Cost of Compliance:

NSPM-33, New Disclosure Requirements, and Research Security Plans
Presenters:

- **Moderator:**
  - David Kennedy, V.P. & Director, Costing and Financial Compliance, COGR

- **Panelists:**
  - Gerald Mauck, Exec. Dir., Research & Sponsored Programs, University of Denver
  - Elizabeth Peloso, Assoc. V.P./Assoc. V. Provost, Research Services, University of Pennsylvania
  - Craig Reynolds, Assist. V.P. for Research-Sponsored Projects, University of Michigan
  - Jeffrey Silber, Sr. Director, Sponsored Financial Services, Cornell University
Cost of Compliance Survey & Methodology

- Survey of the 10 conducted from Dec. 2021 thru Feb. 2022
- Demographic Diversity
  - 4 Publics, 6 Privates
  - Federal Research: 6 > $500M; 2 at $150-$499M; 2 < $150M
  - 7 out of 10 affiliated with AMCs
- Part I: New/"clarified" disclosure requirements
  - Project for upcoming fiscal year (e.g., have you / will you hire?)
- Part II: Research security plans
  - Preliminary data and real time updates
Cost of Compliance Survey Results

• New hires, Disclosure Reqs? **YES**
  • 7 out of 10: one with six and one with five; ~ $90k to $130k

• Existing staff reallocation? **YES (Opportunity Cost)**
  • 10 out of 10: 5 to 30+ percent effort; ~ $75k to $250k+

• Other one-time and ongoing costs? **YES**
  • Pre-implementation: 9 out of 10; ~ 100 to 3,500 hours
  • IT investments: 6 out of 10; ~ $25k to $500k
  • Training: 9 out of 10; ~ $20k to $120k
  • Other Costs: legal, translation services, agency reqs, committees, etc.

• Faculty, PI, & School Burden? **YES (quantify/narrative)**

• Research Security Plan? **YES (and real time data)**
Major Themes from Survey Data: Panel Discussion

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<th>Leveraging Technology, Processes &amp; Systems</th>
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# Institutional Demographics

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For more information, please refer to the COGR Data Collection Guide.
Theme 1: Leveraging Technology, Processes & Systems

- Institutions have existing systems to support research (e.g., proposal submission and award management, Conflict of Interest, IRB, etc.)
- Efficiency can be created if information from diverse systems can be made available in one place, particularly for meeting disclosure requirements
- Institutions should evaluate current systems and processes and how they can be used as part of Research Security Programs
- Even leveraging existing systems comes with costs
Theme 2: People & Training

People
- New Staff
- Reassigned Staff

Training
- Development
- Delivery

Expectations for the Future
- Continued focus on disclosures
- New training materials for DPIs and Research Security Program

Costs for U-M
- New costs (new staff)
- Sunk costs (reassigned staff & training)
- Opportunity costs (real but difficult to quantify)
Theme 3: Size & Scope Matters

- **Risk evaluation**
  - Know your exposure
  - What is required (e.g. are you over $50M for security)
  - Target exposed areas

- **Resources (or lack of them...)**
  - Determine who has overall responsibility
  - Expanded scope in multiple positions/areas
  - Use systems when possible but often limited
  - Evaluate adding new resources for overall compliance

- **Education and training**
  - On-line education
  - Focused training in targeted areas

- **Reliance versus verification**
  - More emphasis on reliance (education and training)
  - Verification more difficult due to lack of resources
Theme 4: How Much will it Cost & How to Pay

• Costs
  • Additional staff
  • Tools, systems, services

• Funding Options
  • Direct charging
  • Indirect cost rate
  • Borne by institution

• Need to develop a good understanding of the costs so that institutions can engage with the federal government regarding funding avenues
Next Steps:

Expand Survey beyond the ten:
- New/”clarified” disclosure requirements
- Research security plan
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Ongoing Advocacy:
- Sensitivity to U.S. policy
- Concerns with “how to pay?”