THE NSF BUDGET
Overview of Agency Funding Processes

Director’s Meeting, Division of Materials Research
October 26, 2011

Presented by
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Office of Budget, Finance, and Award Management
Budget Division/Program Analysis Branch
Topics

• Federal Budget Context
• How NSF Budgets within this Context (Budget Formulation)
• NSF Funding Mechanisms
What is the Budget and Why is it Important?

• The President’s Budget (“the Request”) is a statement of Administration policy and the resources needed to achieve it.

• The Request is made to Congress annually.

• Priorities must be weighed and choices made.
Spending America’s Income
Broad Revenue and Spending Categories in the President’s FY 2012 Budget

Incoming (receipts) $2.6 Trillion

- $1,141 billion: Individual income tax
- $329 billion: Corporate income tax
- $925 billion: Payroll tax
- $103 billion: Excise tax
- $30 billion: Customs duties
- $86 billion: Other

Outgoing (outlays) $3.7 Trillion

- $884 billion: Discretionary Security

- $761 billion: Social Security
- $485 billion: Medicare
- $242 billion: Debt interest
- $269 billion: Medicaid
- $632 billion: Other

$1,101 billion: Deficit
Outlays by Broad Category
FY 2012 Request of $3.7 Trillion

- Social Security: 20%
- Medicare: 13%
- Interest on debt: 7%
- Medicaid: 7%
- Other: 17%
- Discretionary Non-Security: 12%
- Discretionary Security: 24%

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Who are the Players?

• Administration...proposes
  - Office of Management and Budget (OMB)
  - Office of Science & Technology Policy (OSTP)
  - Federal agencies such as NSF

• Congress...disposes

• The American Public

• NSF constituent communities
Budget Activity Timeline

FY 2011


Commit, Obligate and Spend

Financial Audit

Develop Interim Operating Plan

Commit, Obligate and Spend

Congressional Action on FY 2012

Planning / Set Long-Term Priorities

Develop / Submit FY13 Budget to OMB

FY13 Discussions with OMB

Develop and submit FY13 Budget to Congress

FY13 Budget Hearings

Budget Retreat

NSB Meeting to discuss priorities

NSB Meeting to review and approve budget

Submit FY13 Budget to OMB

Receive FY13 OMB “Passback”

Submit FY13 Budget to Congress

FY 2012

FY 11 Budget Cycle

FY 12 Budget Cycle

FY 13 Budget Cycle

Note: Timing of internal deadlines and appropriations fluctuates from year-to-year
Overview of Budget Process

Performance Reports

Planning

Evaluation

Formulation

Execution

Budget Request to Congress
Budget Formulation and Priority Setting

April-May
- OMB issues budget guidance memo
- Internal agency planning continues

June-July
- OMB and OSTP issue R&D guidance memo
- OMB issues A-11

July - Sep
- NSF finalizes prioritization of research/education investments and submits budget request to OMB

Sep - Dec
- OMB and NSF finalize priorities for Budget Request to Congress

Dec- Feb
- NSF prepares and issues President’s Budget Request to Congress
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## Budget Formulation and Priority Setting

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Factors in Formulating a Budget Request

A successful budget request will:

• Meet Administration priorities and legislative mandates.
• Consider external input.
• Provide a clear justification of what is needed and why it is needed.
• Outline NSF’s role vis-à-vis other science agencies and partners.
President’s Budget Request to Congress

The President’s Budget

Analytical Perspectives
Budget Appendix
Budget in Brief
After the “PresBud” is Delivered in February

• Press conference by the President, followed by briefings by OSTP, and at NSF, the NSF Director and NSF Assistant Directors.

• Detailed back up books prepared for use by the Director at hearings and other managers throughout the year.

• Hearings and questions for the record from the Hill.

• Briefings for interested communities.
Appropriations Drift
NSF Appropriations Date vs. Start of Federal Fiscal Year (Oct 1st)

The diagram shows the Appropriations Drift for fiscal years 1989 to 2011, comparing the date of NSF appropriations to the start of the federal fiscal year (October 1st). The x-axis represents the number of days before or after October 1st, with values ranging from -80 to 240 days. The y-axis lists the fiscal years from 1989 to 2011. The days are marked on the bars, with longer bars indicating a larger drift. For example, in 1996, the drift was 205 days, while in 2011, it was 194 days.
Determining Funding Allocations

• After the appropriation is passed by Congress and signed by the President, NSF makes final funding and program decisions.
• This is where play money becomes real dollars.
Award Mechanisms

- **Grants** - an award type used when NO substantial agency involvement is anticipated during the project performance period. (Ex. individual investigator awards)

- **Standard** - support for a specific period with no intent for additional funding.

- **Continuing (CGI)** - support for an initial period with the intent to provide additional support if funds are available and initial performance is satisfactory.

- **Cooperative agreements** - an award type used when substantial agency involvement is anticipated during the project performance period. (Ex. centers, facility ops)

- **Contracts** - an used to acquire equipment and services to support the NSF mission. (Ex. space lease, consultants)
Award Mechanisms
(in millions of FY 2011 dollars)

- NSF
  - Standard Grant: $2,155
  - Continuing Grant: $706
  - Cooperative Agreement: $352
  - Contract: $577

- MPS
  - Standard Grant: $299
  - Continuing Grant: $194
  - Cooperative Agreement: $48

- DMR
  - Standard Grant: $44
  - Continuing Grant: $32
  - Cooperative Agreement: $67

*NSF MPS DMR*
What’s Next in the Appropriations Process

- October 1\textsuperscript{st} – Start of FY 2012.
- **November 18\textsuperscript{th}** – Period of initial FY 2012 Continuing Resolution. May be extended.
- **November 23\textsuperscript{rd}** – Joint Select Committee on Deficit Reduction presents its recommendation to full Congress.
- February 6\textsuperscript{th} – FY 2013 Budget Request to Congress.
Budget and Policy Links

• M-11-30 Fiscal Year 2013 Budget Guidance

• Circular No. A-11, Preparation, Submission, and Execution of the Budget
  www.whitehouse.gov/omb/circulars_a11_current_year_a11_toc

• M-10-30, Science and Technology Priorities for FY 2012 Budget

• M-10-19 Fiscal Year 2012 Budget Guidance
  www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-19.pdf

• NSF Budget Requests and Performance & Accountability Reports
  www.nsf.gov/about/performance/

• NSF Proposal and Award Policies and Procedures Guide (PAPP):