

## Timeline of Correspondence

### Tuesday January 24, 2023

-----Original Message-----

From: Verardo, David J.

Sent: Tuesday, January 24, 2023 10:37 PM

To: Panchanathan, Sethuraman <spanchan@nsf.gov>; Marrongelle, Karen A. <kmarrong@nsf.gov>

Subject: Pay question for AD ranks

Dear Panch and Karen,

It has been past practice at the NSF for decades that the AD ranks (i.e. professional science staff) receive parity in pay increases along with the GS ranks.

I am concerned that this is not the case with the current pay raise of 4.1% in bae pay and 0.5% in locality pay.

President Biden issued his December 2022 Executive Order on pay increases for federal staff after much work by AFGE and Members of Congress to make this happen. The effort by AFGE and its congressional partners was to the benefit of all federal employees including managers and non-managers. We never just work on behalf of only Bargaining Unit members when it comes to pay and benefits.

It would be difficult to appreciate giving GS employees the full raise while not giving the scientific staff in the AD ranks the same increases in an effort to create a preferred pay gap for SES staff and to sequester funds for SES bonuses. Why prefer the GS and SES ranks to the detriment of the AD ranks?

The AD staff work at the very foundation of NSF's mission to promote the progress of science by running the essential NSF merit review system. Without science staff, there is no mission for NSF. This is particularly important since NSF is being entrusted with budget increases to expand its STEM portfolio which is implemented by scientific staff in the AD ranks.

I am requesting information on the pay increase and locality pay that NSF staff in the AD ranks may expect and when that would occur.

Respectfully,

David Verardo  
President, AFGE Local 3403 AFL-CIO

---

**January 26, 2023****From:** Soriano Molla, Jesus <jsoriano@nsf.gov>**Sent:** Thursday, January 26, 2023 9:27 AM**To:** Soriano Molla, Jesus <jsoriano@nsf.gov>**Cc:** Wang, Hui <hwang@nsf.gov>; Verardo, David J. <dverardo@nsf.gov>**Subject:** Federal Pay Increase Inequity**Importance:** High

Dear Union Members,

Yesterday afternoon, after making inquiries of the agency regarding the status of pay raises for NSF staff ordered under President Biden's Executive Order on pay, I received a briefing from Mr. Bill Malyszka, Division Director of HRM and Deputy Chief Human Capital Officer about the agency's plans.

Bill told me that staff in the GS pay bands will receive the full 4.6% increase inclusive of 4.1% for salary and 0.5% locality pay under the December 2022 Executive Order.

Bill also told me that those in the AD-4 pay band, however, which is primarily comprised of Program Directors, will receive only a total of 1% increase parsed out as 0.5% for salary and 0.5% for locality pay, as per the agency's prerogative for establishing pay for AD-4 staff.

I inquired as to why AD-4 staff were getting such a small pay increase and was informed by Bill, during the briefing, and by Mr. Wonzie Gardner, OIRM Office Head and Chief Human Capital Officer, in subsequent phone conversations, that Drs. Sethuraman Panchanathan and Karen Marrongelle (NSF Director and Chief Operating Officer, respectively) were specifically taking the opportunity of new money for pay increases to use funds from President Biden's pay raise for federal employee to address what they see as inequity in Senior Executive Service (SES) pay.

Panch and Karen, I was briefed, believe that there is not enough of a pay gap between those who are at the AD-4 level and the SES and they want that gap increased by providing funds to increase SES pay. Additionally, they maintain that NSF staff are dissuaded from moving into the SES ranks because of the lack of pay deferential.

I was also briefed that Panch and Karen want the pay gap between AD-4 and the SES to be 6% now and to grow larger going forward.

I was also told by Bill and Wonzie that creating this arbitrary (in the Union's view) pay gap has been a goal of the NSF SES for many years, but that other NSF Directors and Chief Operating Officers were unwilling to go along with the scheme.

Now, as was relayed to me by Bill and Wonzie, the NSF SES have found willing partners in both Panch and Karen to create this pay gap between the AD-4 professional staff and the SES and create two very distinct classes of staff by salary.

When I pressed further on the rationale for the emphasis on the SES over AD-4 pay increase, both Bill and Wonzie reminded me that staff could receive one-off bonuses for “special act” awards and “performance awards” based on earned annual performance ratings. These awards, while appreciated, are one-time awards that do nothing to increase the salary of AD-4 staff. As a point of contrast, I offered that SES pay increases help build wealth for SES staff on top of already high salaries and very generous yearly bonuses commonly in excess of \$10,000.

The Union argued for years that the jobs done at the AD-4 and SES level are quite different and that many AD-4 staff want to move into the SES ranks, not for the pay, but for the opportunity to serve and experience NSF in a different capacity.

If salary is the only issue that attracts candidates into the SES, then NSF is clearly looking at the wrong metric, but it helps explain some of the challenges at the agency regarding skills in management evidenced by messy and public scandals.

I reached out to Panch and Karen about my concerns earlier this week but received no response.

The Union finds this strategy by Panch and Karen on pay for AD-4 staff as a breach of trust with AD-4 staff. This is a hard sentiment to express, and I am shaken by the brazenness and short sidedness of their act, but I believe this characterization fits the circumstances and here is why.

AFGE National and AFGE Local 3403 worked very hard with Members of Congress and the Biden Administration to make a case for a significant pay increase for all federal staff, not just bargaining unit members. That hard work paid off, except for AD-4 staff at the NSF.

AFGE National and AFGE Local 3403 also worked hard to support the case for increases in science budgets at the NSF and these increases are highlighted on the AFGE National website as a source of pride.

Much of the work to be done at the NSF by these hard-won agency budget increases requires the labor of AD-4 Program Directors to succeed, but AD-4 staff are receiving the smallest of possible pay increases, except if you count zero pay increase.

It seems an unconscionable strategy that reeks of elitism to ask of, and receive from, the U.S. Congress funds to pursue new avenues in technology, innovation, partnerships, STEM but then disrespect those who are critical to success in those endeavors.

The message from Panch and Karen about the level of understanding and respect for the work of AD-4 Program Directors is unambiguous given the allocation of pay increases away from AD-4 staff. It seems, from Panch and Karen’s actions, that AD-4 staff are of a lower class than SES and not deserving of respect. Respect is demonstrated by actions not words – a concept I have repeatedly stressed to both Panch and Karen.

In the coming days, Panch and Karen will issue a message describing their strategy as necessary for the agency and good for you. You decide on your own if this is the case.

In the meantime, AFGE Local 3403 is addressing what it views as an inequitable taking of money from AD-4 staff for executive compensation.

If you are AD-4 staff, please address any concerns or questions you have about your compensation with your division and directorate executive leadership since they are the ones who own this strategy.

In Solidarity,

Dave

David J. Verardo  
President, AFGE Local 3403 AFL-CIO  
(NSF, NEH, NEA, USGS, IMLS, USDA–NIFA. ERS, ADF)

---

**January 26, 2023**

Dear Union Members,

Please see this report of SES compensation from NSF released on January 17, 2023.

The report was being distributed while the agency was keeping salary increase information from the Union.

I was unaware of it until just now, but the hypocrisy and subterfuge are staggering.

Keep the information coming.

Dave

David J. Verardo  
President, AFGE Local 3403 AFL-CIO  
(NSF, NEH, NEA, USGS, IMLS, USDA–NIFA. ERS, ADF)

**NATIONAL SCIENCE FOUNDATION**  
2415 EISENHOWER AVENUE  
ALEXANDRIA, VIRGINIA 22314

January 17, 2023

MEMORANDUM

TO: NSF Director, Chief Operating Officer, Assistant Directors and Office Heads,  
Deputy Assistant Directors, Division Directors, Senior Executive Service  
Members, NSB Chair

FROM: Division Director, Human Resource Management

SUBJECT: Report on completed FY 2022 SES performance appraisal cycle

I wish to thank our executive workforce for your hard work and ongoing dedication in accomplishing the FY 2022 Senior Executive Service (SES) performance activities. You all play a pivotal role in helping NSF accomplish its mission.

This memorandum provides performance rating and other information for SES members for the appraisal cycle ending September 30, 2022. The information below does not include SES members in the OIG, as that pool was managed separately.

**SES Ratings**

For the FY 2022 performance cycle, NSF had a total of 88 SES members who were eligible to receive ratings, and the average summary score was 450. Of the 88 executives rated, 80 were Career SES and 8 were Limited Term SES.

The rating distribution for FY 2022 is as follows:

<b>Outstanding</b>	<b>Exceeds FS</b>	<b>Fully Successful</b>	<b>Minimally</b>	<b>Unsatisfactory</b>
47.7%	43.2%	9.1%	0%	0%

**Performance awards for career SES members**

NSF established the SES bonus pool of 10 percent of total aggregate salaries of career SES members. The total bonus amount paid was \$1,689,091 across 80 career SES members, and the **average bonus amount was \$20,853**. Performance awards were included in the final Earnings and Leave Statement for calendar year 2022, and individual bonus notifications were distributed to recipients.

Bonus recommendations adhered to the following ranges that were published by HRM on October 24, 2022:

- 5 – 7% for Fully Successful
- 7.1 – 9.5% for Exceeds Fully Successful
- 9.6 – 15% for Outstanding

The highest bonuses given were 14%.

**Performance-Based SES Salary Adjustments**

The President authorized a 4.1% increase in the Executive Schedule levels for 2023. As a result, HRM processed performance-based pay adjustments for eligible Career and Limited Term SES members, within the appropriate pay band for each position. Those adjustments were effective at the beginning of the first pay period in January, which was January 1, 2023.

**Pay recommendations adhered to the following pay increase ranges that were published by HRM on October 24, 2022:**

- **3 – 4.1% increase for Fully Successful**
- **4.2 – 5.5% increase for Exceeds Fully Successful**
- **5.6 – 7% increase for Outstanding**

The new SES pay band ranges are as follows:

<i>Pay Band</i>	<i>Positions</i>	<i>2023 Pay Band Min and Max</i>
<b>A</b>	Assistant Directors, Office Heads, and equivalent positions	<b>\$185,335 – \$212,100</b>
<b>B</b>	Deputy Assistant Directors, Deputy Office Heads, and equivalent positions	<b>\$185,335 – \$209,345</b>
<b>C</b>	Division Directors, Deputy Division Directors, and equivalent positions	<b>\$185,335 – \$206,950</b>

For questions, please contact Jennifer Munz, Shanae Mauney, or me.

William Malyszka

Copy to:  
HRM ESB

**January 26, 2023**

**From:** Marrongelle, Karen A. <kmarrong@nsf.gov>  
**Sent:** Thursday, January 26, 2023 3:04 PM  
**To:** NSF Employees <nsf-empl@nsf.gov>  
**Subject:** Federal Pay Update

Dear Colleagues,

Every single day, you work on behalf of the American people because you believe in the values of service and commitment to maintaining America's position as a global leader on frontiers of science and engineering innovation. To deepen our support for you in this mission, NSF

Leadership continues to find ways to strengthen and empower the entire workforce no matter what position, pay plan, rank, or role they serve in at NSF.

As evidence of this, the agency has doubled the performance award budget for non-executive staff, reinstated special act awards, and invested \$1.5 million in the incentive program and the Director's Awards program.

As we look to address equity issues agency-wide, we discovered a lack of pay difference between the AD, SES, and GS pay scales. Both GS and SES pay scales have a pay cap, while the AD scale does not. Even members of congress and the NSF Director have caps on pay. If no action were taken, some on the AD scale would be receiving higher pay than many in these categories. The decision was made to remedy that imbalance.

I want to be clear; every individual on the AD pay scale will receive a pay increase.

HRM will be reaching out to all AD pay scale employees and their supervisors to explain the next steps and provide accurate details on the increases in AD Pay Bands. Individuals on the AD pay scales who have questions about the process can connect with the [Employee Service Center](#).

We are grateful for your commitment to organizational excellence and continuing to work at speed and scale as we continue to serve as a primary driver of the U.S. economy, enhance the nation's security and advance scientific and engineering knowledge to sustain U.S. global leadership.

Best regards,

Karen Marrongelle, Ph.D  
Chief Operating Officer  
National Science Foundation

---