millions)

	Enacted/ Request	P.L. 110-161 Rescission	Transfers	Expired	Total Resources	Obligations Incurred/Est.
FY 2007 Appropriation	\$248.25	-	\$0.25	-\$0.01	\$248.49	\$248.49
FY 2008 Estimate	281.79	-	-		281.79	281.79
FY 2009 Request	305.06	-	-		305.06	305.06
\$ Change from FY 2008						\$23.27
% Change from FY 2008						8.3%

Summary of Major Changes

(Dollars in Millions)

FY 2008 Estimate, AOAM.....\$281.79

Human Capital +\$17.75

Funding for Human Capital increases by \$17.75 million to a total of \$222.38 million, a 8.7 percent increase over the FY 2008 Estimate. The major components of this increased investment are:

- \$191.58 million for Personnel Compensation and Benefits (PC&B), an increase of \$13.09 million (\$5.91 million for salary of additional FTE), which supports an increase in the usage of full-time equivalents to an FTE allocation of 1,295 regular employees. The increase also reflects comparability and locality pay (\$4.17 million) and costs related to employee benefits.
- \$7.63 million for Management of Human Capital, which represents an increase of \$500,000 over the FY 2008 Estimate. Funds will be used to address inflationary pressures on current services, pay increased fees to shared service providers, and provide sufficient funding to meet personnel security requirements.
- \$12.27 million, an increase of \$2.21 million in general operating expenses including costs of supplies, equipment, and other operating expenses necessary for the management of NSF’s research and education activities. This increase will also support assistance in award oversight and monitoring, A-123 review, and the costs associated with additional staff.
- \$10.90 million for travel, an increase of \$1.95 million over the FY 2008 Estimate for award oversight activities, science and engineering meetings, and strategic training. The increase in the travel request reflects the Foundation’s focus on more oversight review.

Technology and Tools +\$5.52

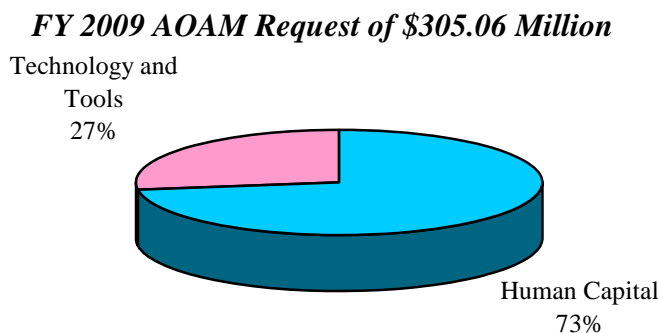
Funding for Technology and Tools is \$82.68 million, which represents an increase of \$5.52 million, or 7.2 percent, over the FY 2008 Estimate. Major components of this investment are:

- \$45.08 million for Information Technology (IT), an increase of \$2.90 million over the FY 2008 Estimate. This funding level will permit the Foundation to implement key infrastructure maintenance and operations initiatives, including deploying the next generation network, hosting business applications on a modern technology platform, modernizing email redundancy and archiving capabilities, and providing additional remote access capabilities to support and increase the productivity of teleworkers and traveling staff.
- \$25.0 million for Space Rental, an increase of \$1.50 million over the FY 2008 Estimate. The increase is required to offset rising GSA rental costs and real estate taxes, increased utility costs, plus funding of additional leased office space that will be needed to accommodate additional staff in FY 2009.
- \$12.60 million for Other Infrastructure, an increase of \$1.12 million over the FY 2008 Estimate. This increase will be used for programs such as the installation of a new physical and security access system for the agency’s buildings, upgrades to the agency’s emergency and continuity of operations programs, and to providing mission support for the agency’s travel management program.

Subtotal, Changes +\$23.27

FY 2009 Request, AOAM\$305.06

AGENCY OPERATIONS AND AWARD MANAGEMENT – FY 2009 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 infrastructure and management. To acknowledge this, the NSF Strategic Plan includes Stewardship as a strategic goal, on a par with NSF’s established science and engineering goals of Discovery, Learning, and Research Infrastructure. The Strategic Plan defines Stewardship as: “support excellence in science and engineering research and education through a capable and responsive organization.”

The NSF 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 (\$228.38 million)

The FY 2009 request for Human Capital totals \$228.38 million, an increase of \$17.75 million, or 8.7 percent, over the FY 2008 Estimate of \$204.63 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 2007 Actual	FY 2008 Estimate	FY 2009 Request	Change over	
				FY 2008 Estimate Amount	Percent
Personnel Compensation and Benefits	\$160.93	\$178.49	\$191.58	\$13.09	7.3%
Management of Human Capital	6.72	7.13	7.63	0.50	7.0%
Operating Expenses	9.24	10.06	12.27	2.21	22.0%
Travel	5.52	8.95	10.90	1.95	21.8%
Total, Human Capital	\$182.41	\$204.63	\$222.38	\$17.75	8.7%

Totals may not add due to rounding.

Personnel Compensation and Benefits (\$191.58 million)

Personnel Compensation & Benefits

(Dollars in Millions)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Change over	
				FY 2008 Estimate Amount ³	Percent
Regular FTE Allocation	1,248	1,270	1,295	25	2.0%
<i>Regular FTE Usage (actual/projected)</i>	<i>1,196</i>	<i>1,240</i>	<i>1,280</i>	<i>40</i>	<i>3.2%</i>
Regular Salary					
Base Salary	\$122.75	\$134.79	\$136.01	\$1.22	0.9%
Salary Cost of Additional FTE	-	5.01	5.91	-	-
COLA & Locality Pay ¹	-	5.84	4.17	-	-
Subtotal, Regular FTE Salary	\$122.75	\$134.79	\$146.09	\$11.30	8.4%
<i>Student FTEs</i>	<i>32</i>	<i>40</i>	<i>40</i>	<i>-</i>	<i>-</i>
Student Salary	\$0.93	\$1.14	\$1.23	\$0.09	7.9%
<i>Total, FTEs</i>	<i>1,228</i>	<i>1,280</i>	<i>1,320</i>	<i>40</i>	<i>3.1%</i>
Subtotal, FTE Pay	\$123.68	\$135.93	\$147.32	\$11.39	8.4%
Benefits and Other Compensation ²	37.25	42.56	44.26	1.70	4.0%
Total, PC&B	\$160.93	\$178.49	\$191.58	\$13.09	7.3%

¹The pay increase includes the annualization of the FY 2008 pay raise, nine months of the projected FY 2009 pay raise, as well as anticipated within grades and promotion increases. FY 2008 has two additional work days.

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

³The increase in the FY 2009 base salary reflects the full annual cost of employees hired throughout FY 2008.

The FY 2009 request for Personnel Compensation and Benefits is \$191.58 million, an increase of \$13.09 million, which fully funds 1,280 FTE (1,295 employees by the end of year) and includes comparability and locality pay and costs related to employee benefits.

The additional 40 FTE included in the Request reflects the on-going effort to hire a sufficient number of staff to meet the growing and increasingly complex workload being experienced throughout the Foundation. The additional staff will manage a growing proposal workload and award oversight and management. The FTE increase will also help to more efficiently manage incoming proposals and the merit review process.

Management of Human Capital (\$7.63 million)

The FY 2009 Management of Human Capital request is \$7.63 million, an increase of \$500,000, or 7 percent, over the FY 2008 Estimate of \$7.13 million. This increase in funding is critical to address inflationary pressures on current services, pay increased fees to shared service providers, and have sufficient funding to meet personnel security requirements.

Operationally, the funding will be used for recruitment and retention activities targeting scientists, engineers, and educators who reflect the diversity of the communities served. Emphasis will continue to be placed on policies designed to attract and retain high quality staff.

Resources will also be used to address succession planning, leadership, and employee development strategies to support supervisory and managerial education programs, with special emphasis on the rotational nature of many of NSF's managerial personnel.

FY 2009 funds will continue to support workforce and staffing planning, 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.

In addition, NSF will analyze program officer developmental needs and begin development of a comprehensive program management and merit review curriculum focused on the key principles that will allow permanent and rotating staff to understand and fulfill the strategic objectives of the agency.

Operating Expenses (\$12.27 million)

Operating Expenses increase by \$2.21 million, or 22.0 percent, to \$12.27 million in FY 2009. 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, which addresses findings from recent financial statement audits.

Travel (\$10.9 million)

Travel increases by \$1.95 million, or 21.8 percent, to \$10.90 million in FY 2009. These travel resources will enable NSF to increase oversight of existing awards (as recommended by the agency's Inspector General), 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. The majority of the increase will support travel for program management staff for oversight and training objectives.

TECHNOLOGY AND TOOLS (\$82.68 million)

The FY 2009 request for Technology and Tools is \$82.68 million, an increase of \$5.52 million, or 7.2 percent, over the FY 2008 Estimate of \$77.16 million. These investments consist of three major components: Information Technology, Space Rental, and Other Infrastructure.

Technology and Tools Funding

(Dollars in Millions)

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Change over FY 2008 Estimate	
				Amount	Percent
Information Technology	\$34.82	\$42.18	\$45.08	\$2.90	6.9%
Space Rental	21.60	23.50	25.00	1.50	6.4%
Other Infrastructure	9.65	11.48	12.60	1.12	9.8%
Total, Technology and Tools	\$66.07	\$77.16	\$82.68	\$5.52	7.2%

Totals may not add due to rounding.

Agency Operations Information Technology

The FY 2009 Information Technology request is \$45.08 million, an increase of \$2.90 million over the FY 2008 Estimate. This level will enable the Foundation to deliver mission support administrative services and support a high quality, highly reliable, and secure infrastructure that is responsive to customer needs.

Summary of Agency Operations Information Technology (IT)

(Dollars in Millions)

Agency Operations IT	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Change over	
				FY 2008 Estimate Amount	Percent
Applications Services and Support	\$16.27	\$19.88	\$19.03	-\$0.85	-4.3%
Infrastructure Services and Support	16.10	18.33	22.94	4.61	25.2%
Security and Privacy Services and Support	2.45	3.97	3.11	-0.86	-21.7%
Total, Information Technology	\$34.82	\$42.18	\$45.08	\$2.90	6.9%

Totals may not add due to rounding.

- **Applications Services and Support**

In FY 2009, funding for these initiatives will decrease from \$19.88 million to \$19.03 million. Investments in this category will be used to secure, support and modernize administrative applications such as human resources, property tracking, and records management. Applications that directly support science and engineering research and education activities, including Research.gov and Reviewer Management, will be funded by program funds as described within the Program Related Information Technology justification.

The FY 2009 Request will enable NSF to replace the legacy time and attendance system, implement an electronic Official Personnel Folder, and invest in additional components of a comprehensive Human Resource Information System, including Workforce/Succession Planning, Performance Management, and Benefits/Retirement Management. A Workforce/Succession Planning System at NSF will include components for employee tracking and management at the NSF and organizational levels, organizational and NSF-wide staffing planning, organizational and NSF-wide succession planning and management for key positions, and individual and organizational competency and skill gap assessment.

In FY 2009, funding will also be used to maintain NSF's existing financial and accounting system and travel functions. The Financial Accounting System is used to manage funds and provides a full spectrum of financial transaction functionality and interfaces with NSF systems, including the eTravel and Learning Management Systems. NSF staff use the eTravel system to plan travel, approve travel plans, prepare expense vouchers, or manage travel cards.

- **IT Infrastructure Maintenance and Operations**

In FY 2009, support for IT Infrastructure Maintenance and Operations will increase from \$18.33 million to \$22.94 million. Funding will allow implementation of key initiatives such as: deploying a modern network platform to host business applications, modernizing email redundancy and archiving

capabilities, and providing additional remote access capabilities to support and increase the productivity of teleworkers and traveling staff. This funding will provide basic maintenance and operations levels for ongoing operations and support new efforts essential for system modernization, such as directory services and tools to manage configuration, quality assurance, and software testing. The funding will also enable planned technical refresh projects, deploying additional system redundancy to increase operational stability, and initiatives to expand and automate support to accommodate an increasingly distributed 24x7 user community. Funding will expand help desk services that support new applications and improvements to desktop configuration management. Additionally, NSF is transitioning to funding IT Infrastructure services for applications that directly support science and engineering, research and education activities (including Research.gov and Reviewer Management) out of program accounts as described within the Program Related Information Technology justification.

FY 2009 funding will support enterprise architecture efforts that define current, target, and transitional architecture to frame future NSF IT investments. This investment will be used to continue NSF's earned value management capabilities and support more integrated investment planning to improve the management of major IT projects.

- ***IT Security and Privacy***

In FY 2009, Agency Operations IT funding for IT Security and Privacy will decrease from \$3.97 million to \$3.11 million. The decrease in this category represents a shift in funding sources; i.e., activities to secure systems will be funded by program funds as described within the Program Related Information Technology justification. This shift reflects the high priority the Foundation places on IT security and the continued protection of sensitive information as required by privacy policies. These investments allow NSF to acquire and maintain automated configuration management tools that manage patches and provide proactive protection from viruses, spyware, etc. While investments in FY 2008 will be used to eliminate use of Social Security Numbers (SSNs) within NSF applications when they are not required for business purposes, FY 2009 investments are needed to enhance the protection of applications and systems where personally identifiable information (PII) such as SSNs must be used for business purposes, per federal standards and policies. Funds will also be used for analysis and planning to support transition to a government-wide service provider for FISMA reporting.

While NSF's security program is strong, continued investment in robust solutions is needed to meet evolving and more serious threats. Critical investments are 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. NSF will fully fund security activities including risk assessments, security control testing, contingency planning, and implementing and evaluating a business continuity capability. Without this level of investment, NSF will not be able to deploy tools and practices to address emergent threats, or provide layered security capabilities needed to assure a sound security posture. Funding will also allow NSF to implement functionality to address new mandates for improved controls to assure protection of privacy and sensitive information.

Summary of Space Rental and Other Infrastructure by Function

(Dollars in Millions)

Space Rental & Other Infrastructure	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request	Change over	
				FY 2008 Estimate Amount	Percent
Space Rental	\$21.60	\$23.50	\$25.00	\$1.50	6.4%
Other Infrastructure	9.65	11.48	12.60	1.12	9.8%
- <i>Administrative Contracts</i>	4.05	5.81	6.00	0.19	3.3%
- <i>Government Goods and Services</i>	3.29	3.30	3.60	0.30	9.1%
- <i>Administrative Services Equipment & Supplies</i>	2.31	2.37	3.00	0.63	26.6%
Total, Space Rental & Other Infrastructure	\$31.25	\$34.98	\$37.60	\$2.62	7.5%

Space Rental

The FY 2009 request for Space Rental is \$25.0 million, an increase of \$1.50 million, or 6.4 percent, over the FY 2008 Estimate. These resources will offset escalating GSA rental costs, increased real estate taxes, and rising utility costs, plus additional leased office space needed to accommodate additional staff for FY 2009. The additional office space comprises roughly \$600,000 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 2009, support for Other Infrastructure is \$12.60 million, an increase of \$1.12 million over the FY 2008 Estimate.

Other Infrastructure funding supports the following major sets of activities:

Administrative Contracts will support costs for programs such as the installation of a new physical and security access system for the agency's buildings, upgrades to the agency's emergency and continuity of operations programs, and providing mission support for the agency's travel management program.

Government Goods and Services will support expenditures for security guards and building improvements such as space updating and renovation and office space realignment and programs to support new energy efficiency programs.

Administrative Services Equipment and Supplies and Periodicals costs will increase significantly to provide much needed upgrades to the agency's physical infrastructure, and to support scheduled equipment replacement programs.

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 2007 Actual	FY 2008 Estimate	FY 2009 Request	Change over FY 2008 Estimate	
				Amount	Percent
Travel and Transportation of Persons	\$5,518	\$8,950	\$10,900	\$1,950	21.8%
Transportation of Things	177	230	230	-	-
Rental Payments to GSA	21,778	23,500	25,000	1,500	6.4%
Communications, Utilities and Misc. Charges	4,942	1,450	1,589	139	9.6%
Printing and Reproduction	119	100	100	-	-
Advisory and Assistance Services	40,387	12,782	13,802	1,020	8.0%
Other Services	9,023	8,900	10,295	1,395	15.7%
Purchases of Goods & Srvcs from Gov't. Accts	507	3,300	3,600	300	9.1%
Medical Care	19	575	600	25	4.3%
Operations and Maintenance of Equipment	825	28,490	34,403	5,913	20.8%
Supplies and Materials	2,156	2,750	3,100	350	12.7%
Equipment	2,102	12,273	9,861	-2,412	-19.7%
Subtotal, GOE	87,553	103,300	113,480	10,180	9.9%
Salaries and Benefits (PC&B)	160,934	178,490	191,580	13,090	7.3%
Total, AOAM	\$248,487	\$281,790	\$305,060	\$23,270	8.3%

Totals may not add due to rounding.

Note: In FY 2008 and 2009 IT contracts in object class Advisory and Assistance Services are reclassified as Equipment and O&M of Equipment

Description of categories:

- **Travel and Transportation of Persons** increases by \$1.95 million over the FY 2008 Estimate. 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 flat with the FY 2008 Estimate.
- **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 \$1.50 million in FY 2009 is required to offset escalating GSA rental costs, increased real estate taxes, and rising utility costs, plus funding of additional leased office space that will be needed to accommodate additional staff for FY 2009.
- **Communications, Utilities, and Miscellaneous Charges** includes all costs for telephone lines and services, both local and long distance, and postage. Funds increase by \$139,000 from the FY 2008 Estimate to cover 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 remain essentially constant with the FY 2008 Estimate.

- **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. Included in the FY 2009 increase of \$1.02 million, is an increase of \$660,000 to address inflationary pressures on current services, to pay increased fees to shared service providers, and to provide sufficient funding to meet personnel security requirements.
- **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 2009 Request increases by \$1.40 million over the FY 2008 Estimate to support increases in costs for programs such as enhanced physical and security access systems, and e-travel service contracts to support the government-wide travel initiative.
- **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. Funds for this activity increased by \$300,000 over the FY 2008 Estimate to cover services associated with new leased space.
- **Medical Care** includes costs associated with the health services contract, providing limited on-site medical services to the agency's staff. This also includes performing physical examinations for the NSF staff on assignment at the South Pole. Funds for this activity increase by \$25,000 over the FY 2008 Estimate to cover inflationary increases.
- **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 increase by \$5.91 million in FY 2009 to implement key infrastructure maintenance and operations initiatives such as deploying a modernized network, hosting business applications on a modern technology platform, and modernizing email redundancy and archiving capabilities.
- **Supplies and Materials** include office supplies, library supplies, paper and supplies for the NSF central computer facility, and miscellaneous supplies.
- **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 decrease by \$2.41 million in FY 2009, driven by the Foundation's decision to move towards off-site hosting as well as the reclassification of mission-related equipment to Program Related Information Technology.

