

Opening Statement - Rep. Dan Lipinski (D-IL)
Ranking Member, Subcommittee on Research & Science Education
House Committee on Science, Space, and Technology

Hearing on:

*Ensuring the Best Stewardship of American Taxpayer Dollars at the National Science
Foundation*

May 9, 2012

Thank you Chairman Brooks and welcome Ms. Lerner.

I believe that the National Science Foundation is a good steward of American taxpayer dollars, but it is our job on this subcommittee to be continually vigilant in our oversight. I thank the Inspector General for being with us today to help us better understand some important issues and concerns regarding NSF policies and its management and oversight practices. I appreciate the work the IG does reviewing NSF's policies and protecting against fraud & abuse.

Any incident of research fraud is troubling. Scientists must always hold themselves and their colleagues to the highest ethical standards. This is especially imperative when utilizing taxpayer funds. The 2007 America COMPETES Act, of which I was a cosponsor, included a provision requiring all universities to implement training in the responsible conduct of research for all students and postdoc fellows participating in NSF-funded research. While isolated incidents continue to occur, the IG appears to have a productive and effective partnership with NSF program officers, reviewers, and management in uncovering and dealing with issues swiftly.

Similarly, any incidents of misuse of grant funds, including in the SBIR program, would be of great concern to me. I would not want to see broad support for the SBIR program erode because of the dishonest actions of a very small minority of grantees. So I support the IG's efforts to ensure strong management and oversight in the SBIR program.

Inspector General Lerner's testimony also raises some important questions for us to consider. These include the way NSF manages for potential conflict of interest among its grantees, and the appropriateness of NSF's policies for independent research and development for its staff.

Before I close I'd like to discuss the issue of contingency funds and the construction of large research facilities. As the Inspector General likely knows, this Subcommittee began to explore this issue at depth in a March hearing on NSF's MREFC account. The Deputy Director of the NSF testified at that hearing,

and it is clear that the perspectives of NSF Management with respect to contingency funds are very different from those we will hear from Ms. Lerner today.

I recognize that contingency funds are necessary to construct large facilities such as the ones in the MREFC account. The definition NSF uses for contingency seems consistent with standards for project management used in the private sector. That said there is room for legitimate disagreement on this matter, and the IG raises some real concerns about the drawdown of contingency funds and whether these funds should be held by the agency or the project managers. I join the chorus of interested parties urging you to continue working toward resolution.

At the same time, we cannot ignore the fact that OMB is undertaking a significant overhaul of OMB Circular A-21 that governs agency use and management of contingency funds. The proposed language looks radically different from the current language used by the IG's office in their critique of NSF's policy. In the meantime, three MREFC projects already underway are in limbo not knowing which rules to follow, or how to manage their budgets. I hope that OMB will complete their review swiftly to help reduce the confusion.

This hearing will not be the last word on contingency funds, but I am pleased we have the opportunity to hear directly from the IG on this topic today and I look forward to an informative hearing.