

National Science Foundation
Annual Office of Management and Budget M-12-12 Conference Report
FY 2012

Overview

This report was prepared in response to Office of Management and Budget (OMB) Memorandum M-12-12, "Promoting Efficient Spending to Support Agency Operations." OMB M-12-12 requires all Federal agencies to report, by January 31st of each year, information on all agency-sponsored conferences from the previous fiscal year where the net expenses for each single conference were in excess of \$100,000. In addition, for any single conference with net conference expenses that exceeded \$500,000, this report is to include the agency head's waiver that identified the exceptional circumstances that necessitated exceeding the \$500,000 threshold.

This report is comprised of three sections:

- General Report of National Science Foundation (NSF) Conference Activities
- Detailed Report on Conference Expenses in Excess of \$100,000
- Summary of Net Conference Expenses for FY 2012

GENERAL REPORT OF NSF CONFERENCE ACTIVITIES

Background

In the past two years, oversight of federal agency conference spending has been steadily increasing. On September 21, 2011, the OMB issued Memorandum M-11-35, "Eliminating Excess Conference Spending and Promoting Efficiency in Government," to emphasize the President's priority to ensure that the Government operates with the utmost efficiency and eliminates unnecessary spending. In November 2011, the President issued Executive Order 13589, "Promoting Efficient Spending," which encouraged agencies to devise alternative strategies such as teleconferencing and video-conferencing to reduce travel costs, and also required agencies to host or sponsor conferences in space controlled by the Federal Government, whenever practicable. On May 11, 2012, OMB issued Memorandum M-12-12, "Promoting Efficient Spending to Support Agency Operations," that provided further guidance on conference approvals and reporting requirements.

Actions Taken by NSF to Improve Management of Conference Costs

During FY 2012, the Foundation took a number of steps to ensure that all conferences were reviewed and approved at appropriate levels and to reduce conference spending. The activities taken and the controls that were put in place are listed below:

- October 2011 – Implemented centralized review of all proposed obligations for conference contract support purchased via purchase cards to ensure required Deputy Director approval per OMB M-11-35.
- October 2011 – NSF Deputy Director certified that procedures for in-house merit review panels, grant-related conferences, and contracts that include conference support were in compliance with OMB M-11-35 requirements.
- January 2012 – Completed an internal control review of conference-related policies, procedures and expenses pursuant to OMB M-11-35.
- March 2012 – NSF Office of the Inspector General issued an Audit of NSF-Funded Conference Activities (Staff Retreats), Report No. 12-2-009 (<http://www.nsf.gov/oig/12-2-009.pdf>). The report included two recommendations which have been implemented.
- June 2012 – NSF Deputy Director certified that NSF has sufficient controls in place to mitigate the risk of inappropriate spending of all conferences.
- June 2012 – Issued NSF Staff Memorandum, “Opportunities for Improvement and Cost Savings for Conference Spending” to remind employees that federal funds are to be used for purposes that are appropriate, cost effective and important to the core mission of the Foundation.
- July 2012 – Instituted quarterly reporting of conference costs and contracting procedures for all conferences costing more than \$20,000.
- December 2012 – Issued NSF Bulletin No. 12-19, “Conference Planning, Approval and Reporting Requirements,” to implement the conference approval requirements of OMB Memorandum M-12-12 and to update agency policies related to the approval and reporting of all conference obligations and expenses.

Scope of OMB M-12-12 Annual Report

This report covers conferences that were held during the period May 11, 2012 through September 30, 2012, regardless of approval date. Only conferences hosted or sponsored by NSF are included. Conferences hosted by NSF grant awardees for purposes related to award objectives are not subject to the approval and reporting requirements as stipulated by OMB Memorandum M-12-12.

For the purpose of this report, NSF used the definitions for “conference” and “conference expenses” provided by OMB M-12-12:

- Conference: a meeting, retreat, seminar, symposium or event that involves attendee travel.
- Conference Expenses: all direct and indirect conference costs except for amounts paid under Federal grants to grantees and federal employee time for conference preparation. Some examples of conference expenses are: travel and per diem, payments to merit

review panelists and committee members, rental of rooms for official business, audiovisual use, light refreshments, registration fees, and ground transportation. Additionally, conference expenses are net of any fees or revenue received by the agency through the conference.

Types of Conferences at NSF

NSF sponsors and hosts a wide variety of conferences that fall into five major categories, described briefly below:

- **Subject Matter**: Conferences held for purposes such as grant oversight; providing opportunities for collaboration among members of the scientific, engineering, and education communities; and discussing future direction and strategies to advance science and engineering.
- **Merit Review Panels**: An assembly of NSF staff and guests for the purpose of reviewing and evaluating research proposals. Panelists provide advice and recommendations concerning proposals submitted to NSF for financial support. Panels can be held on-site or off-site.
- **Training**: A developmental activity, meeting, seminar, class, program, symposium, or related activity that is educational in nature and the content of which is germane to improving an individual's or organization's performance. Training is considered a conference when it involves travel costs.
- **Staff Retreats**: An on-site or off-site meeting primarily attended by NSF staff to review progress and challenges associated with implementation of government or departmental policies and to engage the NSF workforce in discussions covering various aspects of NSF or divisional activities.
- **Other**: Conferences that fall outside of the primary conference types defined above such as NSF Grants Conferences, Committee of Visitors (COVs), and Advisory Committee (AC) meetings.

DETAILED REPORT ON CONFERENCE EXPENSES IN EXCESS OF \$100,000

Between May 11, 2012 and September 30, 2012, NSF sponsored seven conferences with net expenses exceeding \$100,000. The total cost of these seven conferences—attended by 3,750 individuals—was \$2.6 million¹. All of these conferences were conducted at off-site facilities. The large number of participants (principally non-NSF attendees) is the main reason why NSF must utilize off-site facilities. The average number of participants at each of the conferences held off-site was 535 individuals.

Three of seven conferences exceeded the \$500,000 threshold. OMB M-12-12 requires that in addition to the Deputy Director's approval, the NSF Director must approve a waiver for any conference over \$500,000. However, funds for each of these three conferences were obligated prior to May 11, 2012 (the date OMB M-12-12 was issued). Therefore, according to OMB instructions, the Director's waiver was not required.

A summary listing of the seven conferences covered in this report is provided below. A detailed description of each conference is provided in Table 1, which is located at https://www.nsf.gov/bfa/docs/conference_reports/confcosts_fy12.pdf.

- Integrative Graduate Education Research Traineeship (IGERT) Principal Investigator Meeting
 - Conference Type: Subject Matter
 - Cost: \$115,855
- Chemical, Bioengineering, Environmental, and Transport Systems (CBET) Grantee Conference
 - Conference Type: Subject Matter
 - Cost: \$274,838
- Human Resource Development (HRD) Joint Annual Principal Investigator Meeting
 - Conference Type: Subject Matter
 - Cost: \$536,628
- Global Environment for Networking Innovations (GENI) Engineering Conference 14
 - Conference Type: Subject Matter
 - Cost: \$147,775
- NSF Civil, Mechanical & Manufacturing Innovation (CMMI) Engineering Research and Information Conference
 - Conference Type: Subject Matter

¹ The amounts used to determine the final cost of a conference were a mix of actual costs and estimated costs; and, as a result, additional conferences may have been included, or some excluded, if only actual costs were used.

- Cost: \$515,732
- Transforming Undergraduate Education in Science Technology, Engineering, and Mathematics (TUES), Type 1 Panel Meeting
 - Conference Type: Merit Review Panel
 - Cost: \$709,046
- NSF Scholarships in Science, Technology, Engineering, and Mathematics (S-STEM) Panel Meeting
 - Conference Type: Merit Review Panel
 - Cost: \$348,955

SUMMARY OF NET CONFERENCE EXPENSES FOR FY 2012

In FY 2012, in response to Section 540, Public Law (PL) 112-55², NSF instituted agency-wide reporting procedures to collect cost information on all conferences hosted by NSF that cost more than \$20,000. Based on these reports, NSF funded 529 conferences in FY 2012 that were attended by 17,170 participants, at a cost of \$22.6 million.

Merit review panels constituted 82 percent of all conferences (costing more than \$20,000) in FY 2012. This is important to highlight because merit review panels are a key component of NSF's rigorous and objective merit review process, which has been recognized for its excellence and enables NSF to fulfill its strategic goals of transforming the frontiers of knowledge, innovating for society, and performing as a model organization.

Of the 529 conferences, 432 were merit review panels, and these involved 7,541 guest reviewers, also referred to as panelists. The total merit review panel conference expenses were \$16.6 million, which represents almost three-quarters of NSF's total conference costs. The two largest merit review panel conference costs are for panelist compensation and travel. NSF policy authorizes the provision of a flat rate compensation (fee) to panelists to reimburse them for their lodging and per diem costs, and NSF also directly funds panelist transportation costs. In FY 2012, panelist compensation, lodging, and travel costs were \$15.2 million, or 91 percent of total merit review panel costs.

For conferences costing more than \$20,000, the following charts show the distribution of NSF conferences by type (Chart 1) and the distribution of FY 2012 conference expenses by major cost category for NSF's predominant conference type, NSF Merit Review Panels (Chart 2).

² Consolidated and Further Continuing Appropriations Act, 2012.

Chart 1. FY 2012 NSF Conferences by Type
 Total Number of Conferences: 529

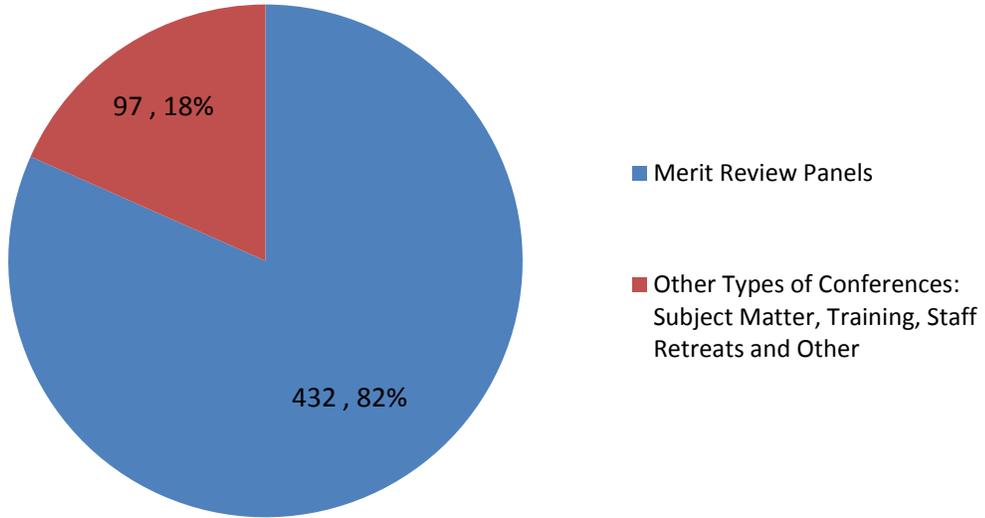


Chart 2. FY 2012 Merit Review Panel Expenses (\$ in Millions)
 Total: \$16.6 million

