

Minutes from September 22-23, 2003 FDP Meeting IRAB – Allocation of Space Costs Subgroup

Since the May 2003 FDP meeting the Allocation of Space Costs Subgroup has been working to identify universities willing to participate in a comparative analysis using departmental salaries and wages (S&W) versus space survey results for the allocation of space related costs. The analysis, in part, was in response to the DHHS position that departmental S&W may serve as an equitable means by which to make this allocation. The universities' position was that salaries and wages would not provide an equitable basis for allocating these costs. A total of 7 schools agreed to participate in the analysis. To ensure consistency in the analyses a prototype was developed and shared with the participating institutions. The goal was to complete all of the analyses in time to distribute the results to the federal representatives as well as the participating institutions prior to the September 2003 meeting. Unfortunately, because of hurricane Isabel, the federal representatives as well as some of the participating institutions did not receive an advance copy deferring any conversation on the results to the pre-meeting on Monday morning, 9/22.

The attendees at the pre-meeting reviewed and discussed the data and related issues and agreed on the following points for presentation at the concurrent session on Monday afternoon.

- Federal representatives acknowledged the variances but believed the analyses should also reflect the negotiated points for the purpose of recognizing adjustments to space data during the negotiation process
- DHHS also felt the data does not “conclusively” support that S&W is inequitable (relating back to the need to reflect negotiated components and reductions that may have resulted from problems with the space data)
- Additional concern was expressed that 6 of the 7 schools were medical schools which may (or may not) have influenced the results
- The sample should be expanded to provide a more diverse population of schools
- DHHS/ONR will need to validate data to confirm consistency in the analyses among the participating schools
- It was agreed that we need adequate information to present a case to OMB (DHHS comment)
- ONR requested universities also include in the analysis the impact using FTE statistics (an A-21 prescribed method)
- Collectively it was agreed we would also add the impact using the originally proposed “primary use” method

After some discussion it was pointed out by one university representative that DHHS does not “negotiate” F&A rates on a component basis therefore the negotiated components should be recognized as “relative” data. DHHS and ONR representatives concurred.

Next steps were discussed and agreed on as follows:

- Subcommittee co-chairs will teleconference with federal representatives to determine the format and approach for the additional data including a clarification of institutional FTE
- Analyses should be expanded to include:
 - Negotiated components from last proposal
 - Components based on FTE (A-21 prescribed method in addition to S&W)
 - Components using “Primary Use” methodology for comparison
- Caltech will prototype the expanded analyses for review and discussion with DHHS/ONR
- Results of FTE and primary use analyses will be shared with DHHS/ONR prior to January 2004 FDP meeting
- Present at January 11, 2004 FDP Meeting in San Antonio. Agree on which alternatives should be explored further and expand the sample size.
- Federal representatives will begin testing and validating analyses and data