

National Dialogue on Reducing Administrative Burden in the Conduct of Research

In [2005](#) and [2012](#), two Federal Demonstration Partnership (FDP) surveys of principal investigators (PIs) with federally sponsored research projects found that PIs spend, on average, 42% of their research time on administrative tasks. This administrative workload is negatively affecting the conduct of science and is disproportionate to the accountability and transparency necessary to manage federal funding.

The [Uniform Guidance \(2 CFR Part 200\) administrative requirements, cost principles and audit requirements for Federal awards \(UG\)](#) was developed in part to streamline federal policies and agency requirements to reduce the administrative burden placed on faculty conducting research at institutions of higher education. The Federal Register, volume 78 #248 (12/26/13) lists in the preamble to the UG many statements that support this objective:

I. [UG Objectives and Background:](#)

*“These reforms complement targeted efforts by OMB and a number of Federal agencies to reform overall approaches to grant-making by implementing innovative, outcome-focused grant-making designs and processes in collaboration with their non-Federal partners, in accordance with OMB guidance in M-13-17 Next Steps in the Evidence and Innovation Agenda. **This new guidance plays an important role in fostering these and other innovative models and cost-effective approaches by including many provisions that strengthen requirements for internal controls while providing administrative flexibility for non-Federal entities.** ... This guidance will provide a backbone for sound financial management as Federal agencies and their partners continue to develop and advance innovative and effective practices.”*

*“This reform of OMB guidance will improve the integrity of the financial management and operation of Federal programs and strengthen accountability for Federal dollars by improving policies that protect against waste, fraud, and abuse. **At the same time, this reform will increase the impact and accessibility of programs by minimizing time spent complying with unnecessarily burdensome administrative requirements, and so re-orient recipients toward achieving program objectives.**”*

“As set forth in [Executive Order 13563](#) of January 18, 2011, on [Improving Regulation and Regulatory Review](#) (January 21, 2011), each Federal agency must tailor its regulations to impose the least burden on society, consistent with regulatory objectives, taking into account, among other things, and to the extent practicable, the costs of cumulative regulations. To that end, it is important that Federal agencies identify those rules that may be outmoded, ineffective, insufficient, or excessively burdensome, and modify, streamline, expand, or repeal them in accordance with what has been learned. This was reinforced in [Executive Order 13579](#) of July 11, 2011 on Regulation and Independent Regulatory Agencies ([76 FR 41587](#) July 14, 2011; <http://www.gpo.gov/fdsys/pkg/FR-2011-07-14/pdf/2011-17953.pdf>).”

“As in other areas involving Federal requirements, this guidance follows OMB's commitment to making government more accountable to the American people while eliminating requirements that are unnecessary and reforming those requirements that are overly burdensome. Eliminating unnecessary requirements will allow recipients of Federal awards to re-orient efforts spent on compliance with complex requirements towards achievement of programmatic objectives. In order to ensure that the public receives the most value, it is essential that these programs function as effectively and efficiently as possible, and that there is a high level of accountability to prevent waste, fraud, and abuse.”

II. Major Policy Reforms:

“Section 200.430 Compensation Personal Services strengthens the requirements for non-Federal entities to maintain high standards for internal controls over salaries and wages while allowing for additional flexibility in how non-Federal entities implement processes to meet those standards. In addition, it provides for Federal agencies to approve alternative methods of accounting for salaries and wages based on achievement of performance outcomes, including in approved instances where funding from multiple programs is blended to more efficiently achieve a combined outcome.”

Compared to OMB A-21, the UG allows for additional flexibility in how entities implement processes to meet the accounting standards for compensation. The UG removed: specific examples of appropriate methodologies that supported “effort reporting”, prescribed effort certification/reporting time periods, specification on who must certify/document compensation costs, and certain concepts of independent evaluation. Although there is added emphasis on having a system of internal controls that reasonably reflects work performed, the concept of “effort” reporting is now one of many methods for charging salary to federal projects.

These changes have effectively removed the confusing concept of faculty reporting and certifying their “effort” and set pathways for alternative methods for charging salaries to the federal government.

The [National Science Board \(NSB\) March 10, 2014 report *Reducing Investigators’ Administrative Workload for Federally Funded Research*](#) confirmed that “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.”

In 2015, the National Academies of Science also recently published a report entitled, [Optimizing the Nation’s Investment in Academic Research: A New Regulatory Framework for the 21st Century, Part 1](#), that highlights the overregulation of federal research dollars, where “resources that should be going to education and research are diverted to less productive activities.” This report concluded that “some of this duplication results from a lack of clear compliance standards.”

Representative Dan Lipinski proposed legislation, the *University Regulation Streamlining and Harmonization Act of 2016* which would advance a number of important recommendations from the recent National Academies report, *Optimizing the Nation’s Investment in Academic Research*. This includes a Research Policy Board that would be tasked with promoting a comprehensive approach to regulating the academic research enterprise, including coordination of new and existing regulations, policies, and guidance and identification of ineffective and burdensome regulations and policies, and would provide guidance on regulations and policies that federal agencies expect to propose or issue each fiscal year.

The proposed legislation would exempt prime grant-receiving institutions from monitoring a subrecipient’s single audit, institutional systems and business practices for subrecipients subject to single audit; raise the micro-purchase threshold for procurement; create a

shared federal database of researcher information; require periodic OMB review of the accuracy of Paperwork Reduction Act estimates; harmonize public access policies; and, would require agency inspectors' general to include in their Semiannual Report to Congress a total estimate of the costs incurred for audit, including the cost to the university and the federal government, the total amount of questioned costs and the total amount paid by the institution following audit resolution.

On 3/31/2016, Senators Alexander and Murray introduced a bill, [Promoting Biomedical Research and Public Health for Patients](#), to streamline administrative requirements, eliminate unnecessary administrative burdens (i.e. inconsistent or duplicative reporting) and focus on scientific outcomes for NIH.