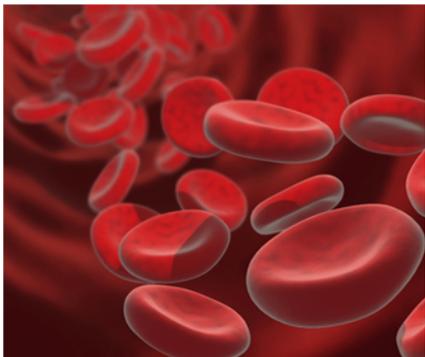


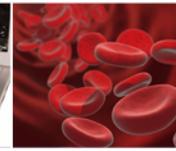


Accountability
+
Austerity
=
Innovation





WHERE DISCOVERIES BEGIN



Ask Early, Ask Often

Marty (Martha) Rubenstein

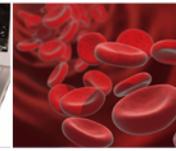
**Chief Financial Officer/Director
Office of Budget, Finance & Award
Management
U.S. National Science Foundation**

rubenst@nsf.gov

1-703-292-8200



WHERE DISCOVERIES BEGIN

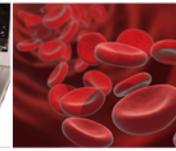


Accountability

Accountability ensures actions and decisions taken by NSF officials and NSF funded activities are subject to oversight so as to guarantee that government initiatives meet their stated objectives and respond to the needs of the community they are meant to be benefiting, thereby contributing to better governance.



WHERE DISCOVERIES BEGIN

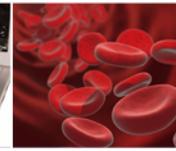


Austerity

Austerity is forced or extreme economy. A policy of deficit-cutting by lowering spending often via a reduction in the amount of benefits and public services provided. Austerity policies are often used by governments to try to reduce their deficit spending and are sometimes coupled with increases in taxes to demonstrate long-term fiscal solvency to creditors.



WHERE DISCOVERIES BEGIN

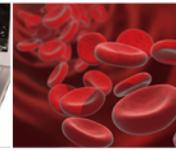


Innovation

Innovation is the creation of better or more effective products, processes, services, technologies, or ideas. Innovation differs from invention in that innovation refers to the use of better and, as a result, novel idea or method, whereas invention refers more directly to the creation of the idea or method itself. Innovation differs from improvement in that innovation refers to the notion of doing something different rather than doing the same thing better.



WHERE DISCOVERIES BEGIN



What does Accountability mean for NSF?



NSF Award Portfolio

\$27.8 billion in total award funding

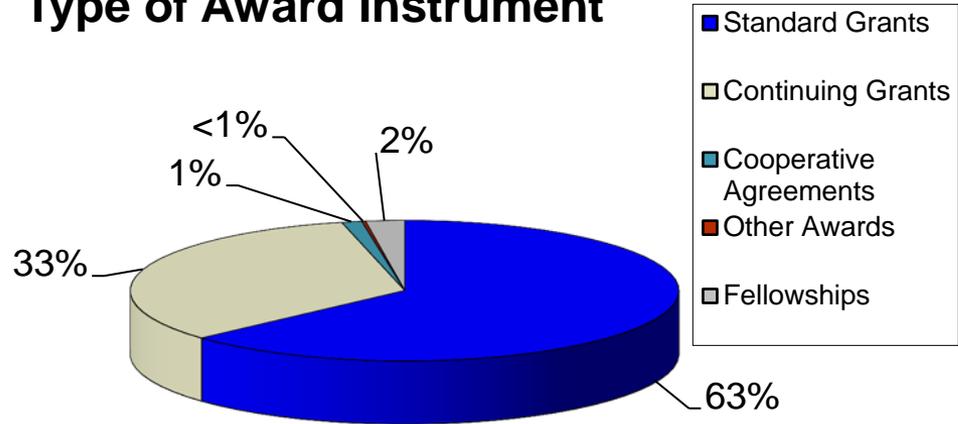
45,052 active awards

- Standard and continuing grants
- Cooperative agreements
- Graduate research fellowships
- Other awards

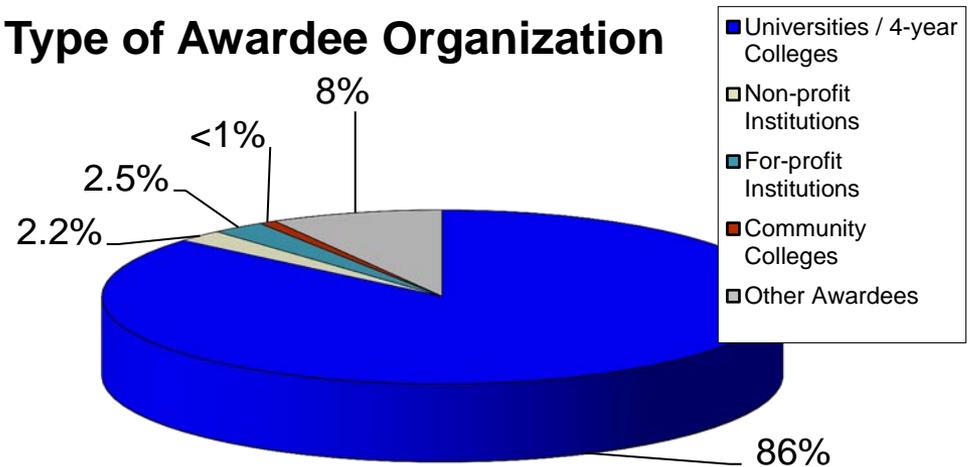
3,157 awardee organizations

- Universities / 4-year colleges
- Non-profit organizations
- For-profit organizations
- Community colleges
- Other awardees

Type of Award Instrument

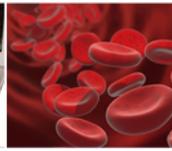


Type of Awardee Organization





WHERE DISCOVERIES BEGIN



Volatility in the political environment leads to even more Accountability and Austerity.



Sen. Coburn Sets Sight on Waste, Duplication at Science Agency
New York Times, May 26, 2011

A \$16 muffin? Justice Dept. audit finds 'wasteful' and extravagant spending
Washington Post, September 20, 2011

GSA conference went 'over the top'
Washington Post, April 4, 2012

Jeff Flake's plan to politicize the National Science Foundation
Washington Post, May 12, 2012

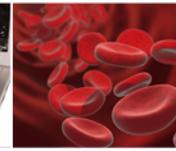
US federal deficit grew to \$844.5B through May, headed for another \$1 trillion-plus deficit
Washington Post, June 4, 2012

Paul Ryan predicts fiscal impasse won't break until after election
Bloomberg, June 9, 2012



OMB Directives

- **Executive Order 13576 Delivering an Efficient, Effective, and Accountable Government**
- **Campaign to Cut Waste**
- **OMB M-11-31 Delivering an Efficient, Effective and Accountable Government**
- **OMB M-11-32 Accelerating Payments to Small Businesses for Goods and Services**
- **OMB M-11-34 Accelerating Spending of Remaining Funds from ARRA for Discretionary Grant Programs**

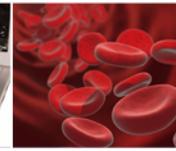


OMB Directives (continued)

- **OMB M-11-35 Eliminating Excess Conference Spending and Promoting Efficiency in Government**
- **OMB M-12-01 Creation of the Council on Financial Assistance Reform (COFAR)**
- **Executive Order 13589 Promoting Efficient Spending**
- **OMB M-12-11 Reducing Improper Payments through the "Do Not Pay List"**
- **OMB M-12-12 Promoting Efficient Spending to Support Agency Operations**



WHERE DISCOVERIES BEGIN



Innovative Responses

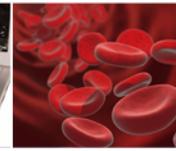
NSF/CFO: Risk Assessment/Virtual Oversight and Monitoring

NSF: Merit Review Process and Demand Management

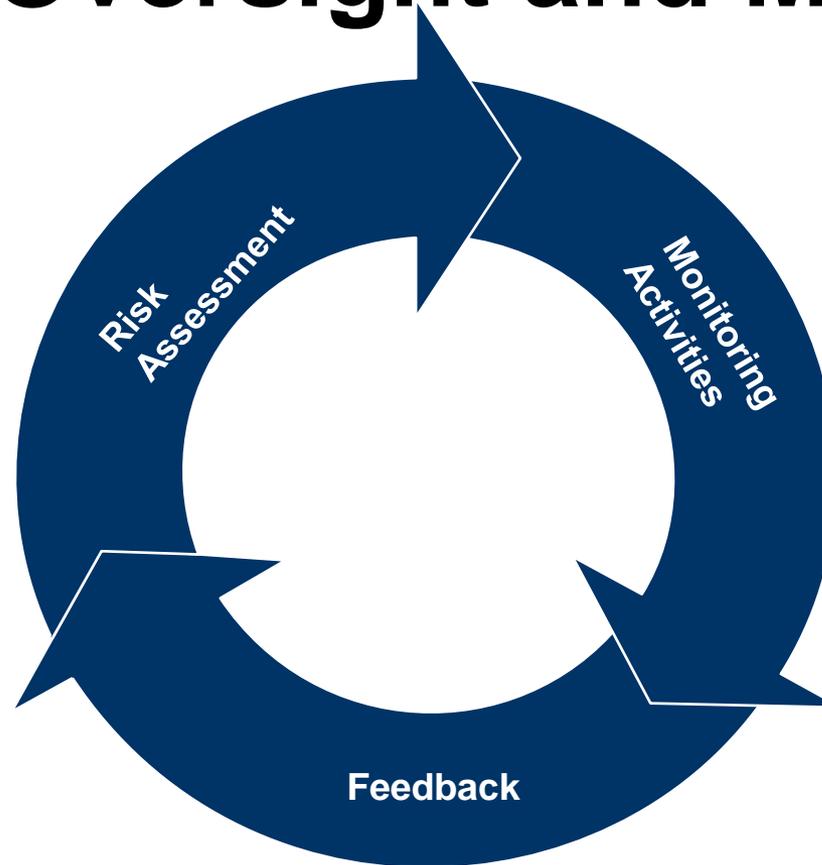
Government-wide: Council on Financial Assistance Reform (COFAR)



WHERE DISCOVERIES BEGIN

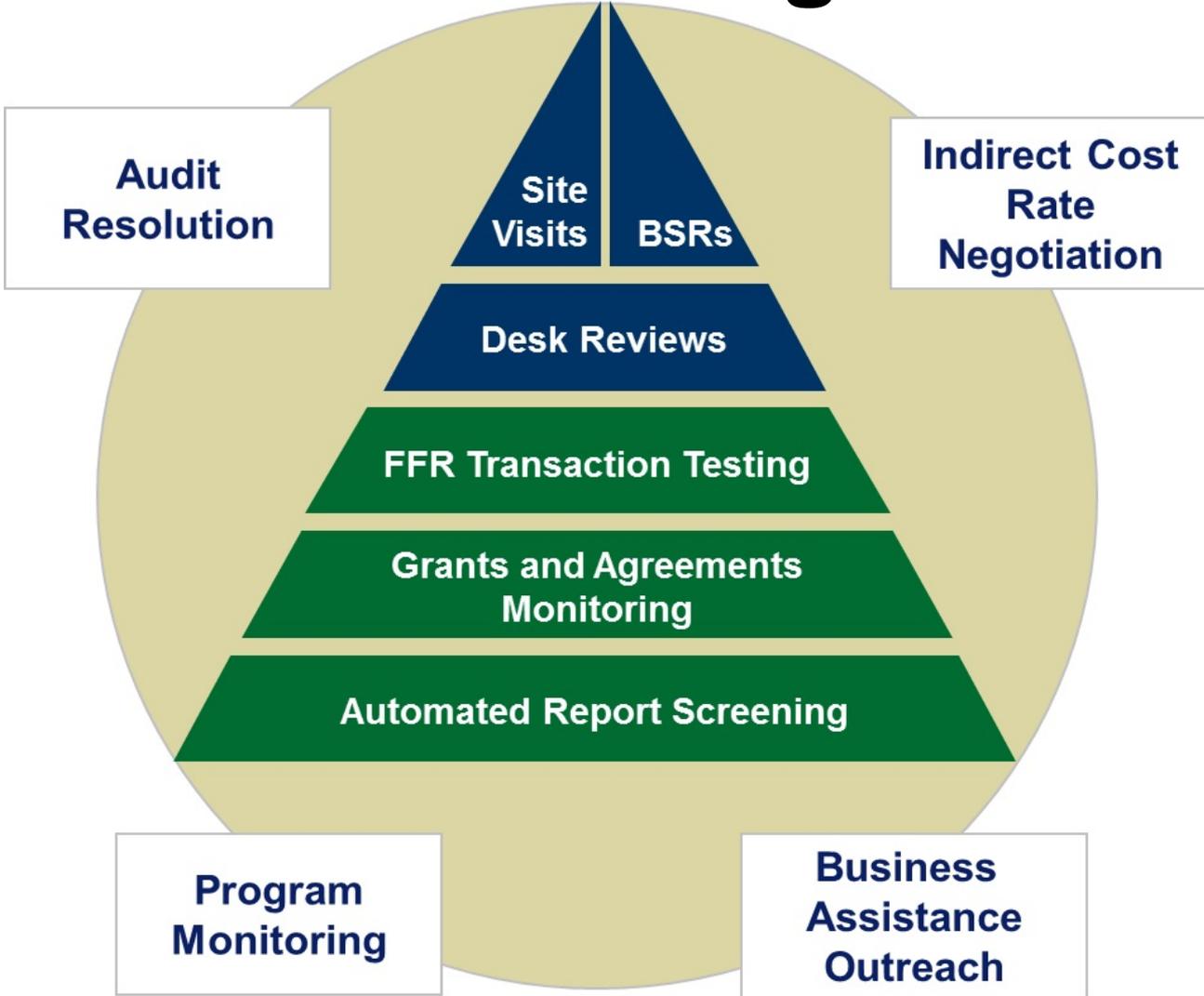


NSF/CFO Risk Assessment Virtual Oversight and Monitoring





Pyramid of Monitoring





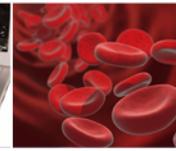
Site Visits and Business System Reviews

Site Visit Modules
Consultants
Cost Sharing
Final Project Reports
Fringe Benefits
Indirect Costs
Participant Support Costs
Procurement
Program or Award-Related Income
Property and Equipment
Special Terms and Conditions
Subawards and Subrecipient Monitoring
Time and Effort Records
Travel

Business System Reviews
General Management
Award Management
Budget and Planning
Financial Management
Financial Reporting
Human Resources
Procurement
Property and Equipment



WHERE DISCOVERIES BEGIN



Virtual Site Visits

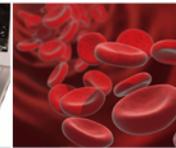
Award Monitoring & Business Assistance Program (AMBAP)

- Virtual site visits piloted with several institutions using remote communication technology.





WHERE DISCOVERIES BEGIN



Virtual Site Visits - Benefits

Award Monitoring & Business Assistance Program (AMBAP)

- Resource savings
- Improved documentation & greater focus
- Improved communication
- Improved access
- Improved NSF and awardee interaction

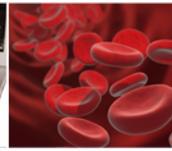


WHERE DISCOVERIES BEGIN



NSF's Merit Review Process and Demand Management





Relevant Trends

- The number of proposals submitted is up
- The number of PIs submitting proposals is up

... and Consequences

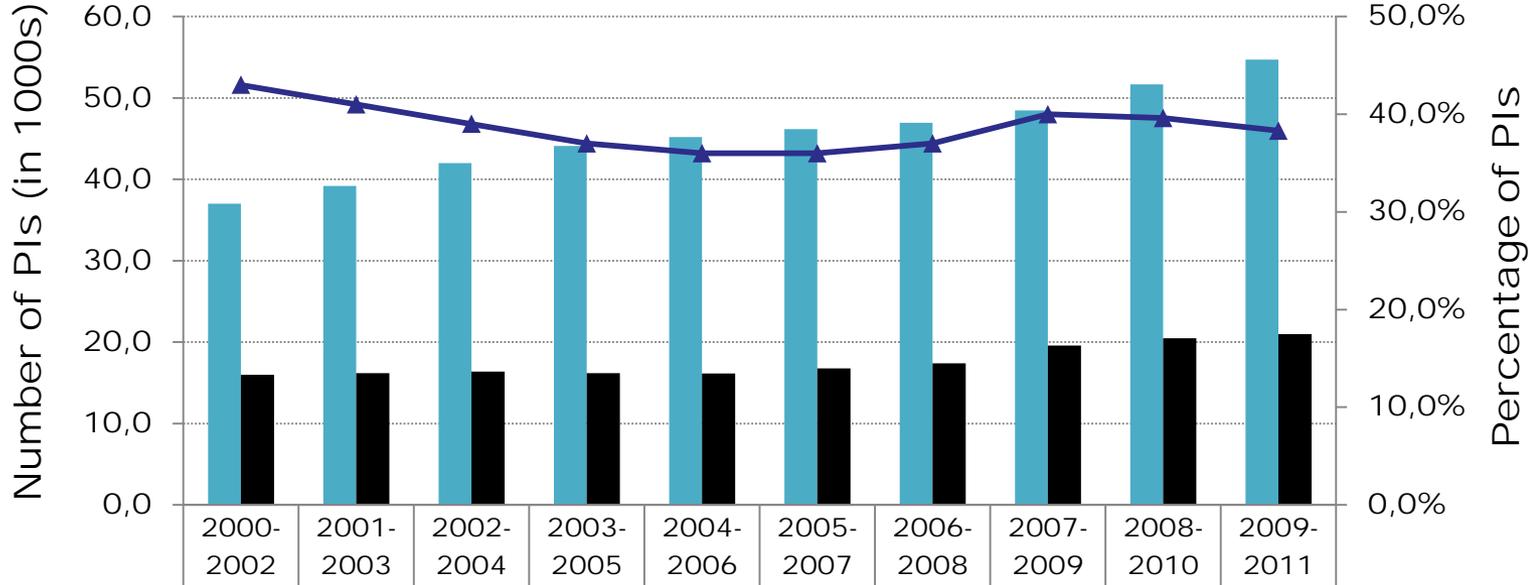
The merit review process is under stress

- **PIs:**
 - The number of proposals submitted per PI before an award is rising
 - The proportion of PIs not receiving funding in three years is rising
- **Reviewers:**
 - Increasing number of proposals increases reviewer workload
 - Increased use of panel-only review increases time and travel commitment for those participating, narrows overall participation
- **NSF staff:**
 - Workload is high



Main Source of Proposal Pressure

PIs submitting research proposals per 3-year period



PIs Applied	37,0	39,2	42,0	44,1	45,2	46,2	47,0	48,5	51,7	54,7
PIs Awarded	16,0	16,2	16,4	16,2	16,1	16,8	17,4	19,6	20,5	21,0
PIs Funded %	43,0%	41,0%	39,0%	37,0%	36,0%	36,0%	37,0%	40,0%	39,6%	38,3%

Over the decade -

PIs applying: up 48%

PIs awarded: up 31%

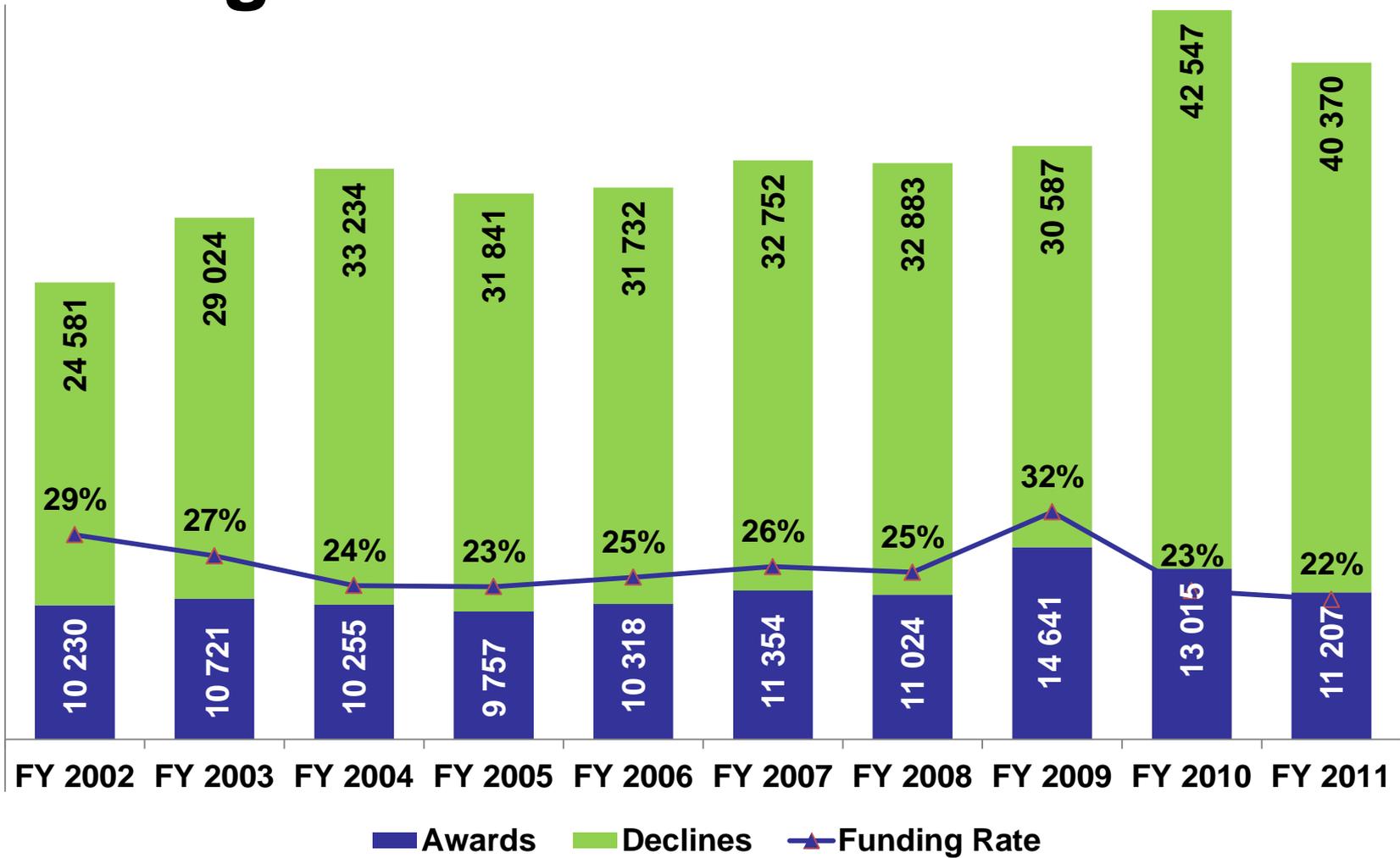
PIs not funded: up 60%



WHERE DISCOVERIES BEGIN



NSF Competitive Awards, Declines & Funding Rates





Provisional Recommendations

Process Enhancement

- Increase the use of virtual panels from the current 1% to 5% or more
- Use a streamlined *ad hoc* review process to rapidly screen proposal submissions
- Make greater use of preliminary proposals for core programs
- Asynchronous panels
- Automated compliance checking

Demand Management

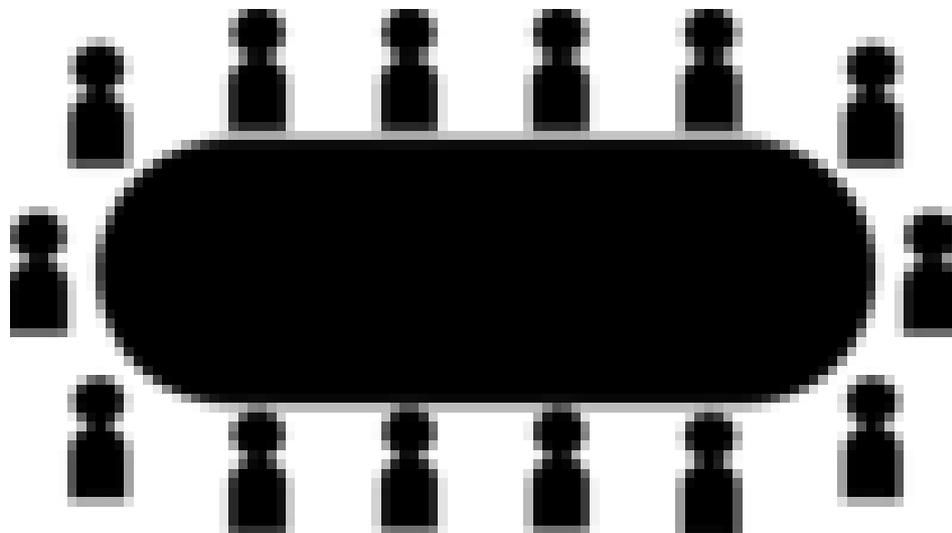
- Enhanced outreach to institutions
- Resubmission of declined ideas by invitation only

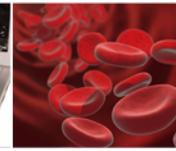


WHERE DISCOVERIES BEGIN



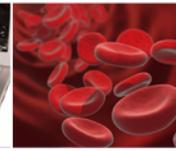
Government-wide Council on Financial Assistance Reform (COFAR)





COFAR Goals

- **Standardize business processes, data standards, metrics and information technology**
- **Eliminate unnecessary regulatory, reporting, and grant-making agreement requirements and increase flexibility**
- **Identify emerging issues, challenges and opportunities and serve as a clearinghouse of information on innovations and best practices in grants management**

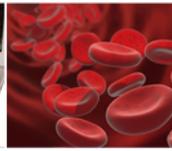


COFAR Efforts

- **Consolidate/streamline 8 Circulars providing guidance on Federal financial assistance awards into 1 ‘OmniCircular’**
- **Reforms highlighted focus on three areas:**
 - **Reforms to audit requirements;**
 - **Reforms to cost principles;**
 - **Reforms to administrative requirements.**



WHERE DISCOVERIES BEGIN



Questions

