

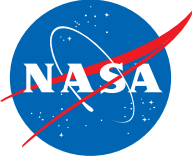
*NAC Institutional Committee*

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# **NAC Institutional Committee Meeting**

**March 13-14, 2017**

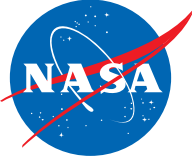
Kathryn Schmoll  
Chair



# Committee Members

NAC Institutional Committee

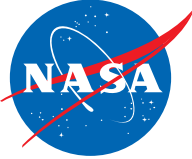
	Committee Members	Current Employer	Current Position
1	<b>CHAIR:</b> <b>Kathryn (Katy) Schmoll</b>	Kathryn Schmoll and Associates, LLC	Consultant
2	<b>Tony Cole</b>	FireEye	Vice President and Global Government CTO
3	<b>Malcolm Jackson</b>	Phase One Consulting Group	Consultant
4	<b>James L. (Jim) Jennings</b>	Omega Plus, Inc	President
5	<b>Jan E. Jones</b>	Chatteroy Consulting Group	Management Consultant
6	<b>Alison L. McNally</b>	none	Retired, Smithsonian
7	<b>Beth Ann Rafferty</b>	Southwest Research Institute	Chief Financial Officer, Vice President - Finance



# One-Year Work Plan

NAC Institutional Committee

1. Assess Business Services Assessment (BSA) Deep Dive Decisions, Implementation Plans and execution. Provide findings and recommendations to Agency. Serve as an advisory role.
  - a. Procurement Implementation Plan – *November 2016 Meeting*
  - b. Human Capital Implementation Plan – *November 2016 Meeting*
  - c. Facilities Deep Dive Decisions – *November 2016 Meeting*
  - d. Budget Management Deep Dive Decisions – *March 2017 Meeting*
  - e. Facilities Implementation Plan – *March 2017 Meeting*
  - f. IT Implementation Plan Execution Update – *March 2017 Meeting*
  - g. Education and Outreach Deep Dive Decisions – *July 2017 Meeting*
  - h. Budget Management Implementation Plan – *July 2017 Meeting*
  - i. Procurement Implementation Plan Execution – *July 2017 Meeting*
  - j. Human Capital Implementation Plan Execution – *July 2017 Meeting*
  - k. Education and Outreach Implementation Plan – *November 2017 Meeting*
2. Provide an independently-assessed business case for any consolidations of Human Capital Classification and Staffing services – *November 2016 Meeting*.
3. Review implementation status for the Federal Information Technology Acquisition Reform Act (FITARA) and OMB related guidance and provide feedback - *March 2017 Meeting*.
4. Provide the Agency with ideas, input, lessons learned regarding grants management. Grants Management – assess proposal to go outside Agency to get services - *July 2017 Meeting*.



# NASA OIG Report NASA's 2016

## Top Management and Performance Challenges

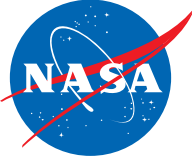
The Committee met with the NASA OIG Paul Martin on March 13 to discuss the OIG Report Top Management Challenges.

Identified in OIG report dated October 12, 2016

*(edits are changes from the OIG 2015 report dated Nov 5, 2015)*

- Positioning NASA for Deep Space Exploration: ~~Developing the Space Launch System, Orion Capsule, and associated Ground Systems, and Mitigating Health and Performance Risks for Extended Human Missions~~
- ~~Space Flight Operations in Low Earth Orbit:~~ Managing the International Space Station and the Commercial Cargo and Crew Programs
- Managing NASA's Science Portfolio
- Ensuring Continued Efficacy of the Space Communications Network
  
- Overhauling NASA's Information Technology Governance
- Securing NASA's Information Technology Systems and Data
- Addressing ~~Managing~~ NASA's ~~Aging~~ Infrastructure and Facilities
- Ensuring the Integrity of the Agency's Contracting and Grants Processes

*Last 4 out of 8 are Institutional Challenges*



# Status of Business Services Assessment (BSA) Activities

NAC Institutional Committee

## Implementation Phase

**Information Technology**  
MSC Decisions 3/15  
Implementation Plan 3/16

**Procurement**  
MSC Decisions 11/15  
Implementation Plan 4/16

**Human Capital**  
MSC Decisions 4/16  
Implementation Plan 7/16

## Implementation Planning\*

**Facilities**  
MSC Decisions 9/16  
Implementation Plan 3/17

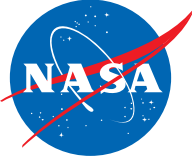
**Budget/PP&C**  
MSC Decisions 9/16  
Implementation Plan coming 4/17

\*Decisions made and working implementation plans

## Option Phase\*

**Education/Outreach**  
Core Team report 9/16  
Options in work  
MSC on 3/30/17

\*Core Team completed assessment; BSSC developing options



# Status of Business Services Assessment (BSA) Activities

NAC Institutional Committee

## On-Going Deep Dives

Tech Authority

Kicked-Off 2/17

## Upcoming Assessments

Security

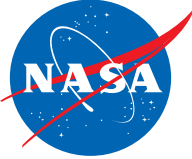
Planned for 5/17

Logistics

Planned for 9/17

Chief Counsel  
Others, TBD

*Streamlined BSA process*



# Optimizing Business Services through the Business Services Assessment (BSA)

NAC Institutional Committee

## Stronger Information Technology

- Advancing Technology – consolidate management of network transformation
- Saving Resources – enable a federated/virtual approach for data centers
- Standardization – establish a suite of common collaboration tools for employees

## More Efficient Procurements

- Reducing Redundancy – expand use of strategic sourcing contracts across NASA
- Strategic Assignments – leverage centers for admin of multi-center contracts
- Reducing Time – streamline and reduce lead-times for contract selection practices

## Advanced Human Capital

- Strategic Planning – develop long-term workforce plans/strategy for NASA
- Modernize Recruiting – leverage NASA brand and modernize recruiting
- Saving Resources – consolidate staffing and classification roles at NSSC

## Leveraged Facility Operations

- Strategic Planning – develop an integrated Agency master plan
- Enable Divestments – incentivize divestments through demolition and leasing
- Leverage Others – fully consider use of other agencies for construction management

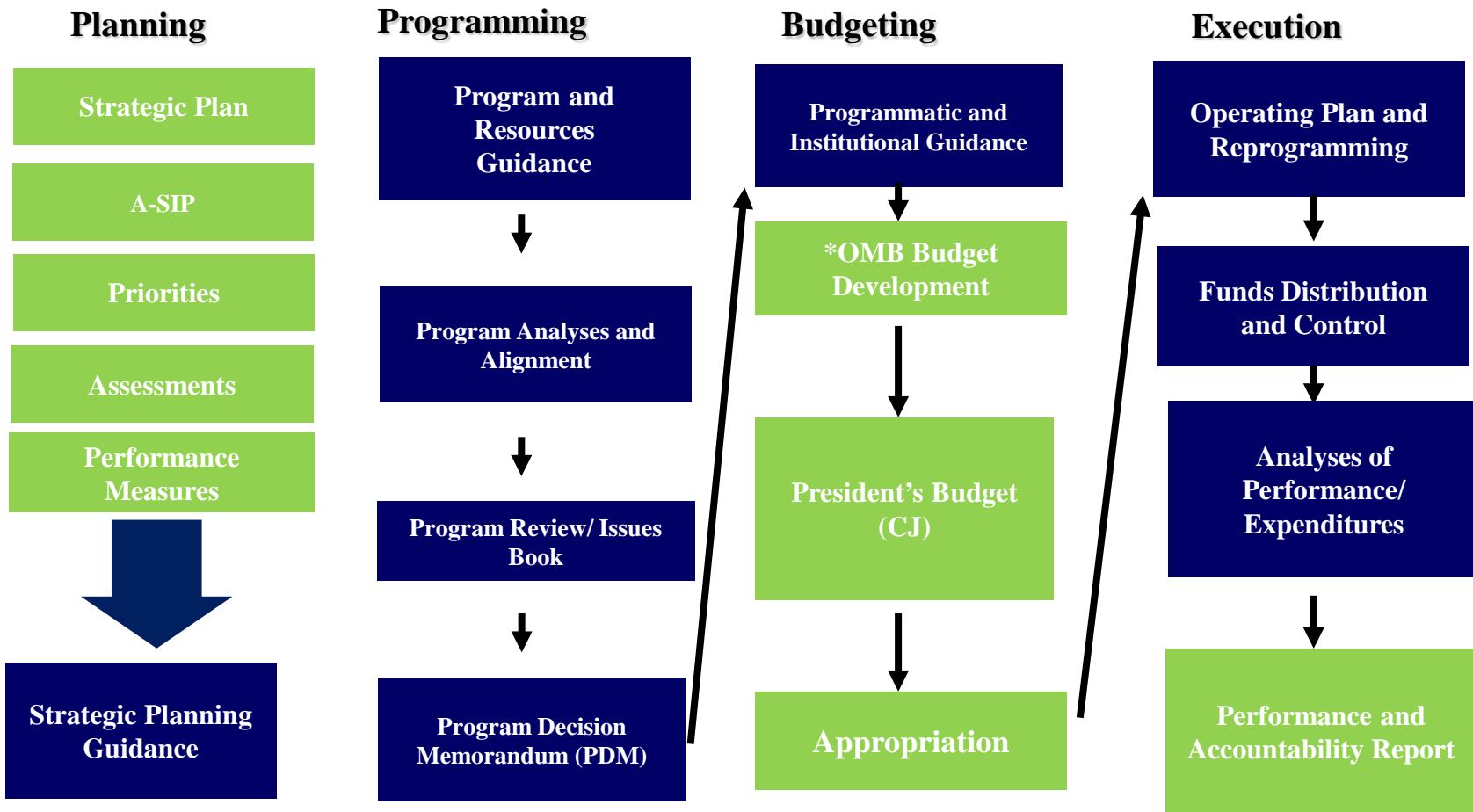
## More Efficient and Effective Budget Processes

- Budget formulation– streamline budget formulation to balance benefit/risks
- Resources management– enable efficiencies through consolidation of under CFOs
- Integration– leverage Program Planning and Control (PP&C) capabilities across Centers



# Budget Management Scope for BSA

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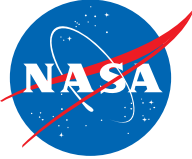


Within BSA scope →

Not in BSA scope →

\*Office of Management and Budget (OMB)

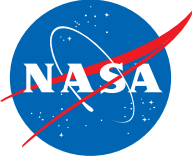




# Budget / Program Planning and Control (PP&C) BSA Deep Dive Highlights and Summary

NAC Institutional Committee

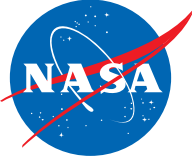
- Benchmarking and survey results indicate a high degree of satisfaction with the NASA PPBE processes
  - OMB surveys indicate high level of satisfaction among employees (rated #1) and deep dive survey responses largely positive but vary by community
  - The budget process fulfills multiple purposes (workforce planning, etc.)
- There are benefits and opportunity costs to being a government leader
  - We must consider both perspectives when assessing current state and changes
  - Examples of positive characteristics AND opportunity costs:
    - Budget formulation is highly tailored, transparent, and a good forum to resolve disconnects in workforce and programmatic planning
      - » Conversely, the process requires 9 months and hundreds of people for minor changes to the submitted budget (~1-6% variability of project budgets from start to finish)
    - Budget execution allows for variability across different projects and Centers
      - » Conversely, we have ~122 (known) Center unique systems
    - PP&C capability viewed as a positive enabler to improving programmatic performance on science missions: to help improve
      - » Conversely, we have realized significant growth in numbers of administrative professionals across NASA



# Budget / Program Planning and Control (PP&C) BSA Deep Dive Highlights and Summary

NAC Institutional Committee

- The budget is highly influenced or driven by program/project management models
  - ARMD formulates project structure and integrates new 70+ technical challenges into the budget planning and execution structures/process
  - ISS has moved toward a budget by exception model where more planning is completed top-down and less data is collected bottoms-up
- Current decentralized structure is effective but less than efficient
  - Every Center works to sustain the full suite of PP&C capabilities to meet real (or perceived) requirements of project management standards, yet all but 2 Centers rated at least one PP&C skill area as “red”
  - Large workforce with 2,982 professionals (2,014 FTE/968 WYE) doing PP&C and Financial Activities for NASA (not including prime contractors)
  - Large growth in number of program analysts/financial professionals since 2001 (43%) for various reasons while budget buying power decreased 25%
- Current Culture of detailed planning comes with opportunity costs
  - PP&C is most useful for flight projects; however, in many areas the full suite of PP&C is being applied to R&T projects (costly with limited benefit)
  - New project management tools such as EVM and JCL applied to “in-house work” leading to significant investments with unquantifiable benefits

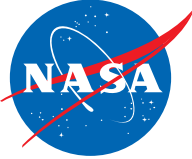


# BSA Budget / Program Planning and Control (PP&C) Overall Themes

NAC Institutional Committee

- **Current State:**
  - We are very effective, adaptable and perhaps too robust
  - Less than efficient
- **Future State:**
  - Optimize to be Effective and Efficient
- **Themes of Options**
  1. Streamline budget formulation (more efficient)
  2. Enhance resources management (more efficient)
  3. Simplify labor planning/charging (more effective)
  4. Strengthen capability leadership (more effective)
  5. Focus capability management (more efficient)
  6. Scale capabilities with risks (more effective)
  7. Strengthen workforce (more effective)
  8. Lower overall costs (more efficient)





# NASA CIO Journey

NAC Institutional Committee

## PREVIOUSLY

### Decentralized IT Accountability

- Center CIOs did not report to Agency
- Mission Directorates have own CIO

### Program-Based IT Investments

- Data calls reporting of NASA's IT Investments

### Lack of Authority over IT Security

- Agency CIO did not have authority over Mission networks making it difficult to implement security policy

### Lack of Enterprise-Wide View of NASA Spending

- Minimal visibility and authority of enterprise-wide spending

### Ineffective IT Governance

- IT governance structure did not align authority to support agency mission



## TODAY

### Restructured Center CIO Reporting

- Center CIOs now report to Agency CIO resulting in more influence and insight into the Centers
- Removed Mission Directorate CIOs - missions now link to agency IT spending through liaisons with OCIO

### Gained Better Understanding of NASA's Total IT Spend

- Establishing an IT investment Portfolio Process

### Increased Cyber Security Efforts

- Hired first Senior Cyber Security Advisor
- Increased cyber security spending by \$40m per year

### Established IT Portfolio Tiger Team

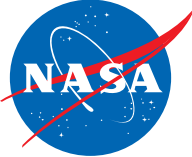
- Tiger Team helping to review and restructure IT investments to optimize NASA's IT portfolio

### Gained More Visibility into Mission Areas

- Restructured governance process to decrease the number of governing boards

### Expanded Role and Accountability of NASA's Enterprise-Wide IT Spending

- Member of Agency Program Management Council
- Participant in NASA Executive Council
- Established the IT Council with Missions



# Key Drivers for Changes in OCIO

NAC Institutional Committee



## Business Services Assessment

- Established a plan to create a more efficient operating model for NASA's IT that maintains a minimum set of capabilities and meets current and future mission needs.



## FITARA

- Enable the CIO's role with respect to development, integration, and delivery and operations of all IT whether it may affect functions, missions, or operations
- Provide appropriate visibility and involvement of the CIO in the management and oversight of IT resources across the agency to support cybersecurity policies



## OMB, GAO, Congress

- Hearings
- Audits
- Additional Reporting Requirements



## Executive Council / Tiger Team

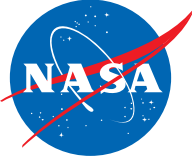
Based on the IT BSA implementation approach in support of the Agency's implementation of FITARA, the EC decided to:

- Appoint a team to clarify the definitions of information system and re-baseline NASA's IT portfolio budget estimates, spend, and resources to improve the comprehensiveness and quality of the IT portfolio characterization.



## FISMA

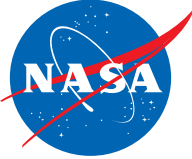
- FISMA requires that NASA develop, document, and implement an Agency-wide information security program and that the Agency Chief Information Officer (CIO) designate a Senior Agency Information Security Officer (Senior Security Officer) to assist NASA with this responsibility.



# NAC Institutional Committee's Independent Assessment of Classification/Staffing Decision

NAC Institutional Committee

- The Mission Support Directorate (MSD) Associate Administrator requested for the NAC Institutional Committee to perform an independently-assessed business case on the NASA Human Capital Business Services Assessment (BSA) implementation plan for centralization of staffing and classification operations at the NASA.
- Independent assessment completed by the Institutional Committee on November 5, 2016.
  - On March 16-17, 2016, the NASA Deputy Administrator for the Mission Support Directorate presenting the results of the Human Capital BSA deep dive with associated observations, findings, and decisions to the NASA Institutional Committee.
  - On November 2, 2016, the NASA Assistant Administrator (AA) for Human Capital presented the BSA Human Capital implementation plan and the business case for centralization staffing and classification functions to the NAC Institutional Committee. The NAC Institutional Committee discussed these plans with the NASA AA for Human Capital for over three hours and comprehensively reviewed the materials to assess the potential benefits and constraints, the potential impact on NASA mission objectives, governance implications, process considerations, impacts to systems/tools, associated resources, and risks. The committee members engaged actively with the NASA AA for Human Capital and asked very detailed questions about the plans, milestones, and other elements.
  - On March 14, 2017, the NAC Institutional Committee was provided this additional guidance from the NASA Office of Chief Counsel (OGC): "Committees to the NASA Advisory Council (NAC), in its role as advisor, can be asked to perform independent assessments of NASA programs or business decisions made by NASA. Any assessment provided by a NAC Committee may be used by NASA in its response to a Congressional directive, as long as NASA is the approver or decision-maker of the results of the assessment, and NASA, in coordination with OLIA, responds directly to the Congressional directive, unless otherwise mandated by Congress. "
- Finding: After conducting an independent assessment of the NASA BSA Human Capital Implementation Plan and the specific business case regarding the classification and staffing, the NAC Institutional Committee believes the NASA decision to centralize staffing and classification functions as described in the implementation plan at the NASA Shared Services is based on sound governance, good business acumen and comprehensive consideration of mission requirements and risks. The NAC Institutional Committee believes the NASA plan is a necessary and positive step for the future of the Agency and that NASA should continue to implement the noted plans to centralize staffing and classification at the NASA Shared Services Centers (NSSC).



# Revised Finding to Submit to NAC

NAC Institutional Committee

## Proposed

### NASA Advisory Council Finding

#### Institutional Committee Finding to NASA Associate Administrator for Mission Support Directorate

#### Business Case on the NASA Human Capital Business Services Assessment (BSA) Implementation Plan for Centralization of Staffing and Classification Operations

<b>Name of the Committee:</b>	Institutional Committee
<b>Chair of the Committee:</b>	Ms. Kathryn Schmoll
<b>Date of Council Public Deliberation:</b>	November 30, 2016 and March 14, 2017
<b>Short Title of Finding:</b>	Business Case on the NASA Human Capital Business Services Assessment (BSA) Implementation Plan for Centralization of Staffing and Classification Operations

**Finding:** After conducting an independent assessment of the NASA BSA Human Capital Implementation Plan and the specific business case regarding the classification and staffing, the NAC Institutional Committee believes the NASA decision to centralize staffing and classification functions as described in the implementation plan at the NASA Shared Services is based on sound governance, good business acumen and comprehensive consideration of mission requirements and risks. The NAC Institutional Committee believes the NASA plan is a necessary and positive step for the future of the Agency and that NASA should continue to implement the noted plans to centralize staffing and classification at the NASA Shared Services Centers (NSSC).