

Reforming Federal Research Compliance Requirements and Cost Reimbursement

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Overview

- Why a review and reassessment of current regulatory requirements is needed
- What types of reforms are universities seeking
- Areas where regulatory reform makes sense
- What steps have universities taken to ensure efficiency and accountability
- Paying for growing compliance requirements and related F&A reforms

Why Assess Compliance Requirements Now?

- Regulatory requirements have increased significantly since 1991
- Growing faculty administrative burdens
- Increasing financial pressures on universities
- Need to maximize the value of federal research investments
- Smarter regulation = good government

Current and Planned Reviews

- NAS review of the health of U.S. Research Universities
- Higher Education Act requirement for NAS review of all higher education regulations
- GAO Reviews
 - Defense F&A costs
 - University tracking of direct and indirect costs

Higher Education Association Activities

- AAU Task Force on Strengthening the Government-University Partnership
- COGR Costing Policies Committee
- APLU Regional Meetings

What types of reforms are we suggesting?

Two areas of emphasis :

- 1) Regulatory compliance reform as a means to reduce compliance costs and increase research productivity
- 2) Reform of current Indirect Cost Reimbursement Policies
 - *There are costs to both universities and the government from excessive regulations*
 - *F&A should be referred to as “FA&C”*

Growing Regulatory, Reporting and Training Requirements since 1991

Examples:

- Troublesome Clauses & Export Controls
- Select Agents
- CFATS
- Human Subjects
- Animal Research
- HIPAA
- ARRA
- Effort Reporting
- Cost Accounting Standards
- Responsible Conduct of Research

Regulatory Compliance Reforms

- Elimination or modification of requirements that add no value (e.g. effort reporting, cost accounting standards)
- Harmonization of stovepiped regulations (e.g. proposed FDA misconduct policy, background checks, COI, FAR Code of Conduct and Ethics)
- Move to performance based standards vs. agency specific requirements (e.g. RCR)

Regulatory Compliance Reforms, Cont.

- Reform regulations to address real risks (e.g. human subjects protections and social and behavioral research)
- Regulatory provisions to fit research universities (e.g. export controls, CFATS)
- More efficient reporting techniques (e.g. ARRA v. STAR metrics)

Universities Must Demonstrate Existing Efficiencies and Accountability Measures

- What steps have universities already taken to reduce costs, improve efficiency and ensure accountability?
- What steps are being planned in the future?
- Are there ways that we can demonstrate this across institutions?
- Are there ways that we can demonstrate that universities are as efficient, if not more so, than other federal research performers?

F&A Reform

- Increase the 26% cap on administrative costs
- Pay the full negotiated F&A rate, as required by Circular A-21
- Allow direct charging of certain activities to grants
- Examine how F&A rates are negotiated and if there are inequities within and between auditing agencies
- Create a new compliance cost pool
- Disengage F&A payment from grant

Discussion and Q&A