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# Capitalizing on Regulatory Reform to Reduce Administrative Burden

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# Panelists

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- **Jeremy Forsberg**  
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# Key Reports and Initiatives

- Federal Demonstration Partnership (FDP) faculty burden survey (2005 and 2012)
- National Science Board (NSB) report “Reducing Investigators’ Administrative Workload for Federally funded Research” (2014)
- National Academies of Science (NAS) report, “Optimizing the Nation’s Investment in Academic Research: A New Regulatory Framework for the 21st Century” (2016)
- University Regulations Streamlining and Harmonization Act of 2016 (H.R. 5583)
- Promoting Biomedical Research and Public Health for Patients Act
- Government Accountability Office (GAO) report, Federal Research Grants: Opportunities Remain for Agencies to Streamline Administrative Requirements

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# Highlights of Key Reports and Initiatives

- **FDP Faculty Workload Survey**
  - PIs estimated that an average of 42% of their research time is spent on administrative tasks (most time spent on proposal preparation and post-award administration)
- **NSB Report on Reducing Administrative Burden**
  - Provided recommendations to reduce burden in several key areas including proposal development, award administration and regulatory areas such as IRB, IACUC and COI
  - Recommendations were directed to both federal agencies and institutions
  - “a culture of overregulation has emerged around Federal research, which further increases their administrative workload, ” **and universities may balk at changes due to “institutional concerns about liability.”**

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# Highlights of Key Reports and Initiatives

- **National Academies of Science report**
  - Continuing expansion of federal regulations and requirements is diminishing effectiveness and return on investment of research
  - Recommends creating a Research Policy Board comprised of all stakeholders to harmonize and streamline policy requirements
  - Create a permanent position within Office of Science Technology Policy to facilitate strong ties between the research community, OMB, federal research agencies, OIG and Congress

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# Highlights of Key Reports and Initiatives

- **University Regulations Streamlining & Harmonization Act**
  - Creates a research policy board
  - Eliminates duplicative monitoring related to collaborations between US universities
  - Increases micro-purchase threshold from \$3K (Uniform Guidance) to \$10K
  - Creates a scientific database containing standard biographical information on researchers
  - Requires IG reports to Congress to include the cost to perform the audit as well as improve IG ability to influence policy at the federal agency
  - Requires OMB to make data-driven decisions related to 'form completion' times
  - Adds a requirement to an existing committee within OTSP to improve coordination between agencies related to open access policies of the agencies

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# Highlights of Key Reports and Initiatives

- Promoting Biomedical Research and Public Health for Patients Act
  - **Directs Secretary of HHS to:**
    - Lead a review of all regulations and policies to harmonize policies and reduce administrative burden
    - Implement measures to reduce administrative burdens related to subrecipient monitoring including, as appropriate, measure to exempt monitoring subrecipients subject to single audit
    - Evaluate financial expenditure reporting procedures and requirements for recipients of NIH funding to avoid duplication and minimize burden
    - The Director of NIH partner with the Secretary of Agriculture and Commissioner of FDA to complete a review of regulations and policies governing animal research and make revisions to reduce administrative burden while maintaining protections
    - Clarify flexibility for documenting personnel expenses under the Uniform Guidance
    - The OMB Director shall establish a Research Policy Board made up of both federal and non-federal members including representatives of academic and non-profit research institutions to modify and harmonize research regulations and policies

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# Highlights of Key Reports and Initiatives

- GAO report:
  - Directs heads of federal funding agencies to identify additional areas to standardize requirements
  - Reduce pre-award administrative workload and costs particularly for applications that do not result in awards
  - Better target requirements on areas of greatest risk



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# COGR Survey to Reduce Burden

- **Possible areas to reduce administrative burden**
  - Animal research/IACUC
  - COI
  - Human subject research/IRB
  - Financial Management
  - Proposal development/approval processes
  - Lab safety/radiation/biosafety

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# Balancing Compliance and Audit Risk

- Informed risk-based decisions
- Risk tolerance of institution
- One audit does should not set precedence
- Compliance vs. audit risk
  - Over prescribed policies and procedures
  - Focus on Key Controls
- Creating a culture of compliance through service
  - Training
  - Outreach to researchers

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# Strategies

- Improve and streamline business processes
- Modify policies/procedures that exceed regulatory requirements
- Develop/strengthen post-approval monitoring to focus on areas of higher risk
- Partner with other institutions to share best practices

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# An Example

- Alternative to effort reporting

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# FDP Project Certification Pilots

- Developed under Circular A-21 as an alternative to effort reporting
- 4 pilot schools:
  - Michigan Tech
  - George Mason University
  - UC Irvine
  - UC Riverside
- Audit findings of the pilots related to institution not following its own policy – methodology of project certification was acceptable

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# FDP Pilot Data

University	Individual Effort Reports Certified	Payroll Confirmed by Individual Projects
George Mason Univ.	2,700 / yr	700 / yr
Michigan Tech Univ.	6,700 / yr	700 / yr
Univ. of CA - Irvine	10,500 / yr	1,400 / yr
Univ. of CA - Riverside	5,058 / yr.	752 / yr

# Compensation Methodologies

## Effort Reporting

**Certifying individual's percentage of effort is reasonable based on overall compensated effort**

## Payroll Review by Project

**Certification, confirmation, or approval that all salaries/wages charged to the award are reasonable based on work performed based on a specific university interval.**

## Payroll as part of a System Internal Controls

**A system of Internal Controls provide reasonable assurance payroll charged is reasonable for the work performed.**

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# Model Policy Development to Reduce Administrative and Faculty Burden

- Research project funded by the National Council of University Research Administrators (NCURA) (Mosley (PI), Forsberg, Ngo)
- Creates a cohort of universities to develop efficient and effective model policies, procedures, and practices designed to reduce administrative burden for both faculty and the institution
- Measure effectiveness and impact of documents created by the cohort
- Estimate cost savings of the institution



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# Areas of Focus

- Alternatives to effort reporting
- Federal Information Security Management Act (FISMA)

# Cohort Members for an Alternative to Effort Reporting

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Arizona State University	University of Connecticut
Arkansas Tech University	University of Florida
Boston College	University of Idaho
California Institute of Technology	University of Maryland
Case Western Reserve	University of Minnesota
Chapman University	University of Pennsylvania
Emory University	University of San Diego
Georgia College & State University	University of Texas – Arlington
Georgia Southern University	University of Texas - Austin
Indiana University	University of Texas – Dallas
Northern Arizona University	University of Texas – El Paso
Northwestern University	University of Texas Medical Branch
Nova Southeastern University	University of Texas – San Antonio
Ohio State University	University of Texas – HSC – Houston
Rutgers University	University of Texas SW Med Ctr
Santa Clara University	University of Virginia
Southern Illinois University Edwardsville	University of West Georgia
University of Arizona	University of Wisconsin – Milwaukee
University of Chicago	Washington State University

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# Documents Available

- Executive summary of regulatory changes for compensation
- White Paper on Alternatives to Effort Reporting
- Summary of Key Reports and Initiatives for reducing administrative burden
- Examples of implementation guidance at University of Texas Southwestern (UTSW)
- National Model Policy for Compensation (in Development)
  
- Cohort Member Only Documents:
  - Policy Matrix for FDP Pilots and recommendations to achieve compliance
  - Internal Control Framework for compensation
  - Analysis of FDP Pilot OIG Audits

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# Interesting Data Points – Cohort Survey

- **77%** are investigating options
- **16%** have selected an alternative
- **7%** have already made the transition
  
- **15%** will transition in next 6-9 months
- **37%** will transition in next 9-18 months
- **15%** will transition in next 18-24 months
- **33%** will transition in more than 24 months

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# Interesting Data Points (continued)

- Of those planning to choose an alternative:
  - 48% plan on payroll certification by project (FDP pilot model)
  - 28% plan to rely solely on internal controls
  - 24% plan on traditional project certification based upon a standard institutional cycle (not project based)
  
- Primary concerns to implement an alternative to effort reporting:
  1. Untested audit environment
  2. Inadequate internal controls
  3. Resources needed to make the change
  
- Primary motivators to implement an alternative to effort reporting:
  1. Reduce administrative burden on faculty
  2. Reduce administrative burden on institution
  3. Reduce audit risk
  4. Increase compliance with Uniform Guidance

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# State of Transition

- UTSW – 9/1/16, Internal Controls (series of confirmation)
- ASU – January 2017, Internal Controls (negative confirmation)
- UTA – 2/1/2017, Federal Project based payroll confirmation

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Information on the Cohort: [www.researchadmin.asu.edu/cohort](http://www.researchadmin.asu.edu/cohort)

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# Thank you

