

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

Presentation Overview

Overview of Cost of Compliance Survey



Topline Survey Data & Major Themes



Panel Discussion of Each Theme



Take-Aways & Next Steps

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

Theme 1

Leveraging Technology, Processes & Systems

Theme 2

People and Training

Theme 3

Size & Scope Matters

Theme 4

How Much will it Cost and How to Pay

Institutional Demographics



Cornell University



UNIVERSITY of DENVER

M UNIVERSITY OF MICHIGAN



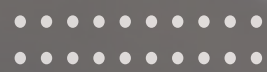
By	Cornell University	UNIVERSITY of DENVER	UNIVERSITY OF MICHIGAN	Penn UNIVERSITY of PENNSYLVANIA
Public/Private	Private	Private	Public	Private
University &/or Academic Medical Center (AMC)	University & AMC	University	University & AMC	University & AMC
Federal R&D Funding 2021	\$500 M or greater	< \$50 M	\$500 M or greater	\$500 M or greater
Main Funding Agencies	NIH 1 st NSF 2 nd DOD 3 rd DOE 4 th	NIH 1 st NSF 2 nd DOE 3 rd	NIH 1 st NSF 2 nd DOD 3 rd DOE 4 th	NIH 1 st NSF 2 nd DOD 3 rd DOE 4 th
Types of Research (Fundamental, Export Controlled, Classified, CUI)	Fund. R. Yes Export C. Yes Classif. No CUI By exception	Fund. R. Yes Export C. Yes Classif. No CUI No	Fund. R. Yes Export C. Yes Classif. No CUI By exception	Fund R. Yes Export C. By exception Classif. No CUI By exception



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



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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?”