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From: Brian Prindle [prindle@ufl.edu]
Sent: Monday, October 06, 2003 3:52 PM
To: NSTC_RBM
Cc: Tom Walsh
Subject: NSTC Response.doc

October 6, 2003

Michael J. Holland
Office of Science and Technology Policy
1650 Pennsylvania Avenue, NW
Washington D.C.20502

Subject: NSTC Research Business Models Comment

Dear Dr. Holland:

The University of Florida is pleased to respond to the Office of Science and Technology Policy? s request for information as published in volume 68, number 151 of the federal register dated August 6, 2003.

A. **Accountability. What constitutes accountability for the Federally-supported research enterprise? How can performers best demonstrate results or return on Federal research investments? Please suggest mechanisms whereby research managers can more transparently demonstrate responsible use of public resources.**

Comment: The principal measure of accountability must remain focused on the research activities and outcomes. We advocate for open scientific communication. The federal government must continue to support this open and free ability for Investigators to exchange information and publish their findings.

Comment: Annual and Final technical reports delivered to program officers is an effective means by which grant performance can be measured.

Comment: Fiscal accountability is also very important and current practices of reporting expenditure information through the quarterly and final Federal Cash Transaction Report, SF 272. works well.

B. **Inconsistency of policies and practices among Federal agencies. Can you identify specific Federal policies and practices that if simplified would improve the efficiency and cost effectiveness of the research enterprise? Can the impact of inconsistent policies and practices among Federal agencies on the research environment be quantified? Among the variations in policies and practices, which practices appear to be the best? Why?**

Comment: The purpose of OMB Circular A-110 is to set forth standards for obtaining consistency and uniformity among Federal agencies in the administration of grants and agreements with institutions of higher education, hospitals, and other non-profit organizations. OMB in November 1993 issued a revised A-110 circular with instructions that each grant making federal agency codify this revision. The codification process resulted in at least 12 different

versions of OMB circular A-110 (refer to: http://www.whitehouse.gov/omb/grants/chart.html). Prior to 1993, universities worked with a single version A-110 now we must work with a dozen slightly different versions. The main target of agency variations is found in, section 25, entitled Revision of Budget Plan and Program Plans, where prior approvals such as no cost extensions, pre-award costs, carry forward, and A-21 are waived or not waived. For consistent management of grants, OMB should re-state section 25 and require all agencies to re-codify. One example of a clearly written section 25 was accomplished by the EPA, which could be used as the standard.

Comment: Lack of clarity about cost sharing and expectations is still a problem as many agency issue request for proposals or program guidelines that make ambiguous statements such as ?cost sharing is highly recommended? or ? cost sharing is strongly encouraged? with no further explanation as to how such cost sharing will be used in the award selection process. Funding announcements must make it clear that cost sharing is either an eligibility criterion only and/or is being used as a review criterion. Universities are not adverse to committing to cost sharing in grant applications when appropriate, but when we have accounting rules that penalize universities from cost sharing we are put in a position to strongly discourage cost sharing any project. These accounting rules need to be reviewed so that Universities are not penalized for cost sharing.

Comment: We see a growing number of special indirect cost rates that are being imposed upon grantees through special programs announcements. It would be preferred that all programs should use the Federal negotiated rates of an institution and not have selective programs with special rates.

Comment: The University of Florida uses multiple payment systems deployed by various federal agencies. A description of each is provided below. Having multiple payment systems has increased costs. For example we need a dedicated phone line and modem for the ONR EDI system. Initial costs were software, installation of modem and line, training. Recurring costs are monthly telephone service and maintenance on dedicated line, monthly costs of Value Added Network (VAN) service (~$500 per year) and annual software maintenance and license fee (~$500 per year).

Federal Agency	Required Payment System	Web Services?	Burden
Agency for International Development	Payment Management System (PMS) Web Site	Yes	The burden on our financial system includes the time consumed in maintaining multiple systems. Training and cross training for all the various systems requires extra time. Add'l time has been spent when agencies change from one system to another.
Department of Commerce	Financial Assistance Disbursement System (FADS) Web Site	Yes	
Department of Agriculture	Payment Management System (PMS) Web Site	Yes	
Department of Education	Grant Administration and Payment System (GAPS) via web	Yes	
Department of Energy	Automated Standard Application for Payment (ASAP)	No	
Department of Health and Human Services	Payment Management System (PMS) Web Site	Yes	
Environmental Protection Agency	Automated Standard Application for Payment (ASAP)	No	
Department of Interior	Payment Management System PMS) Web Site	Yes	
Department of Housing and Urban Development	Line of Credit Control System (LOCCS) voice response	No	

National Endowment for the Humanities	Faxed SF 270	No	
Department of Justice	Mailed SF 270	No	
Department of Labor	Mailed SF 270	No	
National Aeronautics & Space Administration	Payment Management System (PMS) Web Site Some branches not on PMS - require qtrly 272 mailed	Yes	
Department of Defense	ONR - Information Exchange System (IES) to draw and EDI-Eagle to send AFOSR - Mailed SF 270 ARO - Mailed SF 270 (unless preplanned schedule of pmts)	Yes No No	The ONR system requires us to buy expensive software with monthly charges.
National Science Foundation	Fastlane	Yes	

Comment: To promote cost efficiencies one payment system should be deployed for use by all federal agencies.

Comment: For an example of best practices of grant policies and procedures that would simplify, improve, and set forth consistency please review the Federal Demonstration Partnership and the FDP standard terms and conditions. Approximately 90 schools and 11 federal agencies are members of the FDP and we have accomplished streamlining and improving the federal/university research support relationship, which allows our Investigators to focus on the science of these projects. As an example FDP maintains a prior approval matrix (http://www.nsf.gov/pubs/fdp/fdpmatrix.xls) that is a very efficient tool used regularly in our grant administration business.

The National Science Foundation presents another best practice opportunity. The NSF has a complete suite of user friendly grant application guidelines, terms and conditions, and a full service electronic grant management system called FASTLANE.

C. Inconsistency of policies and practices among universities. Can you identify specific university policies and practices that if simplified would improve the efficiency and cost effectiveness of the research enterprise?

Comment: FDP identified inconsistent policies and practices between institutions when subawarding or subcontracting effort under a prime grant agreements was to occur. FDP over a two year period implemented a demonstrated that by using a FDP developed standard subaward template the award process was streamlined and administrative burden reduced dramatically. Below are some highlights of the FDP subaward project.

· 768 subawards using the model subaward agreement form have been issued
· 746 of these were issued without changes
· 11 cases required major changes to be negotiated prior to signature
· On average, institutions saved 21 pages per subaward issued
· 73% of those responding reported time savings

E. Regulatory requirements. Is there a more efficient approach to meeting the intent of the current suite of administrative requirements and regulations? Please provide examples.

Comment: An example of an efficient tool that is used regularly by our grant administration staff is The FDP prior approval matrix (refer to: http://www.nsf.gov/pubs/fdp/fdpmatrix.xls).

Comment: In 1996 Universities were required to submit a description of its cost accounting practices to the cognizant federal agency for approval. The document submitted is known as the DS-2. To date only a few schools have received an approval of their DS-2. The rest of us have been put on hold. A more efficient approach would have been to keep this as a disclosure document with no approval process. Cost savings and the burden of having to audit and approve the DS-2? s would have been relieved. Cognizant federal agencies are then free to audit the DS-2 of any institution when needed.

I. Information Technology. How has information technology impacted the efficiency, performance, or costs of research management? Are there data to demonstrate any effect?

Comment: In response to PL 106-107, agencies have independently developed electronic grant application systems that have resulted in inefficiencies and chaos. Many of these systems by-pass the institutions sponsored research offices where Institutional Approval is obtained prior to submission of a grant application. This indicates a lack of understanding of research administration by agency system developers. Institutional costs associated with maintaining these different systems are high. We absorb paying for training of faculty and staff, upgrades for software and hardware, and on-going maintenance of multiple systems.

Comment: Provide a common system, which takes advantage of the best aspects of systems, such as NSF? s FastLane. Allow continuous input for both the users and the participating agencies to continually improve the system. Stagger deadlines so as to not overload the systems and, if overload occurs, provide for some flexibility to avoid penalizing the users. Do not allow grant application deadlines to be published that are beyond the close of business (normally 5PM). As an example, one federal agency recently had a published deadline of 12:00 midnight. One investigator at the University insisted someone be available for assistance if they had trouble with the e-application system. We had to respectfully say they were on their own at such a late hour. The point being, faculty and staff should not be put into such a situations.

Comment: It appears that the concepts of the Federal Commons now know as Grants.gov is still not being fulfilled. There are a multitude of committees at various levels working on policy and oversight, business practices and standards and various demonstration projects. It is not clear how all the information and the results are being developed so that there is no confusion in the user community about the various approaches to electronic research administration, there are fewer independent systems, there are uniform data standards, and costs are not prohibitive.

J. Technology transfer optimization. Are data available to examine whether intellectual property and patent agreements have changed relationships among universities, industry, and the government?

Comment: We would recommend use of the Association of University Technology Manager (AUTM), which collects and publishes annual statistical reports that provide this information and much more.

Sincerely,

Dr. Thomas E. Walsh
Director of Research and Compliance
University of Florida