

The COGR 2023 F&A Survey

Preliminary Results

June 2023 COGR Meeting

Presenters:

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Maria Soliman, Director, Grant Accounting Office, University of Iowa

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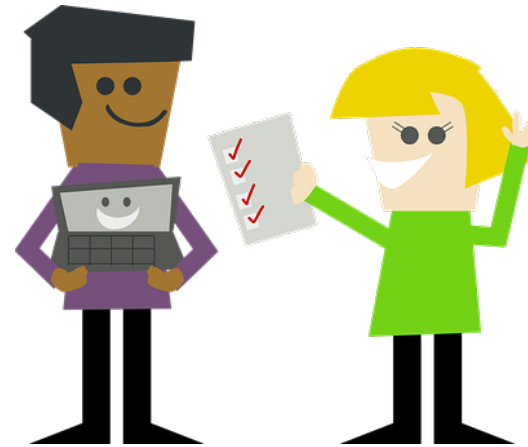


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Agenda

- ✓ 2023 F&A Survey Overview
- ✓ Preliminary Findings
 - *Metrics & Characteristics of Survey Data*
 - *F&A Cost Rates, Trends & Lots of Numbers*
 - *Institutional Policies, and More*
- ✓ Cost Burden ... & Advocacy



2023 F&A Survey Overview

- Prior F&A survey conducted in 2016-2017
- 2023 conducted from January to April 2023
- 119 respondents
- ***Final reports to be behind COGR firewall***
- ***Public facing reports in aggregate and de-identified***
- Institutional resource role of the Survey: Benchmarking!
- Advocacy role of the Survey:
 - Document the subsidy (e.g., “over the cap”)
 - Tie to “Cost of Compliance” surveys (Research Security, DMS)
 - Inform 2 CFR 200 revisions

Data Metrics & Characteristics

Public/Private

CAS Region/ONR

Geographic Region

University/Nonprofit

Federal Research Volume

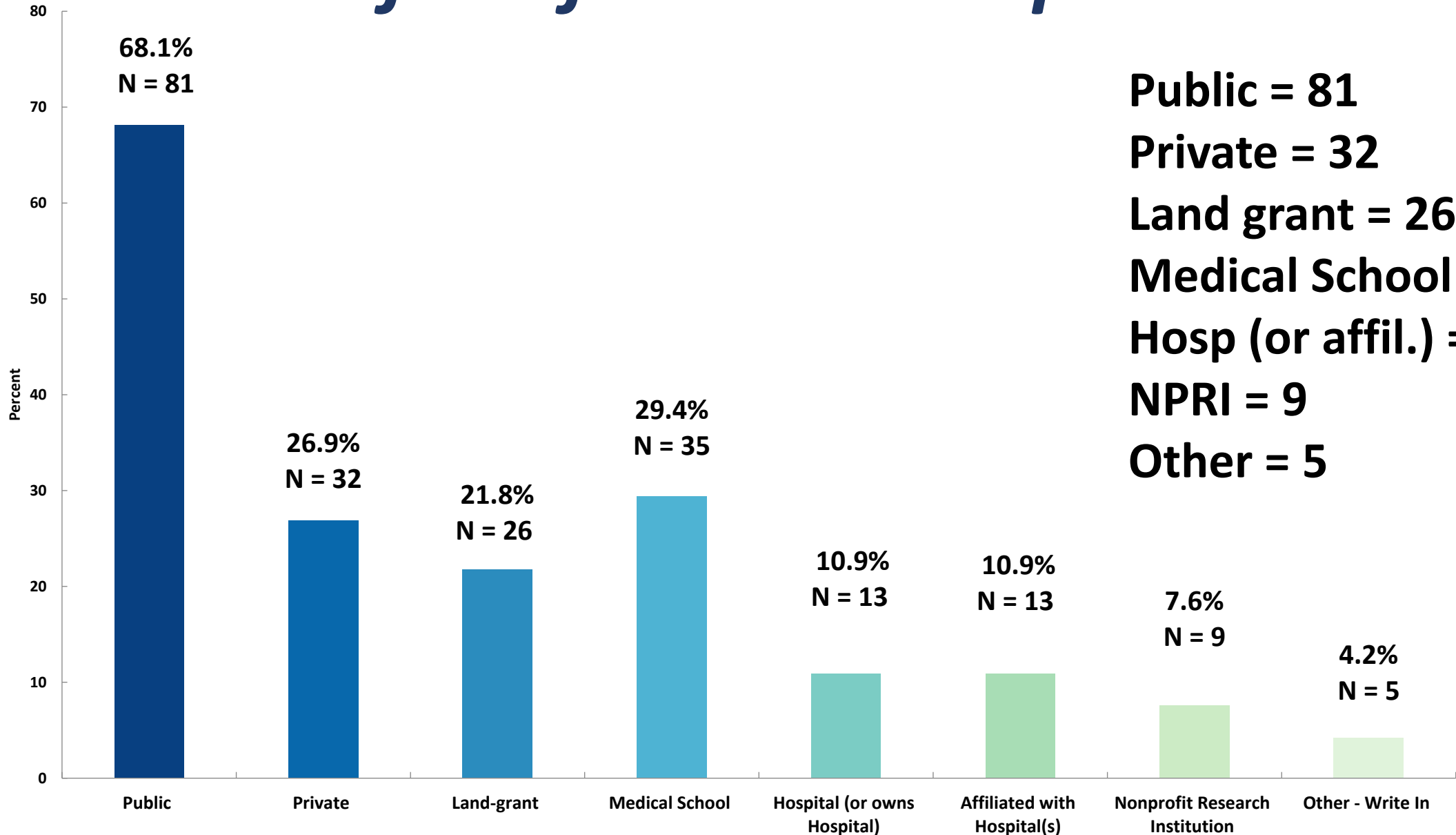
With Medical School

With Medical Hospital

Land grant

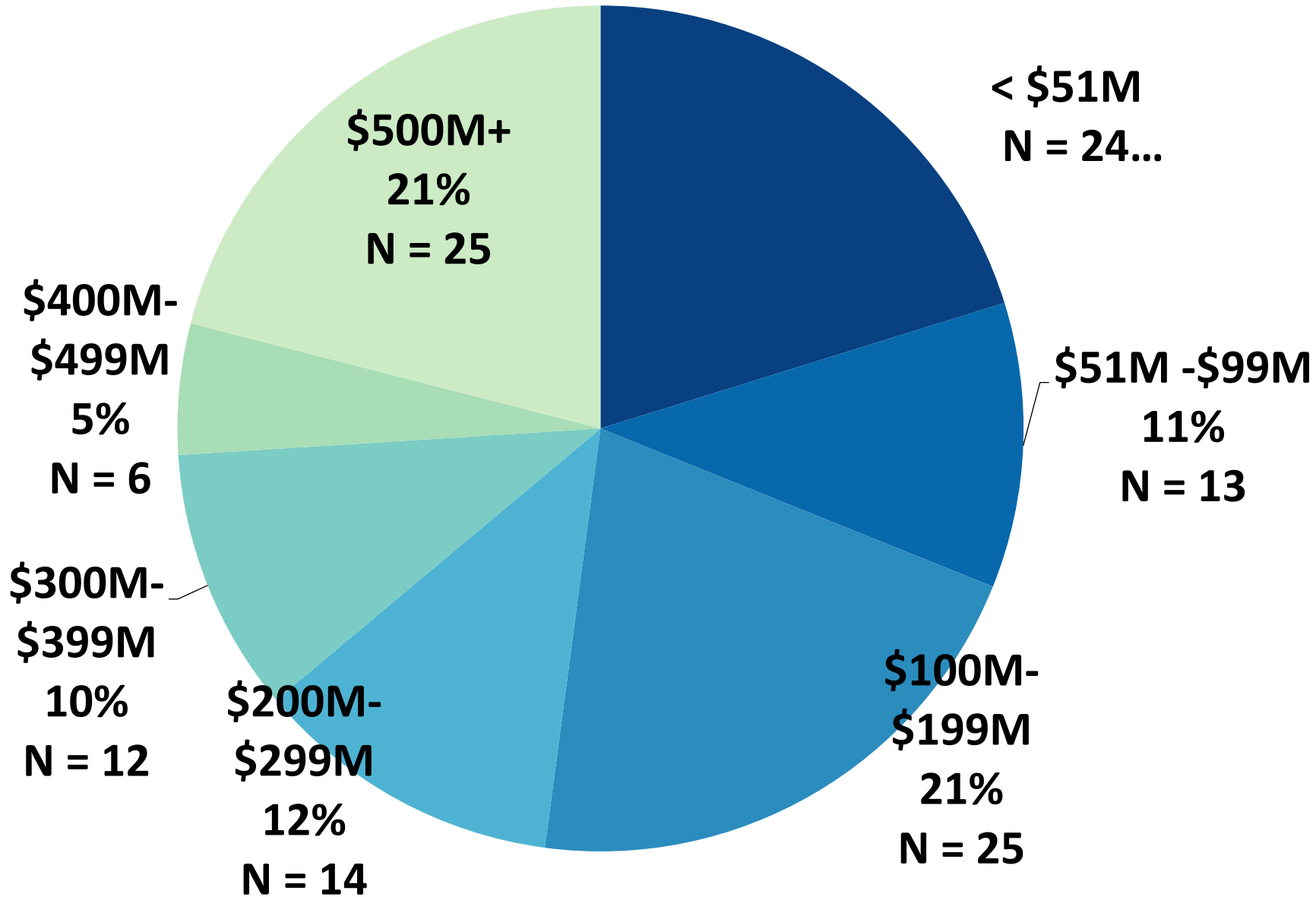


Profile of the 119 Respondents



Public = 81
Private = 32
Land grant = 26
Medical School = 35
Hosp (or affil.) = 13
NPRI = 9
Other = 5

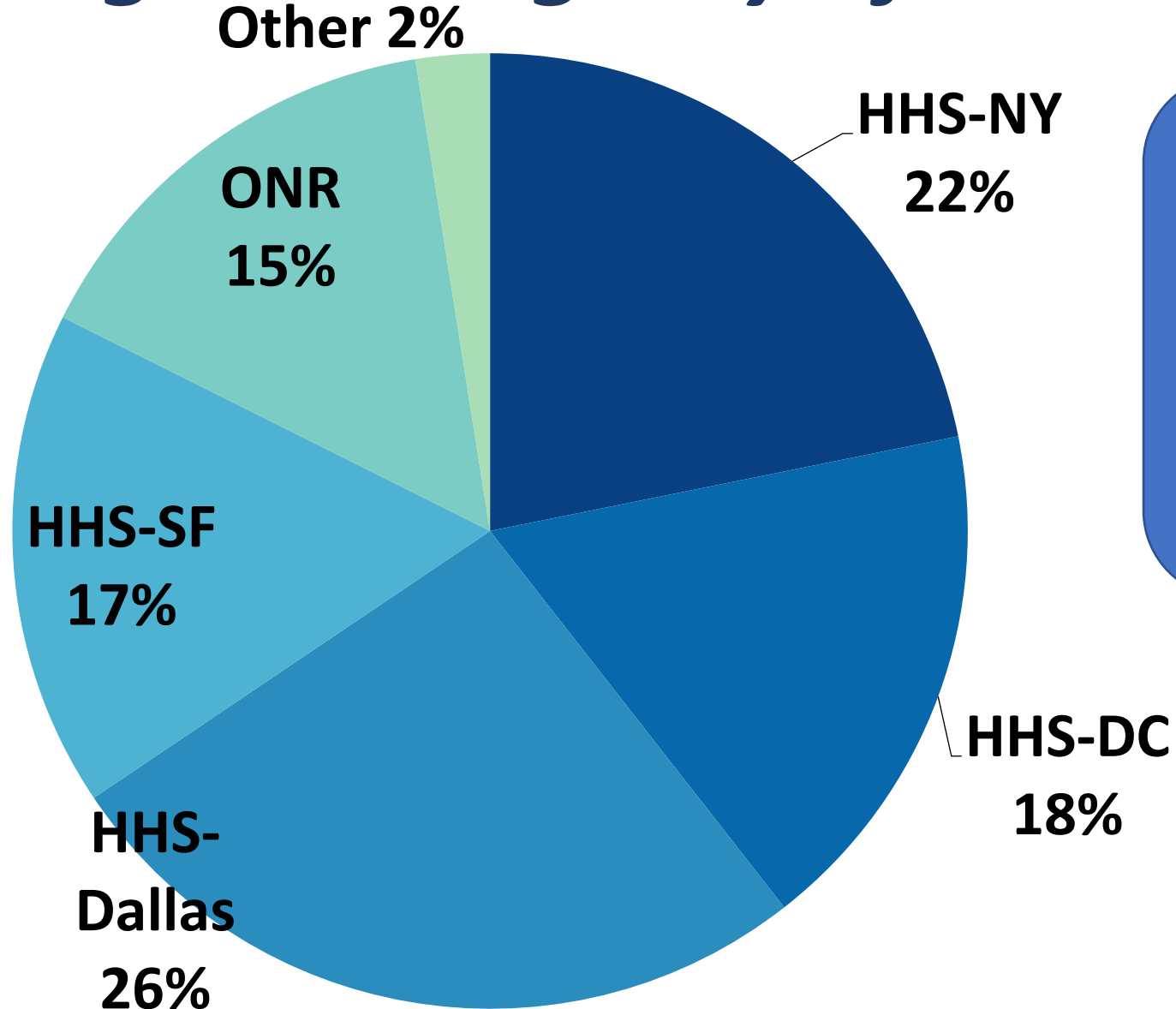
Federal R&D Expenditures (Annual)



NOTE: These ranges have been used in recent COGR analyses

< \$100 M, N = 37
\$100-\$199 M, N = 25
>= \$200 M, N = 57

Cognizant Agency of Rate Negotiation



HHS-NY, N = 26
HHS-DC, N = 21
HHS-Dallas, N = 31
HHS-SF, N = 20
ONR, N = 18
Other, N = 3

The Rate Negotiation Tsunami ...

*Most recent fully developed
F&A proposal*

Fiscal Year	Percent	#
FY 12	2.5%	3
FY 14	5.9%	7
FY 15	5.9%	7
FY 16	12.6%	15
FY 17	5.9%	7
FY 18	19.3%	23
FY 19	16.0%	19
FY 20	10.1%	12
FY 21	11.8%	14
FY 22	9.2%	11
FY 23	0.8%	1

*Base Year for the next
proposal due*

Fiscal Year	Percent	#
FY 22	14.4%	17
FY 23	33.9%	40
FY 24	20.3%	24
FY 25	13.6%	16
FY 26	7.6%	9
FY 27	0.8%	1
Other	9.3%	11

*Other = just submitted, still
negotiating, etc.*

F&A Cost Rates, Trends & Lots of Numbers

- Proposed Components
 - Facilities (all)
 - Administrative (all)
- Negotiated Rates
 - FY19 thru FY27
- “Over-the-Cap”
- Off campus definitions
- MTDC definitions
- F&A methodologies
- Issues raised at Negotiation



F&A Cost Rates by Fiscal Year

2023 Council on Governmental Relations - Survey of F&A Rates		CONFIDENTIAL AND FOR INTERNAL INSTITUTIONAL PURPOSES ONLY																	
COGR MEMBER INSTITUTION	Rate	Cog Agy	Neg Rgn	Pub Pvt	Med Sch	Lnd Grt	Hsp	Bs i	MTDC	ResASF	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY27	Notes
University of X	Res-OnCamp	HHS	DL	Pub				19	27,154,000	223,505	46	47	47	47	49	49	49	49	
University of X	Res-Off	HHS	DL	Pub				19	920,000		26	26	26	26	26	26	26	26	
University of X	OSA	HHS	DL	Pub				19	21,893,000		28	28	28	28	29	29	29	29	
University of X	Instruction - On Only	HHS	DL	Pub				19			55	55	55	55	55	55	55	55	
University of YZ	Res-OnCamp	HHS	SF	Pub				22	140,824,000	923,280	54	54	54.5	54.5	54.5				
University of YZ	Res-Off	HHS	SF	Pub				22	4,599,000		26	26	26	26	26				
University of YZ	OSA	HHS	SF	Pub				22	16,524,000		37.5	37.5	37.5	37.5	37.5				
University of YZ	Instruction-On Only	HHS	SF	Pub				22			51.6	51.6	51.6	51.6	51.6				
State University of Central	Res-OnCamp	HHS	DC	Pub		x		22	48,090,680	731,451	47.5	48	48	48	48				
State University of Central	Res-Off	HHS	DC	Pub				22	6,191,653		26	26	26	26	26				
State University of Central	OSA	HHS	DC	Pub				22	7,768,318		40	40	40	40	40				
State University of Central	Instruction-On Only	HHS	DC	Pub				22			51	51	51	51	51				
Private Green Univ.	Res-OnCamp	HHS	DC	Pvt	x			19	44166000	272212				50	51	52	52		
Private Green Univ.	Res-Off	HHS	DC	Pvt				19	107000				26	26	26	26			
Private Green Univ.	OSA	HHS	DC	Pvt				19	12052000				31	31	31	31			
Private Green Univ.	Instruction-On Only	HHS	DC	Pvt				19					38	38	38	38			
Private Green Univ.	IPA	HHS	DC	Pvt				19					8.7	8.7	8.7	8.7			



- ✓ XLS and “friendly”
- ✓ Sortable as needed
- ✓ Identified by Institution
- ✓ Kept in COGR Portal

Proposed vs. Current Rates

Scope	# of Institutions	Total Proposed Admin	Uncapped Proposed Rate	Current Negotiated Rate	Difference in Uncapped to Negotiated Rate
All	114	36.4%	70.7%	56.6%	14.1%
Public	77	35.5%	69.6%	55.0%	14.6%
Private	32	38.8%	73.7%	60.3%	13.4%
Med School	34	32.9%	68.5%	57.2%	11.3%
HHS	93	36.1%	71.2%	56.5%	14.6%
ONR	18	38.1%	69.3%	58.1%	11.2%

NOTE: All percentages represent averages for each cohort scoped
DRAFT Preliminary Data

Proposed vs. Current Rates by Fed R&D

NSF HERD - Federal R&D	# of Institutions	Total Proposed Admin	Uncapped Proposed Rate	Current Negotiated Rate	Difference in Uncapped to Negotiated Rate
<\$50M	23	42.2%	76.1%	54.1%	22.0%
\$51M-\$99M	13	38.8%	73.4%	55.7%	17.7%
\$100M-\$199M	24	37.6%	68.4%	55.0%	13.5%
\$200M-\$400M	24	33.4%	71.1%	59.5%	11.7%
\$>400M	30	32.5%	66.9%	58.1%	8.8%

***NOTE: All percentages represent averages for each cohort
Draft Preliminary Data***

Proposed Admin Components

Scope	# of Institutions	Proposed G&A	Proposed DA	Proposed SPA
All	114	9.74	17.23	8.97
Public	77	9.42	17.33	8.44
Private	32	9.81	17.54	10.57
Med School	34	8.09	17.54	7.09
HHS Cog Audit	93	9.39	17.32	9.29
ONR Cog Aud	18	11.58	16.59	7.37
<\$50M	23	10.86	16.72	15.46
\$51M-\$99M	13	11.20	17.47	10.11
\$100M-\$199M	24	10.92	16.18	9.00
\$200M-\$400M	24	9.56	17.08	6.60
\$>400M	30	7.46	18.48	5.61

NOTE: All data represent average % for each cohort. Does not include Other or Student Service Admin



History Check

2010 GAO Report: “University Research: Policies for the Reimbursement of Indirect Costs Need to Be Updated”



Estimated Mean of Proposed Rates for FY 2007:

- **DOD (ONR): 51.7% (15 Institutions) HHS: 53.4% (98 Institutions)**
- **Uncapped administrative rate: 30.9%.**
- **83% of Institutions exceeded the Administrative Cap**

The GAO recommended OMB to reexamine the 26% admin rate to ensure it “**achieves the appropriate level of cost control... that the government bears its fair share of total costs**”. The recommendation is ‘**Closed – Not Implemented.**’



OMB stated in 2012 they would NOT conduct a review. An OMB official believes the cap has helped the schools to be more efficient with their administrative effort.

COGR FY 2023 F&A Survey – Preliminary Data

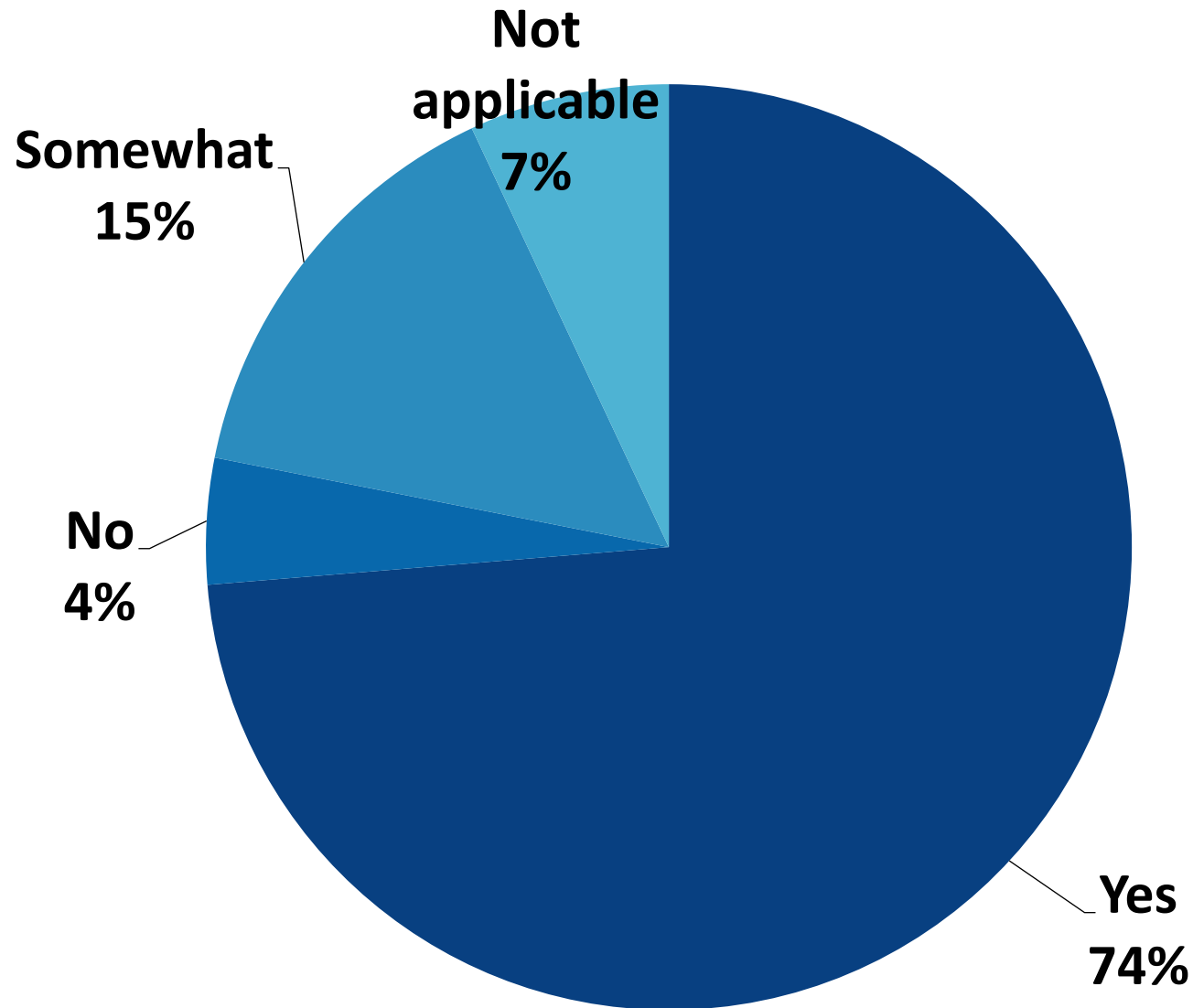
- **Average Capped Rate Proposed: ONR: 57.8% (18 Institutions) HHS: 62.3% (93 Institutions)**
- **Uncapped administrative rate: 36.4%**
- **100% of Institutions exceed the Administrative Cap (114 Institutions)**

Reality Check

<u>NSF HERD Federal R&D:</u>	<u><\$15M</u>	<u>\$15m to \$50M</u>	<u>\$50M to \$100M</u>	<u>>\$100M</u>	<u>TOTAL</u>
#TOTAL Institutions Reported	393	81	40	120	634
#HBCUs	36	11	1		48
#HSI	61	20	5	11	97
TOTAL FED R&D (billions)	\$ 1.35B	\$ 2.3B	\$ 2.9B	\$ 42.5B	\$ 49.1B
% FED R&D Funding	3%	5%	6%	87%	
% # of Institutions	62%	13%	6%	19%	
% # of MSI	67%	21%	4%	8%	
COGR FY23 SPA Proposed Avg. %:		15.46	10.11	9 - 5.61	8.97

Source: 2021 NSF Higher Education R&D Survey Table 22
(Federal R&D in millions)

Recent Negotiation: Fair and Reasonable?



Yes, N = 84
No, N = 5
Somewhat, N = 17
NA = 8

Institutional Policies, and More

Use of Consultants

In-house expertise

In-house staffing (FTEs)

Off-year calculations

DS-2 Status (and use of)

Clinical Trials and F&A

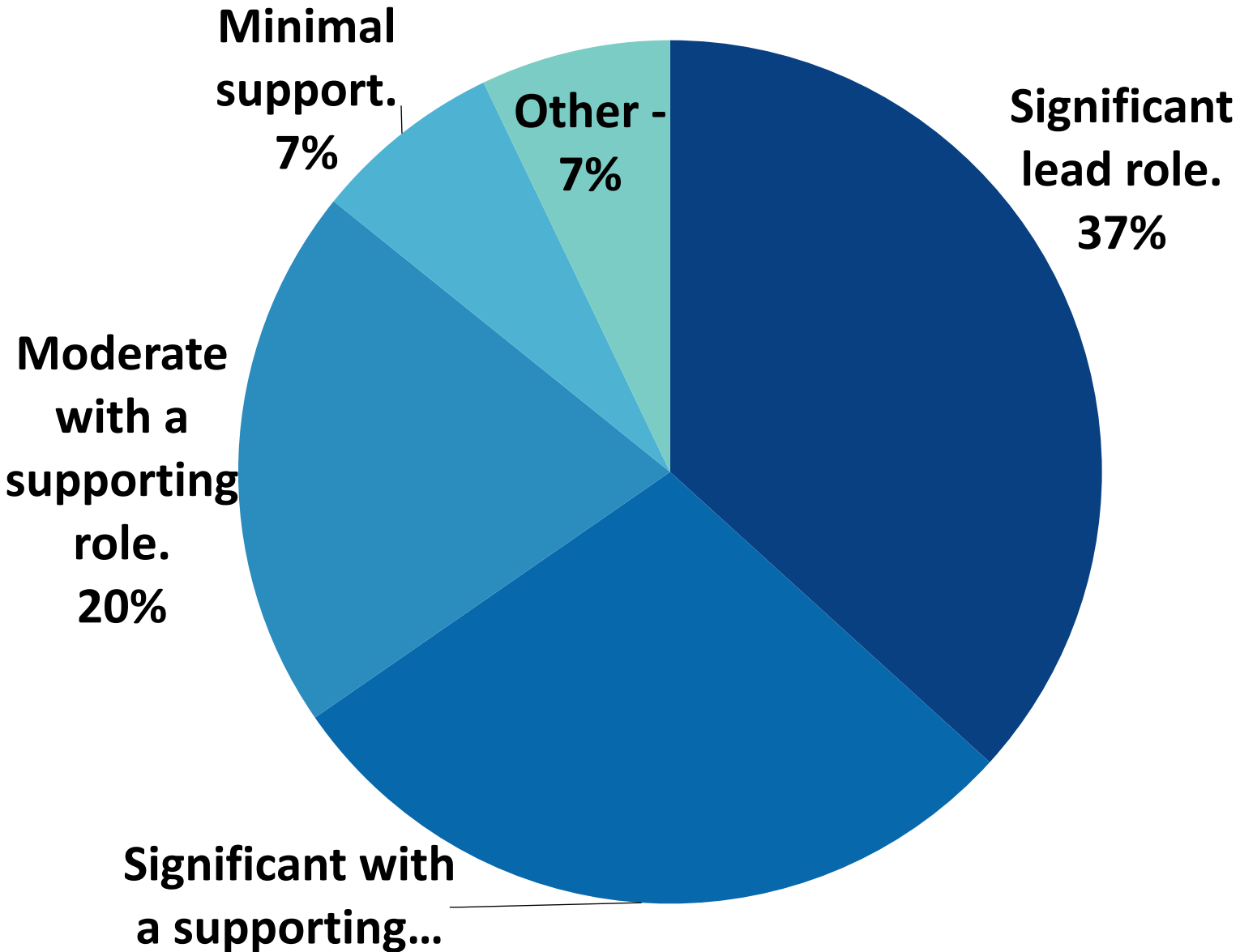
Charging benefits

F&A Waiver Policy

Effective F&A Recovery



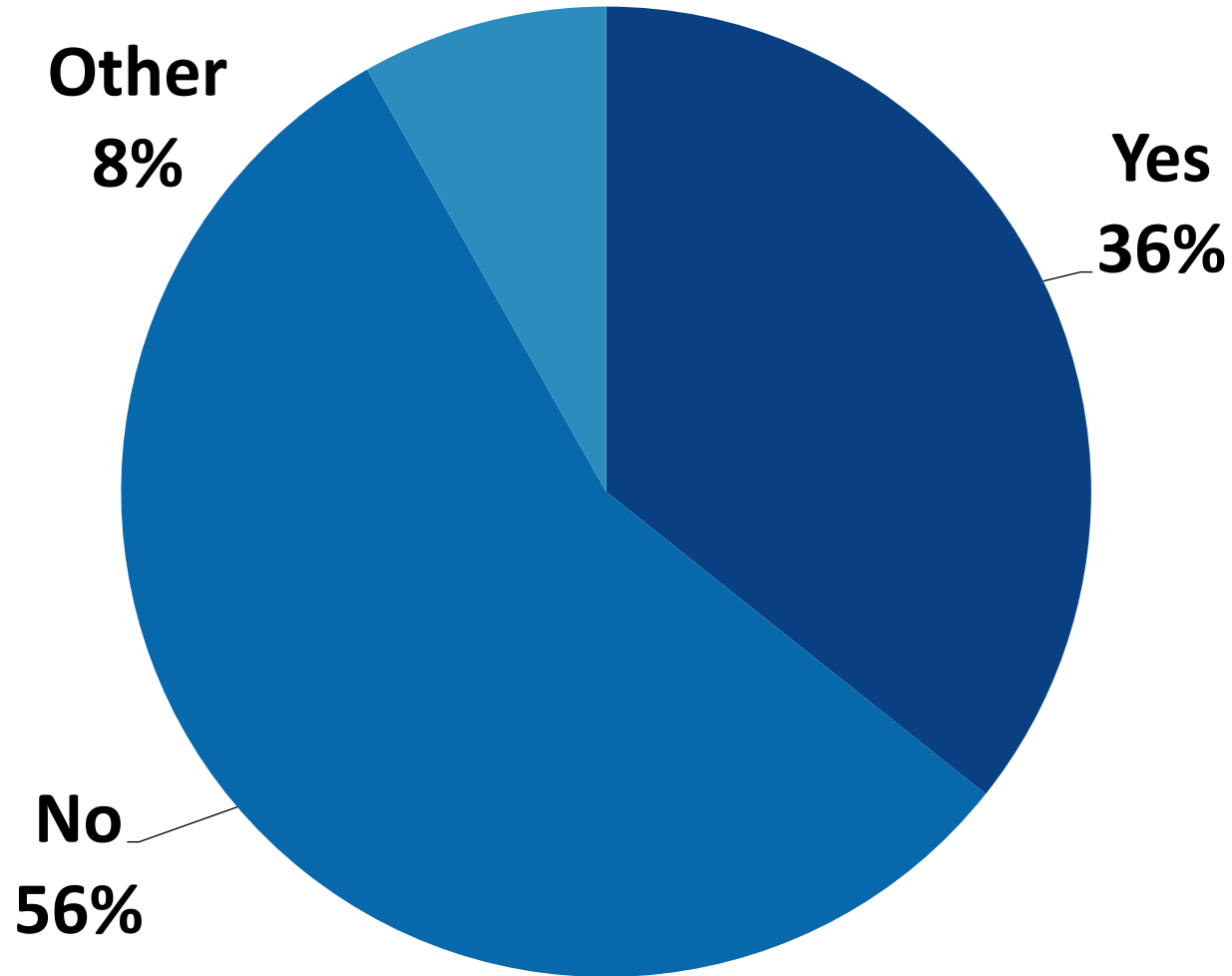
Role of Consultants in Most Recent Proposal?



Significant and lead, N = 35
Significant with supporting, N = 28
Moderate with supporting, N = 20
Minimal, N = 7
Other, N = 7

NOTE: Of original 119 respondents, 98 indicated "Yes, we use consultants," and 21 indicated "No."

DS-2 Requested in Past 5 Years?



Yes, N = 35
No, N = 55
Other, N = 8

NOTE: > 90 percent of "Yes" is single audit/and or a CAS/ONR inquiry.

Describe Your F&A Waiver Policy

(NOTE: multiple responses allowed for this question)

We allow waivers, but it requires specific steps to be taken (N=55)

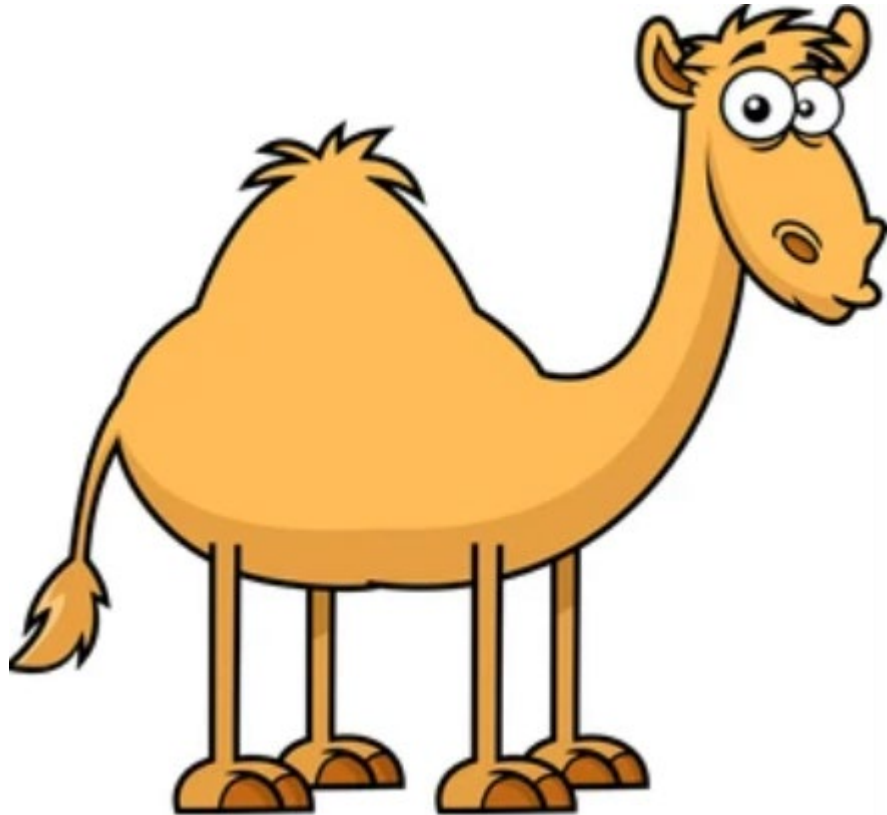
We allow waivers, but it is difficult to receive approval, and it is only done under special circumstances (N=45)

Other (e.g., Only President/designee has waiver authority, no formal policy/ad-hoc only, varies by school) (N=12)

We never allow (N=5)

Our policy is under review (N=2)

Cost Burden ... & Advocacy



*Is there a
straw that
will break
the camel's
back?*

Cost Burden ...

COGR's NIH Data Management and Sharing (DMS) and the Cost of Compliance Report (May 2023)

For mid-size to large research institutions, the annual projected cost impact is expected to exceed \$500,000 at the central administrative level, while also exceeding \$500,000 at the academic level —a total impact that exceeds \$1 million per institution.



... Cost Burden ...

COGR's Research Security and the Cost of Compliance, Phase I Report
(November 2022)

The projected year one average total cost per institution for compliance with the Disclosure Requirements, regardless of institutional size, is significant and concerning.

The figure ranges from an average of over \$100,000 for smaller institutions to over \$400,000 for mid-size and large institutions.



... Cost Burden ...

2021 Higher Education Research & Development (HERD) Survey
(December 2022)

*According to the National Science Foundation's National Center for Science and Engineering Statistics (NCSES), in FY2021, the total recovered indirect costs were **\$14.7 billion** (rounded) and the total unrecovered indirect costs were **\$5.9 billion** (rounded).*



... Cost Burden ...

For smaller and emerging research institutions, the cost burden will potentially become prohibitive to their continued participation in the federal research ecosystem ...

For mid-size research institutions, they will continue to participate, but may choose to retreat from conducting certain types of federally sponsored research ...

For large research institutions, most likely, they will continue full participation, but even they may choose to restructure the composition of their research portfolios ...

As for faculty, investigators, and those aspiring to be researchers, the ever-growing administrative burden required to conduct federally sponsored research has and will continue to lead some to seek other careers that are less complicated ...

And for the United States, our position as the global leader in science and technology will be challenged. Future generations of Americans will bear the cost—a less-creative, less-robust research enterprise that diminishes American ingenuity, imagination, and innovation.

... & Advocacy

- Harmonization across agency policies
- Rulemaking via the Administrative Procedures Act (APA), versus rulemaking by FAQ
- Common sense regulation, emphasizing principle over prescription
- 2 CFR Part 200 (Uniform Guidance)—Section 200.100(c): *“The [cost] principles are designed to provide that Federal awards bear their fair share of cost.”*
- And always ... partnering, anecdotes, etc.



FYI: COGR F&A Policy Page @ cogr.edu

The screenshot shows the COGR website interface. At the top left is the COGR logo with the tagline "An Association of Research Institutions". To the right is a search bar labeled "Search COGR..." and a "Search" button. Below the logo is a dark blue navigation bar with links for HOME, ABOUT, MEETINGS, POLICY ISSUES, RESOURCES, and CONTACT. The "POLICY ISSUES" menu is expanded, listing various topics such as COGR UPDATES, ADMINISTRATIVE BURDEN, DIVERSITY, EQUITY & INCLUSION IN RESEARCH, FINANCIAL MANAGEMENT & COMPLIANCE, INTELLECTUAL PROPERTY & INNOVATION, PROPOSAL & AWARD TERMS & CONDITIONS, RESEARCH COMPLIANCE, SCIENCE & SECURITY, and COVID-19 RESOURCES. The "F&A" option is highlighted in red. Below the menu is a large image of cherry blossoms with a text overlay: "Registration Now Open: COGR D.C. - Edit". To the right of the menu is a "LATEST NEWS" section with three news items, each with a date, an "Edit" link, and a brief description. The first news item is dated 5/30/2023 and is about COGR's response to an OSTP request. The second is dated 5/25/2023 and is about COGR's May 2023 update. The third is dated 5/11/2023 and is about survey results. Below the news section is a "Submit Joint Association" link. At the bottom right is the COGR logo.

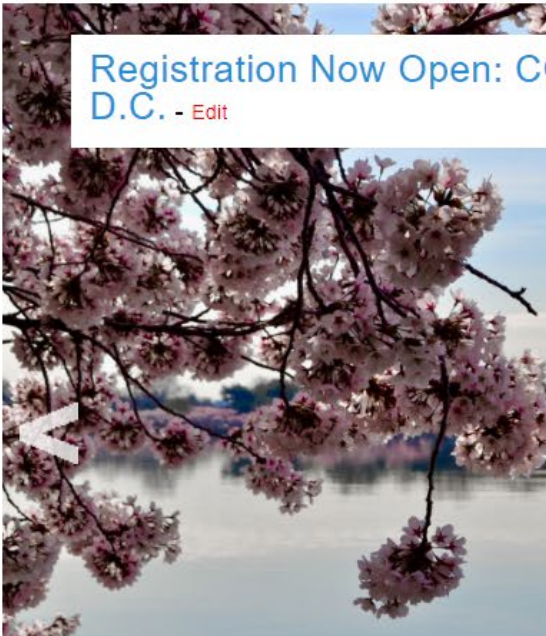
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- SCIENCE & SECURITY
- COVID-19 RESOURCES
- F&A**
- INFORMATION AND DATA RIGHTS & MANAGEMENT



LATEST NEWS

- 5/30/2023 - Edit**
COGR Responds to OSTP Request for Information: NSPM 33 Research Security Programs Standard Requirement (88 FR 14187)
- 5/25/2023 - Edit**
COGR's May 2023 Update
- 5/11/2023 - Edit**
Results from the COGR Survey on the Cost of Complying with the New NIH DMS Policy
- 5/5/2023 - Edit**
Preliminary Agenda Now Available: COGR's June 8-9, 2023 Meeting

- OTHER ISSUES/ADVOCACY
- F&A APPLICATION ISSUES
- F&A METHODS, NEGOTIATIONS, ETC.

Submit Joint Association
Logistics and
Agreement, and TRIPS

COGR