
Task Force on Cost Principles for Educational Institutions (“A-21 TF”)

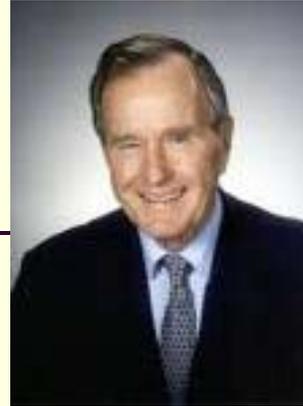
Sally Rockey, NIH

Mark Herbst, DoD

Gilbert Tran, OMB

September 15, 2011

Two dozen years ago . . .



“...The university research effort has been made more cumbersome and costly than it needs to be by excessive or unnecessary administrative requirements. The growth of these requirements has been compared to the geological process of sedimentation: Over time, the layers gradually solidify into nearly impenetrable rock – or in this case, red tape ...”

“... Recently, . . . efforts within the federal government have aimed at cutting away the bureaucratic accretion . . . “

“... The point of this deregulation . . . is not just money, but the productivity of our research effort.

Then-Vice President George H.W. Bush, speaking at Yale University, New Haven, Connecticut, August 7, 1987.

About one dozen years ago . . .



From E.O. 13185, “To Strengthen the Federal Government-University Research Partnership” and the 1999 NSTC report that it cites:

“... In order to reaffirm and strengthen this partnership, this order sets forth the following guiding and operating principles that are fully described in the April 1999 National Science and Technology Council report, “Renewing the Government-University Partnership ...”

“Accountability and accounting are not the same.

“The principal measure of accountability must be research outcomes: have the researchers carried out a program of research consistent with their commitment to the government. Financial accountability is also important and should assure research sponsors that Federal funds have been used properly to achieve the goals of the research in a cost effective manner...”

Speech at NAS 2009 and Repeated at 2011 State of Union



"We will not just meet, but we will exceed the level achieved at the height of the space race, through policies that invest in basic and applied research, create new incentives for private innovation, promote breakthroughs in energy and medicine, and improve education in math and science. This represents the largest commitment to scientific research and innovation in American history."

Presidential Memorandum on Flexibilities, February 28, 2011

“Federal program requirements over the past several decades have sometimes been onerous, and they have not always contributed to better outcomes. With input from our State, local, and tribal partners, we can, consistent with law, reduce unnecessary regulatory and administrative burdens and redirect resources to services that are essential to achieving better outcomes at lower cost. This is especially urgent at a time when State, local, and tribal governments face large budget shortfalls and American taxpayers deserve to know that their funds are being spent wisely.”



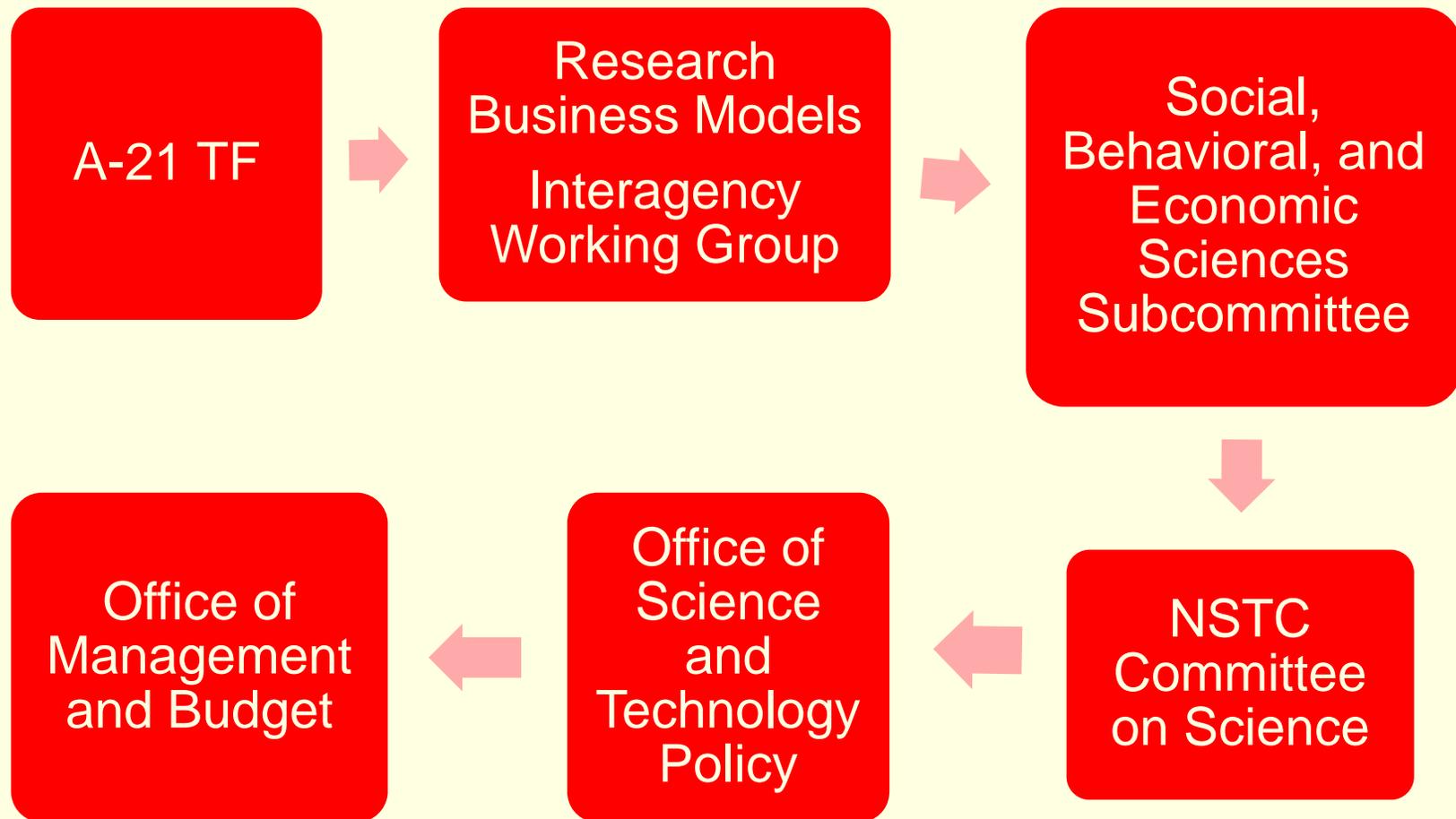
A-21 TF Participation

- USDA
- DoD (OSD, ONR)
- DoE
- DoEd
- DHHS (OS, NIH, DCA)
- NASA
- NSF
- OMB (OFFM, RMOs)
- OSTP

A-21 TF Purposes

- Purposes from charter include:
 - Recommending A-21 revisions and clarifications to reduce compliance costs, administrative burdens.
 - Proposing mechanisms to standardize reporting and other requirements across agencies.
 - Suggesting options for communications among agencies and educational institutions to:
 - Revisit A-21 as research enterprise changes.
 - Ensure uniform A-21 implementation rules.
- Given Presidential memo, interpreted the charge to broadly include drivers for costs and burdens

Path for Recommendations



Timeframes



Phase 1

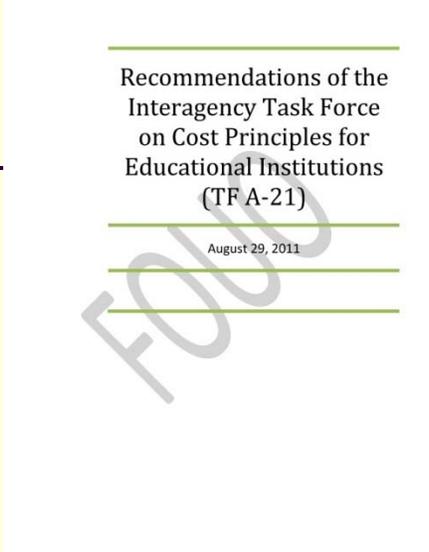
- Late April -- Chairs identified
- Early May -- TF formed
- June 16 -- Charter signed
- June 28 -- RFI issued
- July 28 -- Comments received
- Aug 4 -- Recommendations to RBM
- Aug 24 -- Recommendations to OMB

Phase 2

- Aug 18 -- Began work
- Dec 15 -- Target for recommendations to RBM

Phase 1 Strategy

- Used available documents from:
 - University associations
 - FDP
 - GAO
- Added members (e.g., DCA) or consulted others (e.g., single audit policy experts), as needed
- Developed issues, recommendations
- Submitted in August recommendations validated with RFI comments received just before submission



Recommendations of the
Interagency Task Force
on Cost Principles for
Educational Institutions
(TF A-21)

August 29, 2011

Phase 2 Strategy

- Use comments from
 - 117 universities and university departments
 - 6 associations of universities, researchers, libraries
 - 3 hospitals and hospital systems
 - 25 individuals, including researchers
- Consult others (e.g., OIGs, procurement community)
- Submit recommendations for NSTC/OSTP clearance in time for leadership use in early 2012

Areas of Review

- Effort Reporting
- F&A Rate Setting Practices
- Federal Audit Coordination
- Subrecipient Monitoring
- Utility Cost Adjustment
- Agency or Program Limitations on F&A reimbursement
- Cost Sharing Policy
- Direct vs Indirect Charging of Administrative Costs
- Agencies' Regulatory Implementation of Federal Requirements
- Pre/post Award Reporting Streamlining