

SALARIES AND EXPENSES**\$269,000,000**

The FY 2006 Budget Request for Salaries and Expenses (S&E) is \$269.0 million, an increase of \$45.80 million, or 20.5 percent, over the FY 2005 Current Plan of \$223.20 million. Adequate funding for Salaries and Expenses, particularly for Staffing and Information Technology, is critical to the efficient operations of the agency.

Summary of Salaries and Expenses by Function

(Dollar in Millions)

	FY 2004 Actual	FY 2005 Current Plan	FY 2006 Request	Change over FY 2005	
				Amount	Percent
Human Capital					
Personnel Compensation & Benefits	139.58	150.73	161.33	10.60	7.0%
Management of Human Capital	4.00	3.47	7.50	4.03	116.1%
Operating Expenses	10.10	5.72	5.17	-0.55	-9.6%
Travel	4.79	7.26	8.75	1.49	20.5%
Subtotal, Human Capital	158.47	167.18	182.75	15.57	9.3%
Technology and Tools					
Information Technology	32.20	26.93	52.60	25.67	95.3%
Space Rental	18.69	19.70	21.58	1.88	9.5%
Other Infrastructure	7.48	7.31	9.57	2.26	30.9%
Subtotal, Technology and Tools	\$58.37	\$53.94	\$83.75	29.81	55.3%
Business Analysis	2.08	2.08	2.50	0.42	20.2%
Total, Salaries and Expenses ¹	\$218.92	\$223.20	\$269.00	\$45.80	20.5%

Totals may not add due to rounding.

¹ The FY 2004 Actual includes a transfer of \$260,500 from the Department of State for processing an award to the U.S. Civilian Research and Development Foundation.

S&E Funded NSF Workforce

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

	FY 2004 Actual	FY 2005 Current Plan	FY 2006 Request	Change over FY 2005	
				Amount	Percent
NSF S&E -- Regular	1,166	1,225	1,248	23	1.9%
NSF S&E -- Student	32	35	35	0	0.0%
Subtotal, FTE	1,198	1,260	1,283	23	1.8%
Detailees to NSF	6	6	6	0	0.0%
Contractors Performing Adm. Functions	210	210	210	0	0.0%
Total, Workforce	1,414	1,476	1,499	23	1.6%

Appropriation Language

For salaries and expenses 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; ~~\$225,000,000~~\$269,000,000: Provided, That contracts may be entered into under "Salaries and expenses" in fiscal year ~~2005~~2006 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)

Adjustments to Base

**Salaries and Expenses
FY 2006 Summary Statement
(Dollars in Millions)**

	Enacted/ Request	Rescission	Transfers ¹	Total Resources	Lapsed	Obligations Incurred/Est.
FY 2004 Appropriation	220.00	-1.30	0.26	218.96	0.04	218.92
FY 2005 Current Plan	225.00	-1.80	-	223.20	-	223.20
FY 2006 Request	269.00	-	-	269.00	-	269.00
\$ Change from FY 2005	44.00			45.80		
% Change from FY 2005	20%			20.5%		

¹ Transferred to NSF from the Department of State for an award to the Civilian Research and Development Foundation.

Summary of Major Changes

(Dollars in Millions)

S&E FY 2005 Current Plan.....\$223.20

Human Capital +15.57

Funding for Human Capital increases by \$15.57 million to a total of \$182.75 million, a 9.3 percent increase over FY 2005. The major components of this increased investment are:

- \$161.33 million for Personnel Compensation and Benefits, an increase of \$10.60 million, which includes an increase of 23 full-time equivalent (FTE) employees as well as comparability and locality pay and costs related to employee benefits.
- \$7.50 million for Management of Human Capital, an increase of \$4.03 million. The increased funding includes \$3.05 million for Strategic Human Capital Management and \$980,000 for the NSF Academy.
- \$5.17 million in general operating expenses associated with NSF's programmatic responsibilities, a decrease of \$550,000; and
- \$8.75 million for Travel, an increase of \$1.49 million over the FY 2005 Current Plan.

Technology and Tools +29.81

Funding for Technology and Tools increases by \$29.81 million or 55.3 percent to a total funding level of \$83.75 million in FY 2006. The major components of this investment are:

- \$52.60 million for Information Technology, an increase of \$25.67 million. The major components of this increase are IT Security (\$2.80 million increase), Next Generation Grants Management and eGovernment (\$7.90 million), Applications Maintenance (\$4.70 million), and IT Infrastructure Maintenance and Operations (\$8.07 million).
- \$21.58 million for Space Rental, an increase of \$1.88 million, which includes costs for rent increases as well as additional space needs.
- \$9.57 million for Other Infrastructure needs, an increase of \$2.26 million. The largest increase, \$990,000, is for ongoing administrative contracts.

NSF Business Analysis +0.42

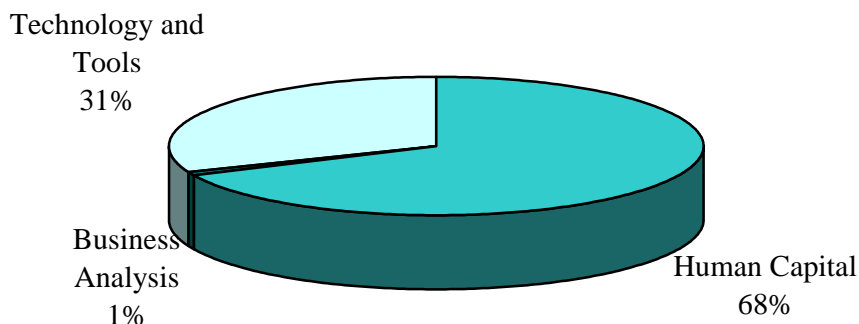
Funding increases by \$420,000 to a total Request of \$2.50 million in FY 2006, which will complete funding for the multi-year Business Analysis effort, a comprehensive assessment of NSF's core business processes, human capital, and technology management.

Subtotal, Changes +45.80

FY 2006 Request, S&E.....\$269.00

SALARIES AND EXPENSES – FY 2006 REQUEST BY MAJOR FUNCTION

FY 2006 S&E Request of \$269.0 Million



The rapid pace of discovery in science and engineering research and education creates unprecedented opportunities for investment, but also increases the NSF workload. With the rapidly changing character of research, new demands are placed on NSF staff and systems. Proposals today address more complex scientific questions, involve a wider array of collaborations, and increasingly, cross disciplinary boundaries.

NSF maintains its commitment to excellent, results-oriented management and stewardship. To solidify this endeavor, the NSF Strategic Plan was modified in FY 2003 to incorporate Organizational Excellence (OE) as a strategic goal, on a par with NSF's established science and engineering goals of People, Ideas, and Tools. Organizational Excellence reinforces the idea that excellence in management underpins all of the Foundation's activities and calls on us to be "an agile, innovative organization that fulfills its mission through leadership in state-of-the-art business practices." The focus of the Organizational Excellence goal on human capital, business processes, and technologies and tools resonates strongly with the President's Management Agenda (PMA) goals in critical business disciplines and adds momentum to our ongoing efforts.

Many OE initiatives are derived directly from the multi-year NSF Business Analysis, which is important in supporting our integrative, multidisciplinary approach to management excellence and to achieving results. These efforts, directly or indirectly, help NSF provide first-rate customer service to proposers, reviewers, and grantees.

The increase requested in FY 2006 supports additional staffing to handle the growing workload and additional travel funds to ensure adequate management and oversight of our portfolio. This increase will also provide for existing and overdue investments that foster NSF's continuing commitment to outstanding customer service.

HUMAN CAPITAL (\$182.75 million)

The FY 2006 Request for Human Capital totals \$182.75 million, an increase of \$15.57 million or 9.3 percent, over the FY 2005 Current Plan of \$167.18 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 2004 Actual	FY 2005		Change over FY 2005	
		Current Plan	FY 2006 Request	Amount	Percent
Personnel Compensation and Benefits	139.58	150.73	161.33	10.60	7.0%
Management of Human Capital	4.00	3.47	7.50	4.03	116.1%
Operating Expenses	10.10	5.72	5.17	-0.55	-9.6%
Travel	4.79	7.26	8.75	1.49	20.5%
Total, Human Capital	\$158.47	\$167.18	\$182.75	\$15.57	9.3%

Totals may not add due to rounding

Personnel Compensation and Benefits (\$161.33 million)

Personnel Compensation & Benefits

(Dollars in Millions)

	FY 2004 Actual	FY 2005		Change over FY 2005	
		Current Plan	FY 2006 Request	Amount ³	Percent
<i>Regular FTEs</i>	<i>1,166</i>	<i>1,225</i>	<i>1,248</i>	<i>23</i>	<i>1.9%</i>
Regular Salary					
Base Salary	\$104.90	\$112.41	\$116.15	3.74	3.3%
Salary Cost of Additional FTE	-	-	2.27	-	-
COLA & Locality Pay ¹	-	-	2.34	-	-
Subtotal, Regular FTE Salary	\$104.90	\$112.41	\$120.76	\$8.35	7.4%
<i>Student FTEs</i>	<i>32</i>	<i>35</i>	<i>35</i>	<i>0.00</i>	<i>0.0%</i>
Student Salary	\$0.91	\$0.99	\$1.01	\$0.02	2.0%
<i>Total, FTEs</i>	<i>1,198</i>	<i>1,260</i>	<i>1,283</i>	<i>23</i>	<i>1.8%</i>
Subtotal, FTE Pay	\$105.81	\$113.40	\$121.77	\$8.37	7.4%
Benefits and Other Compensation ²	33.77	37.33	39.56	2.23	6.0%
Total, PC&B	\$139.58	\$150.73	\$161.33	\$10.60	7.0%

¹The pay increase includes the prior budget year's COLA and Locality Pay increase, nine months of the budget year's COLA and Locality Pay increase, within grade and adjustments to FTE payroll hours.

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

³The \$3.74M increase in the FY 06 base salary reflects the full annual cost of employees hired throughout FY 2005.

\$161.33 million for Personnel Compensation and Benefits, an increase of \$10.60 million, which includes an increase of 23 full-time equivalent (FTE) employees as well as comparability and locality pay and costs related to employee benefits.

Management of Human Capital (\$7.50 million)

Summary of Management of Human Capital by Function

(Dollars in Millions)

Management of Human Capital	FY 2004	FY 2005	FY 2006	Change over	
	Actual	Current Plan	Request	Amount	Percent
Strategic Human Capital Management	2.00	1.95	5.00	3.05	156.4%
NSF Academy	2.00	1.52	2.50	0.98	64.5%
Total, Management of Human Capital	\$4.00	\$3.47	\$7.50	\$4.03	116.1%

The FY 2006 Management of Human Capital request is \$7.5 million, an increase of \$4.03 million from the FY 2005 Current Plan. This level will enable the Foundation to implement an enhanced, integrated human capital system that incorporates eGovernment solutions and addresses the President's Management Agenda. These efforts support the Office of Personnel Management's Human Resource Line of Business, expand eLearning initiative offerings, and more fully develop the curricula, content and knowledge management aspects of NSF's Learning Management System.

- **Strategic Human Capital Management**

Strategic Human Capital Management encompasses a range of activities related to the planning and management of NSF internal workforce. In FY 2006, NSF will more than double spending on these activities, from \$1.95 million to \$5.0 million. In addition, \$2.5 million is requested in the Technology and Tools function of the S&E account for the IT infrastructure necessary to support these activities. This increased investment is needed to sustain an overdue effort to transform how NSF plans for and manages its internal human capital needs. This will take initial steps toward providing managers with powerful workforce analytic and planning capabilities, providing NSF employees with direct access to employment information, and supporting NSF's transition to a competency-based human resource system. When implemented, this new human capital system will provide a suite of interconnected capabilities, including enhanced workforce planning, position classification and management, competency management, recruiting, and performance management.

FY 2006 is a vital year in this effort, as NSF will be analyzing the services offered by different providers of the Human Resource Line of Business (HR LOB), the government-wide initiative being led by the Office of Personnel Management (OPM). To determine the best fit for NSF among the different providers, FY 2006 funding will be used to: analyze and select from among the service providers; provide project oversight for the implementation of HR LOB-approved Human Resource Information System service provider; assist in the identification of alternative services to fill gaps not available through the selected shared service provider, but that are essential to a comprehensive human capital system; pay for necessary service fees charged by one or more service providers; and provide HR-related support for implementation of OPM's President's Management Agenda eGovernment systems including its electronic personnel folders, Workforce Analysis Support System, Civilian Forecasting System, and Business Intelligence Tool initiatives.

- **NSF Academy**

In FY 2006, NSF will increase spending from \$1.52 million to \$2.50 million. This increase of \$980,000 allows NSF to develop and implement a wide range of programs recommended in a recent OPM audit, continue its multi-year effort to implement an OPM eGovernment Learning Management System, provide a comprehensive project management certificate program, including an Earned Value Management component, and implement a series of proprietary eLearning program and online tutorials to increase the capabilities of permanent and rotator program officers to effectively monitor, examine and administer grant proposals.

Operating Expenses (\$5.17 million)

Operating Expenses decrease by \$550,000, or 9.6 percent, to \$5.17 million in FY 2006. These include direct costs of supplies, equipment, and other operating expenses necessary for the management of NSF’s research and education activities.

Travel (\$8.75 million)

Travel increases by \$1.49 million, or 20.5 percent, to \$8.75 million in FY 2006. These resources fund travel required for an 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 (\$83.75 million)

Funding for Technology and Tools increases by \$29.81 million or 55.3 percent to a total funding level of \$83.75 million in FY 2006.

Technology and Tools Funding
(Dollars in Millions)

	FY 2004 Actual	FY 2005		Change over FY 2005	
		Current Plan	FY 2006 Request	Amount	Percent
Information Technology	32.20	26.93	52.60	25.67	95.3%
Space Rental	18.69	19.70	21.58	1.88	9.5%
Other Infrastructure	7.48	7.31	9.57	2.26	30.9%
Total, Technology and Tools	\$58.37	\$53.94	\$83.75	29.81	55.3%

Information Technology (\$52.60 Million)

The FY 2006 Information Technology Request is \$52.60 million, an increase of \$25.67 million, or 95.3 percent, from the FY 2005 Current Plan. This level will enable the Foundation to address key President’s Management Agenda initiatives, support a world-class, secure infrastructure that is responsive to customer needs, address management challenges identified through internal review and oversight, and implement recommendations stemming from the NSF’s multi-year Business Analysis.

Summary of Information Technology by Function

(Dollars in Millions)

Information Technology	FY 2004 Actual	FY 2005		Change over FY 2005	
		Current Plan	FY 2006 Request	Amount	Percent
IT Security	1.50	2.20	5.00	2.80	127.3%
Next Generation Grants Mgmt & eGov	5.30	2.30	10.20	7.90	343.5%
Human Capital System	1.00	0.70	2.50	1.80	257.1%
Enterprise Architecture	0.50	0.70	1.10	0.40	57.1%
Applications Maintenance	12.90	9.40	14.10	4.70	50.0%
- Finance and Administrative Applications	5.10	4.10	5.30	1.20	29.3%
- FastLane and Legacy Grants Applications	7.80	5.30	8.80	3.50	66.0%
IT Infrastructure Maintenance and Operations	11.00	11.63	19.70	8.07	69.4%
Total, Information Technology	\$32.20	\$26.93	\$52.60	\$25.67	95.3%

- **IT Security (\$5.0 million)**

In FY 2006, NSF will more than double spending on IT security, from \$2.20 million to \$5.0 million – a level consistent with the high priority the Foundation places on IT security. These investments allow NSF to acquire and deploy automated configuration management tools that manage patches, virus updates and other security related configuration elements; to fully fund scheduled certification and accreditation activities, including security risk assessments, security plans, and contingency plans; to maintain a comprehensive NSF systems inventory for security purposes; support program-specific security improvements such as the US Antarctic Program security initiatives; to increase contract support to monitor for intrusions and attacks; and to support rapid responses to incidents. Without this level of investment, NSF will not be able to deploy tools and practices to address emergent threats and defend in-depth capabilities needed to assure a sound security posture.

Notably, NSF received an “A” on the most recent Federal Computer Security Score Card issued by the Government Reform Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census. NSF is one of two Federal agencies ever to receive an “A” on the report card since scores were released.

- **Next Generation Grants Management and eGovernment Initiatives (\$10.20 million)**

In FY 2006, NSF increases support from \$2.30 million to \$10.20 million, a more than four-fold increase. Since funding was reduced from FY 2004 to FY 2005, virtually all-significant new capability in the grants management area was deferred until FY 2006. It is a high priority to restore and enhance investment in this area. While NSF has had great success with its customer facing systems, notably FastLane for receiving proposals and managing progress and financial reporting, the rest of the end-to-end proposal processing systems have not received such investment. NSF currently relies on legacy applications that vary widely in their functional support capability, application age, sustainability, and integration with other applications to support work. Specific areas for investment include migrating and integrating with eGovernment initiatives (notably Grants.gov), support for internal grants administration (proposal, review, and award management), property management, eTravel, records management, eAuthentication, strategic information assets management, and customer relationship systems. These applications will eliminate the need for manual processing, printing and storage of copies of proposal processing files for approximately 70 percent of the proposals received by NSF. Additionally, this funding strengthens proposal review and authentication; timely review and decision; award management and oversight; and closeout.

- **Human Capital System (\$2.50 million)**

In FY 2006, NSF will increase support from \$700,000 to \$2.50 million, a more than three-fold increase. Capital investments in broad-scope eHuman Capital will provide an integrated technology solution set to address all aspects of Human Capital related requirements, including: automated and integrated recruitment, classification, performance management and employment processes; workforce planning and long-term forecasting services; development and electronic management of a comprehensive array of strategically aligned learning experiences; compliance with standards adoption systems and processes developed under eGovernment initiatives; and related time and attendance and benefits services. FY 2006 will be a year of acquiring automated tools to support the initiatives for improved human capital management identified in the NSF Human Capital Plan, automate critical human resource functions, and maintain the new Learning Management System that is being deployed in FY 2005.

- **Enterprise Architecture (\$1.10 million)**

In FY 2006, NSF will increase support from \$700,000 to \$1.10 million, a 57 percent increase. While spending on Enterprise Architecture will remain close to steady at \$600,000, an increase of \$400,000 will support OMB mandated requirements for an Earned Value Management System to improve management of major IT projects and to support more integrated investment planning. Ongoing investments are for consulting services for planning and analysis resulting in the recommended NSF current, transitional, and future Enterprise Architectures. These funds will complement the Enterprise architecture initiatives from the multi-year Business Analysis.

- **Applications Maintenance (\$14.10 million)**

In FY 2006, NSF will increase support from \$9.40 to \$14.10 million, an increase of \$4.70 or 50 percent. Increased funding will support Finance and Administrative Applications and FastLane and Legacy Grants Applications. This investment allows required maintenance for these critical grants management applications and provides funding to integrate FastLane with Grants.gov applications.

- **IT Infrastructure Maintenance and Operations (\$19.70 million)**

In FY 2006, support for IT Infrastructure Maintenance and Operations will increase from \$11.63 million to \$19.70 million. This restores reductions required in FY 2004 and FY 2005 that required maintenance and operations below optimal levels. Increases will support new efforts essential to system modernization such as directory services and tools to manage configuration, quality assurance and software testing; it will support added infrastructure that support new applications such as Grants.gov activities and the enhanced website service; it will support increased costs for help desk services that are currently under-funded and require new services to support new applications; and it will support improvements to desktop configuration management that will enable lowering per seat costs while improving security and performance. At reduced levels, normal infrastructure upgrade and modernization of 25-30 percent of equipment would be deferred, resulting in decreased availability of IT services.

Space Rental & Other Infrastructure (\$31.15 million)

Summary of Space Rental & Other Infrastructure by Function
(Dollars in Millions)

Space Rental & Other Infrastructure	FY 2004	FY 2005	FY 2006	Change Over	
	Actual	Current Plan	Request	FY 2005 Amount	FY 2005 Percent
Space Rental	\$18.69	\$19.70	\$21.58	1.88	9.5%
Other Infrastructure	\$7.48	\$7.31	\$9.57	2.26	30.9%
- <i>Administrative Contracts</i>	\$3.21	\$3.30	\$4.29	0.99	30.0%
- <i>Government Goods and Services</i>	\$1.76	\$1.90	\$2.52	0.62	32.6%
- <i>Administrative Services Equipment & Supplies</i>	\$2.61	\$2.11	\$2.76	0.65	30.8%
Total, Space Rental & Other Infrastructure	\$26.17	\$27.01	\$31.15	\$4.14	15.3%

- **Space Rental**

The FY 2006 Request for Space Rental is \$21.58 million, an increase of \$1.88 million, or 9.5 percent, over FY 2005. These resources are needed to offset escalating GSA rental costs and real estate taxes and for the annualized cost of space acquired during FY 2005. The additional space leased in FY 2005 gives NSF four contiguous floors of space in Stafford II. No additional leasing agreements are planned at this time.

The increase of \$1.88 million for Space Rental in FY 2006 is itemized into the following categories: about \$1 million for increased space acquired at the end of FY 2005, \$650,000 increase due to escalation in rent, and \$250,000 increase due to increase in real estate taxes and Federal Protective Services guards.

- **Other Infrastructure**

In FY 2006, support of Other Infrastructure increases from \$7.31 million to \$9.57 million, an increase of \$2.26 or 31 percent. This request is necessary to offset rising costs associated with physical security of the facilities, including contract security guards. Funds are also needed to accommodate rising facility maintenance costs and facility management services necessary to accommodate the continued growth in the volume of proposals submitted. This funding supports three major sets of activities:

- Administrative Contracts support increases from \$3.30 million to \$4.29 million in FY 2006 and is primarily to meet the requirements of Homeland Security Presidential Directive #12 (HSPD-12: Policy for a Common Identification Standard for Federal Employees and Contractors). NSF plans to initiate a project to replace the existing physical security systems and all employee and contractor proximity cards.
- Government Goods and Services support increases from \$1.90 million to \$2.52 million in FY 2006. As NSF acquires additional space, there is a corresponding increase, in security costs as well as routine renovation costs agency-wide.
- Administrative Services Equipment & Supplies increases from \$2.11 million to \$2.76 million in FY 2006. To keep productivity high, equipment is routinely rotated out and replaced by new equipment; this normal equipment replacement schedule is being severely curtailed in FY 2005. Additionally, access licenses to electronic scientific databases and journals will be purchased, a vital service to the NSF scientific community.

NSF BUSINESS ANALYSIS (\$2.50 Million)

In FY 2002, NSF initiated a comprehensive, multi-year Business Analysis, the outcomes of which are informing Organizational Excellence investments for the foreseeable future. The FY 2006 Request for the Business Analysis is \$2.50 million, an increase of \$420,000 from FY 2005.

This study is addressing the fundamental challenges facing NSF, such as the management of an increasingly multi-disciplinary research and education portfolio. The key to this study is a concurrent analysis of human capital, business practices, and technology and tools.

As the Business Analysis winds down during FY 2006, efforts will address the following:

- **Business Process** – Business process team members will provide integration support as necessary to the other Business Analysis work streams -- Human Capital and Technologies and Tools. The Business Analysis will also continue to provide implementation-planning support for NSF's Knowledge Management projects and processes moving into FY 2006.
- **Human Capital** – As part of the ongoing development of the Human Capital Management Plan, the Business Analysis team will help NSF continue to move from a task-based to a competency-based human resource management organization. In FY 2006, it is envisioned that NSF will begin to integrate competencies throughout the human capital lifecycle. The Business Analysis team will help identify the best implementation strategy (prioritizing high-impact human capital processes) and begin working with NSF to carry out the strategy and design of competency-based systems. Much of this work will involve a strong collaboration with the program Directorates and Offices, as well as defining flexible practices that maintain policy/regulation standards but allow for process/execution adaptability.
- **Technology and Tools** – The Technology and Tools team has developed an Enterprise Architecture (EA) that documents all the information systems within NSF, their functions and relationships to other systems, and how they interact to fulfill the organization's mission. An EA provides the organization with the ability to understand and analyze its operations and allows managers to address inconsistencies and redundancies in business process and technologies. In FY 2006, the Technologies and Tools team will focus on the following tasks:
 - Maintenance and continuing definition of NSF Enterprise Architecture business and technical services in accordance with business process and human capital work streams (including re-baselining major NSF systems);
 - Refinement of the NSF Information Technology Implementation Plan in accordance with business process and human capital work streams; and
 - Maintenance of Enterprise Architecture tool and integration with application/system development systems (i.e., Rational).

The Business Analysis continues to have a significant positive impact on how NSF conducts its business.

General Operating Expenses by Object Class

The following table shows the planned distribution of general operating expenses by object class and is followed by brief explanations of each category.

General Operating Expenses by Object Class
(Dollars in Thousands)

	FY 2005			Change over	
	FY 2004 Actual	Current Plan	FY 2006 Request	FY 2005 Amount	Percent
Travel and Transportation of Persons	4,905	7,046	8,770	1,724	24.5%
Transportation of Things	167	200	200	0	0.0%
Rental Payments to GSA	18,689	19,700	21,580	1,880	9.5%
Communications, Utilities and Misc. Charges	1,732	1,447	1,447	0	0.0%
Printing and Reproduction	302	175	175	0	0.0%
Advisory and Assistance Services	8,918	5,313	9,213	3,900	73.4%
Other Services	7,029	7,861	9,435	1,574	20.0%
Purchases of Goods & Srvcs from Gov't. Accts	1,794	1,896	2,515	619	32.6%
Medical Care	485	530	530	0	0.0%
Operations and Maintenance of Equipment	24,480	17,954	35,957	18,003	100.3%
Supplies and Materials	3,129	3,069	2,319	-750	-24.4%
Equipment	7,450	7,247	15,509	8,262	114.0%
Total	\$79,080	\$72,438	\$107,650	\$35,212	48.6%

Totals may not add due to rounding

Description of categories:

- **Travel and Transportation of Persons** includes an increase in FY 2006. These resources fund travel required for increased oversight of existing awards as recommended by the agency's Inspector General.
- **Transportation of Things** consists of household moves associated with bringing new scientists and engineers to NSF.
- **Rental Payments to GSA** includes the rent charged by GSA for NSF's facility in Arlington, Virginia, and four floors in an adjacent building. The increase in FY 2006 is required to fund GSA's estimate for currently occupied space, real estate taxes, an increase in Federal Protective Service guard 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, postage, and charges for centrally managed photocopying equipment.
- **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 have been comparatively low for the past several years due to NSF's efforts in web publishing and electronic dissemination.

- **Advisory and Assistance Services** includes development, learning, and career enhancement opportunities offered through the NSF Academy, contracts for position classifications, work life initiatives, outreach, contractual costs for the Business Analysis study, and related services. The increase of \$3.90 million reflects the expansion of the Strategic Human Capital and NSF Academy programs.
- **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. These costs increase by \$1.07 million in FY 2006, as funds are required to begin to implement physical security programs associated with the Homeland Security Presidential Directive #12.
- **Purchases of Goods and Services from Government Accounts** includes reimbursable services purchased from GSA. These costs include security guard services, off-hours heating and air conditioning support, and some construction services. The increase of \$619,000 is driven largely by costs for security guards as well as costs for building renovations.
- **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. These costs are unchanged in FY 2006.
- **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). The increase of \$18.0 million reflects increasing costs for ongoing maintenance and operations and new Information Technology programs and initiatives.
- **Supplies and Materials** include office supplies, library supplies, paper and supplies for the NSF central computer facility, and miscellaneous supplies. This category decreased by \$750,000 to \$2.32 million.
- **Equipment** costs includes 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. Also included are software development costs associated with developing and maintaining central application systems that support proposal, award, financial, and administrative activities. These costs increase by \$8.26 million for upgrades associated with next generation grants management and e-government.

