

ARRA “Stimulus” Weekly Update, May 15, 2009

I. Reporting

Weekly Submissions to UNC-GA. Campuses have been submitting information on ARRA-related proposals, preliminary notices of award (i.e. JIT submissions) or actual awards for several weeks now. The weekly reports are submitted in cumulative form. ***Please note weekly reports starting with the May 21st report date should include the federal award number for any actual awards received. Please add an award number column to the right of the CFDA# column to capture this information.*** The reports should be sent to Sarah Smith, with a copy to Courtney Thornton, on a weekly basis by 12:00 p.m. on Thursday. The submission time coincides with the time frame for submitting materials to be discussed at the UNC-GA Council meeting on Monday mornings. This information will be pulled by UNC-GA from RAMSeS and SPARC by June 1st.

UNC General Administration will launch its redesigned website June 1st. The Office of Research portion of the site will have a stimulus section and the report referenced above will be posted along with the weekly updates, other pertinent documents and links to related agency sites. In the meantime, the weekly report will be published to the current website at the following link: http://intranet.northcarolina.edu/docs/aa/research/ContractsAndGrants/ARRA_5-15-09-1.pdf

State Reporting:

OERI Directive #3

A group comprised of finance, purchasing, construction/facilities and the Historically Underutilized Business (HUB) staff convened on May 11th to develop a set of proposed parameters for the UNC System campuses in response to OERI Directive #3. The response will be submitted early next week and published in the next weekly update.

Federal Reporting:

The Government Accounting Office (GAO) has been tasked with a range of responsibilities to help promote accountability and transparency and ensure the ARRA funds are used as specified. Responsibilities include conducting bimonthly reviews of how funds are used by selected states and localities (North Carolina is one of 16 states selected for additional monitoring). The NC-based GAO team contacted Rob Nelson, the Vice President for Finance, this week with an inquiry as to how the university system will manage ARRA reporting. Attached is the summary response submitted to GAO. The summary reflects campus plans based on discussion during the SPARC televideo conference and a follow-up SPARC Post-award Workgroup conference call on May 11th. The summary was sent along with the weekly updates for April 24th, April 9th, April 3rd and March 27th as well as the cumulative report of proposals, preliminary notices of award and awards for the week ending May 7th. GAO thanked Rob for the prompt response.

II. Stimulus Resources

The Council on Government Relations wrote OMB Director Peter Orszag on May 13th to express concern over OMB 9-18, which does not provide universities the same relief for ARRA administrative costs as those granted to states. COGR has requested a meeting with Mr. Orszag and his staff to discuss a proposal which would allow a 2% increment, applicable to ARRA funded research, to be added to each institution's indirect cost rate. A copy of the letter is attached. OMB memorandum 09-18 can be found at the following URL: http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-18.pdf.

III. Agency Activity

Vice President Joseph Biden submitted to the President the first progress report covering the implementation of the American Reinvestment and Recovery Act of 2009 in the 90 days since the signing of the Recovery Act. Chapter 2 of the report discusses jobs and job estimates. The full report is located at the following URL: http://www.recovery.gov/sites/default/files/FINALQ1_ARRA_Report.pdf

The National Science Foundation received approval from Congressional Appropriators on May 8th for its plan for Recovery Act funds. On May 11th the Major Research Instrumentation and Academic Research Infrastructure programs were announced. Links to the programs are located at the following URL: <http://www.nsf.gov/recovery/>

On May 9th, NSF released the terms and conditions that will apply to ARRA funded projects, which can be found at the following URL: http://www.nsf.gov/pubs/policydocs/arra/arratc_509.pdf?govDel=USNSF_109

The U.S. Department of Education will soon release the Request for Proposals (RFP) for the ARRA funded Teacher Quality Enhancement (TQE) grants. An eligible grant applicant is a partnership that includes, at a minimum: (1) A high-need local educational agency (LEA); (2) A high-need school or a consortium of high-need schools served by the high-need LEA and/or, as applicable, a high-need early childhood education program; (3) A partner institution of higher education; (4) A school, department, or program of education within such partner institution, which may include an existing teacher professional development program with proven outcomes within a four-year institution of higher education that provides intensive and sustained collaboration between faculty and LEAs consistent with the requirements of the law; and (5) A school or department of arts and sciences within such partner institution. The partnership may also include the governor of the state, a business and other types of educational entities, e.g., state board of education, charter school, or teacher organization. Definitions and other more detailed information on eligibility requirements are provided in the Higher Education Opportunity Act, Title II, Part A. The CFDA# is 84.405A. ***Campuses are strongly encouraged to align their applications with the UNC strategic plans for teacher recruitment and retention. Please contact Alisa Chapman, Associate Vice President for University-School Programs at chapman@northcarolina.edu if your campus has any questions about the UNC strategic plans.***

University of North Carolina
American Recovery and Reinvestment Act
Reporting Plan

Communication

Weekly Updates: Director of Sponsored Programs distributes weekly updates to the designated ARRA point of contact for each campus, the UNC Post-Award Workgroup (comprised of campus-based contract and grant directors) and the SPARC group (comprised of campus-based sponsored programs directors [pre- and post-award] and other staff involved in research administration). Samples attached

Campus Reporting: Campuses have been reporting ARRA proposals, preliminary notices of award (Just-In-Time submissions to NIH) and awards to UNC-GA. Activity is reported via an excel spreadsheet every Thursday. Award information is for awards formally received and processed by the campus. Information on ARRA proposals and awards will be extracted on demand by UNC-GA once the RAMSeS system is implemented for UNC-GA (scheduled for early June). This capability already exists for the SPARC system (see system reference below).

Post-Award Workgroup: This group is comprised of campus-based contract and grant directors. The group corresponds regularly via an established list serve and conducts televideo conferences and conference calls with ARRA reporting and compliance being a major topic of discussion.

Systems

Proposal Development and Submission Systems:

There are currently three systems used for capturing proposal and award information:

- *SPARC* – a system developed by UNC-GA. This system will be phased out in late fall 2009. The system has been updated to include an ARRA “flag” on the proposal and award screen, allowing campuses and UNC-GA to identify ARRA proposals and awards.
- *RAMSeS* – a system developed by UNC-CH and used by UNC-CH and six other campuses. The remaining campuses except NCSU will be transitioned to the RAMSeS system by late fall. The RAMSeS system has been updated to include an ARRA “flag” allowing campuses to identify ARRA proposals and awards and provides for robust reporting capabilities.
- *RADAR* – a system developed and used exclusively by NC State University. This system has been updated to include an ARRA “flag” allowing the campus to identify ARRA proposals and awards and provides for robust reporting capabilities.
- *System-wide reporting* - Data from the RADAR system is exported to the RAMSeS system allowing UNC-GA to conduct system wide data extracts

Financial Systems:

There are currently three financial accounting systems in use:

- *Financial Reporting System (FRS)* – a system used by UNC-CH and UNC-GA. The system has been updated to include attribute(s) to identify ARRA contract and grant financial accounts.
- *PeopleSoft* – a system used by NC State University. The system has been updated to include attributes(s) to identify ARRA contract and grant financial accounts.
- *Banner* – a system used by the remaining fifteen campuses. Campuses are updating their instance of Banner to include attribute(s) to identify ARRA contract and grant financial accounts (FRAGRANT and FTMFUND).

Reporting

Federal Reporting:

- Campuses will provide the required federal reporting for all ARRA awards in accordance with OMB requirements, to be finalized and released in June. The proposed data elements have been communicated to the campuses (ARRA Weekly Update April 8, 2009) and the Post-Award Workgroup has been discussing strategies for capturing the data for federal reporting purposes. Several campuses are considering creating a standard template for Principal Investigator driven data, such as Description of Project or Activity (ARRA-2-02), Evaluation of Completion State of Project (ARRA-2-03) and Employment Impact (ARRA-2-04). The template would be “pushed” to the PI using workflow capabilities in RAMSeS in advance of reporting deadlines.
- Campuses have been encouraged to designate an ARRA reporting coordinator.
- First tier subrecipients will be required to provide their DUNS number, congressional district and primary performance location with the executed award documents and campuses will include the appropriate ARRA-related terms and conditions in award documents.

State Reporting:

UNC-GA provides the consolidated report of proposals, preliminary notices of award (Just-In-Time submissions to NIH) and awards to the N.C. Office of Economic Recovery and Investment.

Awards Reported To-Date:

UNC-CH

- \$293,613, Griffin, J, NIH, CFDA# 93.701, *Instrumentation for Upgrading cryoEM and Single Particle Analysis Capabilities*
- \$450,655, Kaufmann, D., NIH, CFDA# 93.701, *Confocal Laser Scanning Microscope LSM-710 #5*

UNC-C

- \$216,000, Brunner-Huber, L., NIH, CFDA# 93.701, *Fertility and Oral Contraceptive Use Study (FOCUS)*

UNC-G

- \$223,186, Bailey, R., Corporation for National Community Service/NC Commission on Volunteerism and Community Service, CFDA#, *AmeriCorps Community Collaborative*
- \$69,750, Beuhler and O'Brien, NIH, CFDA# 93.701, *Mother's Part-Time Employment*

COGR

an organization of research universities

COUNCIL ON GOVERNMENTAL RELATIONS

1200 New York Avenue, N.W., Suite 750, Washington, D.C. 20005
(202) 289-6655/(202) 289-6698 (FAX)

BOARD OF DIRECTORS

CHAIR

ALBERT HORVATH
The Pennsylvania State University

MICHAEL AMEY
The Johns Hopkins University

JAMES BARBRET
Wayne State University

SUSAN CAMBER
University of Washington

MICHELLE CHRISTY
Massachusetts Institute of Technology

JOANNE DE STEFANO
Cornell University

TODD GUTTMAN
The Ohio State University

CHRISTINA HANSEN
University of California, Irvine

KATHLEEN IRWIN
University of Wisconsin-Madison

JAMIE LEWIS KEITH
University of Florida

NATALIE KRAWITZ
University of Missouri System

GUNTA LIDERS
University of Rochester

CHARLES LOUIS
University of California, Riverside

JAMES R. MAPLES
University of Tennessee

SUSAN SEDWICK
University of Texas, Austin

THOMAS SHARPE
University of Iowa

JOHN SHIPLEY
Purdue University

WENDY STREITZ
University of California System

ARA TAHMASSIAN
Boston University

MARIANNE WOODS
University of Texas,
San Antonio

DAVID WYNES
Emory University

ANTHONY DE CRAPPEO
President

May 13, 2009

Dr. Peter R. Orszag
Director
Office of Management and Budget
725 17th Street, N.W.
Washington, D.C. 20503

Subject: Administrative Relief for Universities and Research Institutions

Dear Dr. Orszag,

We are writing to express our concerns in regard to OMB Memorandum M-09-18, Payments to State Grantees for Administrative Costs of Recovery Act Activities (May 11, 2009). COGR wrote to you on February 27, 2009 and requested that OMB clarify that direct charging of research administrative specialist personnel to Recovery Act funded programs is permissible under OMB Circular A-21. This would help universities and research institutions meet the extraordinary monitoring and reporting requirements of the Recovery Act, and ensure the major investment of Recovery Act research funding is implemented in the most effective and efficient manner possible. Approval of the proposal by OMB would have enhanced the ability of universities to comply with the important transparency and accountability requirements of the Recovery Act.

While we remain enthusiastic about the Administration's support for basic scientific research, we were disappointed to read OMB Memorandum M-09-18 and find that universities and research institutions were not cited as requiring the same administrative relief granted to States.

The primary exception we take to M-09-18 is that universities are restricted in their recovery of administrative costs. However, this was not recognized in the OMB Memorandum, and unfortunately, it implied the opposite. The Memorandum curiously states that colleges and universities are able to recover administrative costs in an "up-front" manner, and in turn, incorrectly suggests that institutions of higher education are adequately reimbursed for their administrative expenses. While one could maintain that the use of "predetermined rates" (i.e., indirect rates set for a period of three to four years) is advantageous in that indirect cost reimbursement is more predictable, it is mistaken logic to infer that the use of predetermined rates results in the adequate recovery of administrative expenses.

Administrative Challenges

Universities have been grossly under-reimbursed for administrative costs ever since the 26-percent administrative cap was imposed in 1991. Only colleges and universities are subject to this restriction; non-profit organizations, state and local governments, and private industry are not. And while colleges and universities will recover the 26-percent administrative portion of their indirect rate on Recovery Act funds, the additional indirect cost reimbursement still will not cover the normal costs of research administration and compliance, let alone the important accountability and reporting requirements necessary under the Recovery Act.

The COGR membership is comprised of the largest research institutions in the country, and over 95 percent of the COGR schools can support a real administrative rate of close to 30-percent. Furthermore, the smaller-volume research institutions can support even higher real administrative rates, and consequently, are more severely penalized by the 26-percent cap.

Universities and research institutions take seriously their stewardship responsibilities associated with managing Federal funds. However, since the 26-percent cap was imposed in 1991, new research-specific compliance and regulatory requirements have resulted in significant increases in the administrative costs of conducting federal research. Human subject protections, export controls, biosecurity/select agent research, animal care, data and information security (CIPSEA, FISMA), conflict of interest, research misconduct, and the education programs to ensure a campus-wide knowledge base, represent only a portion of ongoing new and expensive compliance requirements. Since almost every university can support a rate that far exceeds the 26-percent cap, universities have no choice but to absorb the costs of each new and expensive regulatory requirement.

Proposed Relief

We request a meeting with you and your staff to discuss a proposal which would allow a 2-percent increment, applicable to Recovery Act funded research, to be added to each institution's indirect cost rate. The additional recovery this would provide is in-line with an analysis we provided to OMB on April 1, 2009. While universities would still face the same administrative challenges described above, this solution would be instrumental in providing similar administrative relief as was provided to State grantees under OMB Memorandum M-09-18.

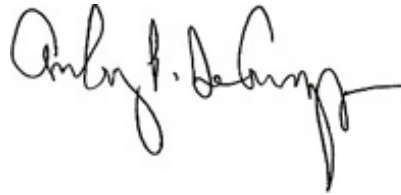
We recognize this solution would be applicable to Recovery Act funds only. However, by implementing our proposal, this could establish a framework for a collaborative OMB-University review of a permanent change to the 26-percent administrative limitation.

* * * * *

The historic growth in research activity and the accompanying significant new reporting requirements will severely strain the current system if the requested relief is not granted. Quick action by OMB on our request will be crucial so that institutions can retain or hire the staff necessary to achieve the transparency and accountability required under the Recovery Act.

The Council on Governmental Relations appreciates your attention to this important matter, and we look forward to responding to any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony P. DeCrappeo". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Anthony P. DeCrappeo
President, COGR

Cc: Danny Werfel, Deputy Controller
Dana James, Acting Branch Chief
Gilbert Tran, Technical Manager