

Implementation of the NSTC
Presidential Review Directive-4:
Renewing the Federal Government-University
Research Partnership for the 21st Century



Committee on Science
National Science and Technology Council
NSTC Presidential Review Directive – 4

Executive Office of the President
Office of Science and Technology Policy

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About the National Science and Technology Council

President Clinton established the National Science and Technology Council (NSTC) by Executive Order on November 23, 1993. This Cabinet-level council is the principal means for the President to coordinate science, space and technology policies across the Federal Government. NSTC acts as a "virtual" agency for science and technology to coordinate the diverse parts of the Federal research and development enterprise. The NSTC is chaired by the President. Membership consists of the Vice President, Assistant to the President for Science and Technology, Cabinet Secretaries and Agency Heads with significant science and technology responsibilities, and other White House officials.

An important objective of the NSTC is the establishment of clear national goals for Federal science and technology investments in areas ranging from information technologies and health research to improving transportation systems and strengthening fundamental research. The Council prepares research and development strategies that are coordinated across Federal agencies to form an investment package that is aimed at accomplishing multiple national goals.

To obtain additional information regarding the NSTC, contact the NSTC Executive Secretariat at (202) 456-6100.

About the Office of Science and Technology Policy

The Office of Science and Technology Policy (OSTP) was established by the National Science and Technology Policy, Organization and Priorities Act of 1976. OSTP's responsibilities include advising the President in policy formulation and budget development on all questions in which science and technology are important elements; articulating the President's science and technology policies and programs; and fostering strong partnerships among Federal, State and local governments, and the scientific communities in industry and academe.

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Acronyms

A-110 IWG	A-110 Interagency Working Group
EDI	Electronic Data Interchange
ERA	Electronic Research Administration
F&A	Facilities and Administrative Costs
FDP	Federal Demonstration Partnership
HHMI	Howard Hughes Medical Institute
IAEGC	Interagency Electronic Grants Committee
NAPE	National Association of Physicians for the Environment
NIH	National Institutes of Health
NSB	National Science Board
NSF	National Science Foundation
NSTC	National Science and Technology Council
OMB	Office of Management and Budget
OSTP	Office of Science and Technology Policy
PCAST	President's Council of Advisors on Science and Technology
PRD-4	Presidential Review Directive-4, "Renewing the Federal Government-University Research Partnership for the 21 st Century
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture

INTRODUCTION

In April 1999, the National Science and Technology Council (NSTC) released a report titled, *Renewing the Federal Government-University Research Partnership for the 21st Century*. A multi-agency task force, herein called the “PRD-4 Task Force”, developed the report following a review of the Federal Government-University research partnership that was conducted under Presidential Review Directive-4. At the same time, the President released a Presidential Memorandum directing the NSTC to implement the recommendations of the report which included a statement of principles and a series of specific action items.

Recognizing that this report reflects the Federal Government’s view of the partnership, the Office of Science and Technology Policy (OSTP) and the NSTC sought comments from the academic community on the principles and action items. Five meetings, sponsored by universities and academic associations, were held around the country. In addition, OSTP and the NSTC sought comments with the publication of the PRD-4 principles in the *Federal Register*. Further, the chair of the Federal Demonstration Partnership (FDP) and the President of the National Academy of Sciences sent letters to the presidents of the 65 FDP research institutions asking that they comment on the report.

Concurrently, the PRD-4 Task Force formed a multi-agency working group (herein called the “PRD-4 Working Group”) to consider the public’s comments and to propose specific actions to implement the recommendations made in the NSTC report. The PRD-4 Working Group included representatives from the Departments of Agriculture, Energy, Defense, and Health and Human Services (including representatives from the National Institutes of Health), along with the National Aeronautics and Space Administration, the National Science Foundation, the Office of Management and Budget, and the Office of Science and Technology Policy. On July 10, 2000, the PRD-4 Task Force met and accepted the recommendations made by the PRD-4 Working Group. This document is the result of those deliberations.

PRINCIPLES OF THE FEDERAL PARTNERSHIP WITH UNIVERSITIES IN RESEARCH

Action Item From the 1999 Report

Action: Adopt Statement of Principles of the Government-University Partnership

The NSTC proposes a statement of principles of the government-university partnership to clarify the roles, responsibilities, and expectations of the parties—funding agencies, universities, individual investigators, and regulatory bodies—and to provide a framework for the development of new policies, rules, regulations, and laws affecting the partnership. The NSTC statement of principles serves as a basis for further dialogue among interested parties, including government and universities, and should be finalized by the NSTC within twelve months. There will be a variety of mechanisms provided for facilitating public comment through discussions with stakeholders, who include the Congress, university associations and professional societies, the National Academy of Sciences, the National Science Board, and the Federal Demonstration Partnership.

Implementation of the Action Item

Discussion: The Principles proposed in the 1999 report were published in the Federal Register on December 21, 1999. Regional meetings were held with stakeholders in Washington, D.C., on May 25, 1999 (sponsored by the American Association for the Advancement of Science); in Atlanta, Georgia on October 13, 1999 (sponsored by Georgia Institute of Technology); in Purdue, Indiana on November 4, 1999 (sponsored by Purdue University, Indiana University, and the Committee on Institutional Cooperation); in San Francisco, California on December 1, 1999 (sponsored by the Federal Demonstration Partnership, the University of California System, and Stanford University); and in New York, New York on January 27, 2000 (sponsored by Columbia University, New York University, Cornell University, and the Association of American Medical Colleges).

Recommendation: The PRD-4 Working Group recommends revising the Guiding Principle, “The Linkage Between Research and Education is Vital” to “The Integration of Research and Education is Vital.” All other principles should stay as originally stated. The Working Group also recommends issuing the principles as part of an Executive Order.

The Guiding Principles can be encapsulated as:

1. Research Is an Investment in the Future.
2. The Integration of Research and Education is Vital.
3. Excellence is Promoted When Investments are Guided by Merit Review.
4. Research Must be Conducted with Integrity.

The Operating Principles can be encapsulated as:

1. Agency Cost Sharing Policies and Practices Must be Transparent.
2. Partners Should Respect the Merit Review Process.
3. Agencies and Universities Should Manage Research in a Cost-Efficient Manner.
4. Accountability and Accounting Are Not the Same.
5. The Benefits of Simplicity in Policies and Practices Should be Weighed Against the Costs.
6. Change Should be Justified by Need and the Process Made Transparent.

INTEGRATION OF RESEARCH AND EDUCATION

Action Item From the 1999 Report

Action: Reaffirm the Importance of the Integration of Research and Education and Strengthen the Linkages in Practice.

The NSTC reaffirms the importance to the nation, the research enterprise, and the future scientific and engineering workforce of linking education and research. Federal agencies and universities are encouraged to explore mechanisms and to experiment with programs that catalyze the integration of research and education on campus and aid students in their transition from students to members of the scientific and engineering workforce.

The NSTC will review government policies and practices to ensure that agencies are able to support students in a manner consistent with their dual roles as researchers and students, and recommend changes as necessary. The NSTC will provide the results of the review and recommendations to the appropriate federal agencies within twelve months of this report.

Implementation of the Action Item

Discussion: The federal policy on support of graduate students participating in federally funded research projects is to provide a reasonable amount of support (such as tuition remission and other support) on the basis of the individual's participation in the project. Sponsoring agencies are supporting graduate students who fulfill a vital role both as students and as researchers. This policy is not contingent on an employer-employee relationship between the institution and the graduate student. Rather, it recognizes the reality that research activities are an essential component of the individual's educational activities.

Recommendation: The PRD-4 Working Group recommends issuing a memorandum of clarification of OMB Circular A-21, Section J.41, "Scholarships and Student Aid Costs" and of OMB Circular A-21, Section A 2c, "Purpose and Scope." When published, the clarification memorandum will be available on the OMB website at <http://www.whitehouse.gov/OMB/>.

RESEARCH INTEGRITY

Action Item From the 1999 Report

Action: Institute Uniform Government Policies and Practices for Research Misconduct

The NSTC will complete the process initiated in 1996 to develop a government-wide definition of research misconduct and guidelines for handling cases of alleged research misconduct. The policy will affect all research funded by the federal government, including both intramural research and extramural research funded through universities, non-profit organizations, and the private sector. Agencies will have twelve months to implement the new policy once it is finalized.

Implementation of the Action Item

Discussion: The “Proposed Federal Policy on Research Misconduct To Protect the Integrity of the Research Record” was published in the *Federal Register* on October 14, 1999. A town hall meeting was held at the National Academy of Sciences in November 1999. Several hundred comments were received and considered. The final federal policy was published in the December 6, 2000 edition of the *Federal Register* and is available on the OSTP website at <http://www.ostp.gov>.

Recommendation: The PRD-4 Working Group endorses the ongoing efforts to implement the final policy on research misconduct.

MERIT REVIEW

Action Item From the 1999 Report

Action: Clarify and Extend Use of Merit Review in Awarding Research Funds

The NSTC reaffirms the principle of merit review in awarding research funds.

The NSTC supports OMB's effort to refine the definition of merit review in its annual revision of the terms in OMB Circular A-11, "Preparation and Submission of Budget Estimates (part 1)."

The NSTC will examine ways to extend agency application of merit review in awarding research funds and seek ways to decrease practices that bypass the process.

Implementation of the Action Item

Discussion: In the FY 2001 version of OMB Circular A-11 (issued in summer, 1999), OMB revised the categories for the R&D data collection. In previous years, OMB had asked agencies to provide estimated funding for "merit-reviewed scientific research with peer evaluation and competitive selection." In the FY 2001 version of Circular A-11, OMB expanded the data request to include three categories: 1) merit-reviewed scientific research with peer evaluation and competitive selection; 2) scientific research performed at congressional direction; and 3) scientific research at agency discretion. OMB further requested that the sum of these three categories total the sum of all agency basic and applied research. The first year of data collected using the new definitions did not meet OMB's expectations. Consequently, OMB revised the definitions, in consultation with OSTP and the research agencies, for the FY 2002 version of OMB Circular A-11.

Recommendation: The PRD-4 Working Group affirms the principle of merit review in awarding research funds. The PRD-4 Working Group supports revising the definitions of research and OMB's intent to publish the FY 2002 data in the "Analytical Perspectives" volume of the budget. We expect that greater availability of the data will lead to greater scrutiny of the mechanisms for awarding research funds.

COST SHARING POLICIES AND PRACTICES

Action Item From the 1999 Report

Action: Clarify or Amend Cost Sharing Policies and Practices

1. The NSTC will explore mechanisms by which agencies might more clearly and consistently communicate information to universities about their cost sharing policies, practices, and expectations. One option might be to require that agencies announce when and how cost sharing will figure in selection processes and include information about the amount of cost sharing expected. Options should be drafted within twelve months of this report.

Implementation of the Action Item

Discussion: OMB Circular A-110 defines cost sharing as “that portion of project or program costs not borne by the federal government.” With the exception of cost sharing that is required by law, agencies vary in their approaches to cost sharing and most do not have explicitly articulated, agency-wide policies. NSF recently issued an agency-wide policy.

Recommendations: The PRD-4 Working Group recommends that OSTP, in cooperation with the NSTC, request that all agencies that support research consider a variety of approaches, such as the new NSF cost-sharing policy, as a means to communicate information to universities more clearly and consistently about agency cost sharing policies, practices, and expectations. Significant aspects of the new NSF policy statement are as follows: (The full text of the NSF policy statement is available at <http://www.nsf.gov/bfa/cpo/policy/>.)

1. NSF considers cost sharing an eligibility criterion rather than a review criterion;
2. Program announcements will clearly state cost sharing requirements beyond the NSF 1% statutory requirement, as will solicitations or other mechanisms that generate proposals; and
3. NSF will require only statutory cost sharing for unsolicited research and education projects;
4. Requirements for cost sharing may take into account the type of institution, institution size, level of other research support, population served, etc; and
5. Any negotiation with proposers as to the level or amount of NSF required cost sharing will occur either prior to the review process to establish the project’s eligibility for consideration or after merit review has been completed to adjust cost sharing to the agreed-upon amount of the award.

Action Item From the 1999 Report

Action: Clarify or Amend Cost Sharing Policies and Practices

2. The NSTC will assess the impact of accounting practices on voluntary cost sharing by universities, particularly as it relates to the donation of faculty time to research projects. The review (including data collection) should be completed and recommendations issued within twelve months of this report.

Implementation of the Action Item

Discussion: The issue raised by university concerns is the impact of requiring university faculty researchers (including senior researchers) to keep track of research related effort that is over and above that committed and budgeted for on sponsored research programs. Prior to 1996, the federal government did not actively pursue an accounting of this voluntary uncommitted faculty effort.

Federal auditors and those who negotiate facilities and administrative (F&A) costs – also known as indirect costs – have recently contended that this uncommitted faculty effort is related to sponsored research and, therefore, should be considered voluntary cost sharing on those projects. The net impact of this interpretation is to increase the fraction of F&A costs for which the university is liable.

The PRD-4 Working Group used a variety of sources to assess the impact of voluntary, uncommitted cost sharing practices on the government-university partnership, including: 1) the experience and knowledge of the working group members; 2) the comments received from publication of the PRD-4 report; and 3) the Cost Sharing Symposium held on December 1, 1999 in San Francisco, California. These sources of data all indicated that universities perceive a problem with regard to the federal government's recent position on voluntary, uncommitted faculty effort.

At the request of the PRD-4 Working Group, the FDP conducted an informal survey of university representatives attending the March 7, 2000 FDP meeting. The survey results indicated that current federal government practice is leading some universities to develop policies to limit or eliminate cost sharing.

The PRD-4 Working Group concluded that there is a disincentive in current policy to voluntary uncommitted effort and that the disincentive should be eliminated.

Recommendation: The PRD-4 Working Group recommends that:

(1) OMB issue a memorandum clarifying OMB Circular A-21 to state that voluntary uncommitted effort by faculty should not be included in the organized research base for computing F&A rates or to be reflected in any allocation of F&A costs. However, when a faculty member reduces his/her level of effort dedicated to other institutional responsibilities in order to shift his/her effort to organized research activities, the institution must reflect this reduction in the effort report (as an increase to the research effort component) and in the F&A proposals. In addition, most federally-funded research programs must have some level of committed faculty (or senior researchers) effort, whether paid or unpaid by the federal government. When published, the clarification memorandum will be available on the OMB website at <http://www.whitehouse.gov/OMB/>.

(2) In the future, OMB and the research agencies should evaluate the impact of this clarification memorandum on committed cost sharing.

Action Item From the 1999 Report

Action: Clarify or Amend Cost Sharing Policies and Practices

3. The NSTC will assess the impact of provisions that limit reimbursement of research costs on otherwise allowable costs, and in particular, the impact of these cost reimbursement policies on government-university relationships that have procurement aspects. The review (including data collection) should be completed and recommendations issued within twelve months of this report.

Implementation of the Action Item

Discussion: Some statutes, regulations, and agency policies limit the payment of certain costs incurred by universities conducting government-sponsored research. These limitations may apply to both direct costs and to facilities and administrative costs (indirect costs) of federal projects. Many of the limitations are specific to a particular federal agency or program. For example, USDA appropriation statutes limit administrative cost payments to 14 percent for Extension Service grants; the National Institutes of Health has a statutory limitation for reimbursements of investigators' salaries; and the USAID does not pay for indirect costs associated with many of its international programs. In addition, OMB Circular A-21 requires a government-wide limitation of 26 percent on the administrative component of F&A costs.

The PRD-4 Working Group concluded that such limitations on payments for research costs at educational institutions have been developed to address a variety of policy and program concerns. The university community indicated that these limitations burden the government-university research partnership.

Recommendation: The PRD-4 Working Group recommends that OSTP, in cooperation with the NSTC, participate in any future efforts to assess the impact of cost reimbursement limitations on research.

GRANTS ADMINISTRATION

Action Item From the 1999 Report

Action: Reduce Differences in Grants Administration Across Agencies

The NSTC will establish an interagency group to develop terms and conditions that will reduce differences in grants administration policy and practice across federal agencies to the extent consistent with individual agency needs. The general terms and conditions should be based on those developed by the FDP and make maximum use of the expanded authorities included in OMB Circular A-110 for all research and research-related project grants. Where consistent with statute, the NSTC policy will be that all federal agencies will use the uniform terms and conditions as the default for all research and research-related project grants. These defaults should be overridden only when there are compelling reasons to do so. These actions should be implemented within twelve months of this report.

The NSTC encourages agencies to continue reducing agency-specific requirements, consistent with their missions. Related to this, agencies should work together to coordinate a "common face" to the university research community in the development of ERA systems.

Implementation of the Action Item

Discussion: The Federal Demonstration Partnership developed standardized terms and conditions that apply to all FDP institutions (65 research institutions) receiving support from FDP agency members (11 agencies). Most non-FDP institutions and agencies follow different sets of terms and conditions. The FDP terms and conditions are a first step toward government-wide grant terms and conditions applicable to all research institutions subject to OMB Circular A-110.

To encourage government-wide policies and approaches, the NSTC PRD Task Force chair sent letters to all non-Federal Demonstration Partnership agencies that support research encouraging them to become active participants in the FDP. Departments receiving a letter included the Departments of Education, Interior; and Transportation; as well as the National Endowment of the Humanities; the National Endowment of the Arts; the National Institute of Standards and Technology; and the National Oceanographic and Atmospheric Administration.

Recommendations: (1) The PRD-4 Working Group recognizes the work of the A-110 Interagency Working Group (A-110 IWG), chaired by OMB and HHS, and recommends that the A-110 IWG a) review the FDP General Terms and Conditions to see if they are appropriate for adaptation and government-wide use for all research awards subject to A-110, and b) develop terms and conditions for government-wide use. (2) A Common Face for Electronic Business Administration (See below.)

A Common Face For Electronic Business Administration

Discussion: The Administration is committed to the use of electronic business processes to streamline administrative procedures for universities and other recipients of federal grants and contracts. The goal is to minimize costs and paperwork, while preserving the needed level of accountability in spending public funds.

For a number of years, the federal agencies and universities involved in the Federal Demonstration Partnership (FDP) have been working toward a common means for universities to transmit required information to, and receive information from, the multiple federal agencies that make and administer their research awards. With the enactment this past year of the Federal Financial Assistance Management Improvement Act (P.L. 106-107), the groundbreaking work done by the FDP agencies and universities toward a “common face” for electronic research administration can serve as the foundation for a broader initiative. That broader effort would create a uniform means for States, tribal and local governments, universities, and other nonprofit organizations to exchange information electronically with the federal agencies from which they receive grants and contracts for research and other programs.

As the major initiative of the interagency Electronic Grants Committee (IAEGC), the Federal Commons has emerged as the primary, and most promising, means of making the “common face” a reality. The Federal Commons will provide a single portal for recipients’ electronic interactions with federal agencies. It will use standard parameters (e.g., transaction sets for proposals and awards) and flexible technology. The portal will accommodate differences among recipients’ electronic systems; it therefore will include both an Electronic Data Interchange (EDI) connection and a Web-based connection. It also will accommodate differences between federal agencies’ electronic systems and business practices because, for a variety of reasons, federal agencies are not able to adopt identical systems and practices—past attempts to impose “one-size-fits-all” approaches have failed. Instead, the Federal Commons will eliminate burdens on recipients by making differences between federal agencies’ systems and processes transparent to non-federal users.

The ad hoc efforts of the FDP agencies and, more recently, the voluntary work of agency representatives to the Interagency Electronic Grants Committee have been sufficient to shape the Federal Commons concept and promote informal, interagency discussion about it. However, if the concept is to become a government-wide reality, more is needed, particularly in the identification of adequate resources to fully develop and implement the Federal Commons. The first step is a formal and high-level commitment that the federal government will adopt the Federal Commons as the approach to electronic interactions with recipients. Toward that end, the President’s budget for FY 2001 identified the Federal Commons as a priority management objective. The second step is a clear assignment of the needed authority and responsibility to design and develop the system. The third step is the identification and subsequent dedication of the needed resources. Those resources include the funding and people needed to develop the government-wide system, as well as to deploy it within the individual federal agencies once it is developed.

Those three steps would move the federal government from the concept development phase into the implementation phase of the Federal Commons project. Doing so would help us meet both the PRD-4 objective and the requirements of the Federal Financial Assistance Management Improvement Act of 1999 (Public Law 106-107) for streamlining through electronic business administration. The considerable interests of the research community and the interests of other non-federal entities that carry out federal programs by grant or contract will be well served by this transition to an implementation phase. The time is right to make the transition and build on the future promise of the Federal Commons for these purposes.

Recommendations: The PRD-4 Working Group recommends:

- (1) Designating a Federal Commons project office and assigning it the necessary authority to develop a detailed Federal Commons implementation plan, consistent with PRD-4 and P.L.106-107. This plan should be completed no more than six months after the project office has been designated and the plan should include specific tasks, milestones, and resource requirements.
- (2) Requiring that federal agencies' participation in the Federal Commons be included in each agencies' implementation plans under P.L.106-107. Agency implementation plans should identify the resources necessary for an agency to participate in the Federal Commons.

FEDERALLY MANDATED CHANGES IN UNIVERSITY BUSINESS PRACTICES

Action Item From the 1999 Report

Action: Establish Mechanism to Review Impact of Proposed Changes in Business Practices

The NSTC will consider the establishment of more effective mechanisms for reviewing government business policies and practices, both current and prospective, with respect to sponsored research to consider their relationship to each other, assess their impact on research, and determine their compatibility with university processes.

Implementation of the Action Item

Discussion: Universities expressed concern about the impact of federally mandated requirements in business practices. Taken in isolation, requirements such as the Cost Accounting Standards (CAS) reflect sound business practice, but they can be problematic when considered in the larger context in which universities operate.

Recommendation: The PRD-4 Working Group recommends that OSTP, in cooperation with the NSTC, routinely review the impact of newly proposed federally mandated requirements in business practices on research universities.

REGULATION OF RESEARCH

Action Item From the 1999 Report

Action: Streamline Certification and Assurances Requirements

The NSTC will identify the appropriate agencies to conduct review of certification requirements in order to: determine those which might be replaced by assurances of compliance with national policies; identify those for which institutional certifications or assurances might be more appropriate (via electronic means if possible) than grant-by grant assurances; prepare a policy, for incorporation into the appropriate government-wide document, that directs agencies to impose agency-specific certification requirements only when required by law or if the agency head determines that there is added value that justifies using certifications rather than assurances; recommend necessary changes (including possible legislative changes) in current certification requirements. This action may implicate more than universities and the agencies that fund them, and appropriate government entities will be consulted as appropriate. The results of the review and recommendations should be issued within twelve months of this report.

Implementation of the Action Item

Discussion: The Administration policy is to make federal processes for research grants more cost-effective to enhance research productivity. Certifications and assurances for national policy requirements is one area of opportunity for possible streamlining and simplification. Converting certifications to assurances, where feasible, and obtaining them on an institution-wide basis can reduce unnecessary burdens and costs. Converting certifications to assurances will maintain equally effective compliance with the underlying national policy objectives. Obtaining them on an institution-wide basis will affirm the institution's overall responsibility for compliance with these objectives.

Federal agencies' varied practices for obtaining certifications and assurances, some of which are discretionary and some of which are mandated, can increase administrative burdens and associated costs. The PRD-4 report identified three national policies (drug-free workplace, suspension and debarment, and lobbying) for which federal agencies are required to obtain certifications of compliance, rather than assurances, from applicants. However, federal agencies sometimes administratively impose certifications on their own or use "certification" and "assurance" requirements interchangeably (despite differences in their legal significance). Many agencies obtain certifications and assurances for each grant separately, even when making an award to an institution with which they have other awards. They often do so at the time of proposal, rather than at the time of award, thereby collecting certifications and assurances not only from successful applicants but also from a larger number of unsuccessful applicants.

As a first step toward streamlining, action is under way that could change two of the three government-wide certification requirements to assurances. Following the release of the PRD-4 report, the OSTP Associate Director for Science asked the Chairman of the Interagency Committee on and Suspension and Debarment to consider the use of assurances when his committee updated the common rule containing the drug-free workplace, as well as suspension and debarment, requirements. Management priority should be given to this effort, which could ensure timely implementation of a change that the Congress made to the Drug-Free Workplace Act in 1997. The Congress, at the Administration's request, eliminated that Act's statutory requirement for certifications, enabling the use of assurances, but federal agencies must collectively amend the common rule before they can realize the benefits of the congressional action.

The remaining government-wide certification, for lobbying, is based in statute. The Interagency Working Group that helps the OMB maintain Circular A-110 has agreed to accept the lead in looking at this requirement. The working group will consider alternatives that might be less onerous and draft a legislative proposal, if warranted.

A government-wide mandate to eliminate unnecessary or unsupported certifications and assurances for grants would be another important step toward fully achieving the objectives of the PRD-4 and the recently enacted Federal Financial Assistance Management Improvement Act. It would establish a policy for grants to parallel the policy that the Congress, at the Administration's request, established in the Federal Acquisition Reform Act, to help stem the proliferation of unnecessary certifications in federal contracts. The policy for grants should set criteria and procedures for agencies' adoption of new certification requirements and require agencies to review current certifications and assurances, retaining them only if they would meet the criteria established for imposing new ones.

In addition to eliminating unnecessary certifications and assurances, there is more to do to streamline the process for those that remain. Federal agencies should move away from grant-by-grant certifications and assurances by participating in an expanded version of the Federal Commons pilot project demonstrating the use of institutional certifications and assurances, as part of the organizational profile of business partners with whom the government has a continuing relationship. This expanded demonstration, which uses an electronic commerce approach and is part of the Federal Commons, should involve certifications and assurances for all types of grants.

Recommendations: The PRD-4 Working Group recommends:

(1) Requiring that the A-110 Interagency Working Group (IWG) develop a policy on certifications for incorporation into the appropriate government-wide document. Upon NSTC approval of the PRD-4 Task Force Report, the A-110 IWG should submit the certification policy within six months to the NSTC for approval. The policy should include criteria for use of certifications. It should require interagency coordination through the OMB for any new certification requirement that is not based in statute, with subsequent review and approval at the level of the agency head to ensure that there is a need for a certification, rather than an assurance.

(2) Requiring federal agencies to complete by 2001 the update of the government-wide common rules on drug-free workplace and suspension and debarment, through the Interagency Committee on Suspension and Debarment. The update must eliminate certification requirements that do not meet the criteria in the new government-wide policy described in Recommendation 1 above.

(3) Requiring that the A-110 IWG review the remaining government-wide certification requirement and recommend whether it should be replaced by an assurance. Within four months, the A-110 IWG should consult with the NSTC on their proposed recommendations.

(4) Requiring that agencies conduct a baseline review of their current use of certifications and assurances and provide the information within six months to the interagency working groups being formed to consider Public Law 106-107 implementation. The information will include the source of each requirement, basis (grant-by-grant or institutional), frequency (e.g., annual), and means (Standard Form SF-424, award term, or other). Requiring the each agency head to provide a justification for the continued use of each existing agency-specific certification, including an explanation of why an assurance will not serve.

(5) Expanding the interagency demonstration of institutional, rather than grant-by-grant assurances and certifications currently being done under the Federal Commons, with its electronic repository of organizational profile data that includes institutional assurances and certifications.

PROMOTING EXCELLENT SCIENCE AND ENVIRONMENTAL STEWARDSHIP

Action Item From the 1999 Report

Action: Strengthen Environmental Protection in Research Laboratory Setting

After consulting with the appropriate agencies, the NSTC will determine the best way to organize discussion among the nation's universities, federal, and industrial research laboratories, federal and state regulators, and federal science agencies to identify best practices for integrating environment, safety, and health responsibilities with the conduct of research. This discussion would serve as a forum for disseminating best practices to a wider community. It would also serve as a forum for identifying lessons learned and impediments to the adoption of these practices that should be incorporated into new and revised federal and state regulations. This forum should be established within six months of the issuance of this report, and annual progress reports should be produced, demonstrating progress.

Implementation of the Action Item

Discussion: The NIH recently undertook a study of regulatory burden in an effort to rationalize and streamline the activities of research institutions in complying with federal regulations, while at the same time retaining, if not strengthening, all the protections afforded by the regulations. The focus of the study was on five major areas of regulation, one of which was hazardous waste disposal. The NIH convened a working group of representatives from the academic research community and produced a report of issues, recommendations, and potential solutions. This report can be found at <http://grants.nih.gov/grants/policy/regulatoryburden/hazardouswastes.htm>.

One of the recommendations in this report was the establishment of a standing advisory group to assist the NIH in an ongoing effort to address such issues. This group has now been formed, and held its first meeting in January 2000.

NIH staff responsible for this committee and its activities have established additional collaborations in an effort to form a broader base of activity on hazardous waste issues. Staff participated in recent Howard Hughes Medical Institute (HHMI) efforts to identify best practices in the academic research setting in conjunction with federal and state environmental safety officials. In addition, staff established contact with the National Association of Physicians for the Environment (NAPE), in collaboration with which the NIH recently sponsored a Leadership Conference on the NIH campus entitled "Biomedical Research and the Environment."

Recommendation: The PRD-4 Working Group endorses the NIH's activities in this area as an appropriate vehicle for continued discussion and fostering of best practices. Further the PRD-4 Working Group (1) urges other federal research agencies to participate in NIH's efforts, (2) endorses NIH's continued interaction with HHMI and NAPE in this effort, and (3) encourages full cooperation on the part of the Environmental Protection Agency.

CONCLUSION

Action Item From the 1999 Report

Action: Establish Task Force to Provide for Continuing Dialogue and Review

The NSTC will establish a standing interagency working group under the auspices of the Committee on Science dedicated to continuing review and assessment of the government-university partnership. The NSTC urges the President's Council of Advisors on Science and Technology to consider the establishment of a panel for the same purpose, to consult with universities and other interested parties, and to provide advice to the President and the NSTC on the government-university partnership. These entities would complement the activities of already existing organizations, such as the Federal Demonstration Partnership, the Government-University-Industry Research Roundtable, and the National Science Board. Potential areas meriting further review include the following: the process for assigning intellectual property rights in the case of university-industry-government research collaborations; identification of best practices of individual universities or federal agencies that could be disseminated for broader use to improve the partnership; resources required to meet the terms of the OMB advisory that requires grantee mission-critical systems to be Y2K—or year 2000—compliant. Other topics will be identified and assessed as appropriate.

Implementation of the Action Item

Discussion: The government-university research partnership is dynamic, new issues and concerns arise over time. A periodic review to ensure the continuing health of the partnership is necessary and appropriate.

Recommendation: The PRD-4 Working Group recommends issuing an Executive Order that will (1) articulate the principles of the Government-University Research Partnership, and (2) require OSTP, in cooperation with the National Science and Technology Council, to conduct periodic reviews of the government-university research partnership. When published, the Executive Order will be available on the OSTP website at <http://www.ostp.gov>.

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