



# Federal Demonstration Partnership

January 11-12, 2001

The Beckman Center – Irvine, CA

Thursday, January 11<sup>th</sup>

7:00	Registration	ATRIUM
7:00	Breakfast Buffet	DINING ROOM-TERRACE (weather permitting)
7:45	Orientation for New Members	Barbara Siegel, FDP Chair Northwestern University Denise Clark, Cornell University BALBOA ROOM
8:30	Welcome	James W. Cobble Vice President for Research Dean, Graduate Division San Diego State University Foundation AUDITORIUM
8:45	Hot Topics:	
	NIH – Funding for eRA, Selection of advisory committee Funding plan for 01 awards	Wendy Baldwin, NIH
	HHS/ORI RCR, Whistleblower Protection	Tony DeCrappeo, COGR
	PRD Outcomes	Chuck Paoletti, ONR
9:30	eRA History	Denise Clark, Cornell Steve Dowdy, MIT AUDITORIUM
10:30	Break	ATRIUM
10:45	Public Law 106 – 107 Updates FDP Task Force Initiatives	Ken Forstmeier, Penn State Carlos Vargas, Kent State Pamela Webb, Northwestern
	CFO Working Groups:	Joe Kull, OMB Brad Stanford, ONR Jeanellen Kallevang, DHHS/HRSA
12:00	Lunch	DINING ROOM-TERRACE
	Faculty Lunch: Discussion topics include ITAR as well as updates on topics from past meetings	EXECUTIVE DINING RM

**Thursday, January 11<sup>th</sup> Continued  
Federal Demonstration Partnership**

<b>1:00</b>	<b>Task Force Meetings</b>	
	<b>Contracts</b>	<b>BALBOA</b>
	<b>Publications</b>	<b>CRYSTAL COVE</b>
	<b>Membership</b>	<b>NEWPORT</b>
	<b>ERA</b>	<b>AUDITORIUM</b>
<b>2:45</b>	<b>Break</b>	<b>ATRIUM</b>
<b>3:00</b>	<b>Task Force Meetings</b>	
	<b>Subawards</b>	<b>BALBOA</b>
	<b>Electronic Notification of Awards</b>	<b>HUNTINGTON</b>
	<b>Integrated Performance Standards</b>	<b>NEWPORT</b>
	<b>Effort Reporting/Cost Sharing</b>	<b>AUDITORIUM</b>
	<b>ERA</b>	<b>EXECUTIVE DINING ROOM</b>
<b>4:45</b>	<b>Membership Committee Report</b>	<b>Bob Hardy, NSF AUDITORIUM</b>
<b>5:00</b>	<b>Reception</b>	<b>ATRIUM</b>



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|--------------|---|--|
| <b>7:00</b>  | <b>Breakfast Buffet</b>   | <b>DINING ROOM TERRACE<br/>(weather permitting)</b>  |
| <b>8:30</b>  | <b>Welcome</b>  | <b>Barbara Siegel, Chair, FDP<br/>Northwestern University<br/>AUDITORIUM</b>                                       |
| <b>8:45</b>  | <b>Key Note Address</b>   | <b>Arthur Bienenstock<br/>Associate Director, OSTP<br/>AUDITORIUM</b>  |
| <b>9:45</b>  | <b>Panel Presentation:<br/>Perspectives on the Transition:<br/>Anticipated impacts on agencies,<br/>national priorities, and the<br/>higher education community</b> | <b>Bob Hardy, NSF - Moderator<br/>Arthur Bienenstock, OSTP<br/>Wendy Baldwin, NIH<br/>Joe Kull, OMB<br/>ATRIUM</b> |
| <b>11:00</b> | <b>Break</b>  |  |
| <b>11:15</b> | <b>Faculty Panel Presentation:<br/>Discussion of the NRC Report<br/>"Addressing the Nation's Changing Needs<br/>for Biomedical and Behavioral Scientists"</b>       | <b>Susan Braunhut, U. Mass Lowell<br/>Carole Leidtke, Case Western<br/>Bill Olbricht, Cornell<br/>AUDITORIUM</b>   |
| <b>12:30</b> | <b>Lunch<br/>Faculty Luncheon: Open discussion of the faculty's<br/>Changing role in FDP</b>  | <b>DINING ROOM-TERRACE<br/>EXECUTIVE DINING ROOM</b>   |
| <b>1:45</b>  | <b>Standing Committee Reports<br/>Task Force Reports</b>  | <b>AUDITORIUM</b>  |
| <b>3:00</b>  | <b>Break</b>  | <b>ATRIUM</b>  |
| <b>3:15</b>  | <b>Agency/Affiliate Updates</b>   | <b>AUDITORIUM</b>  |
| <b>4:00</b>  | <b>Adjourn</b>  |  |

**Federal Demonstration Partnership**

**Meeting Report, January 11–12, 2001  
Arnold and Mabel Beckman Center, Irvine, California**

**National Academy of Sciences/National Academy of Engineering/  
National Institute of Medicine  
Washington, D.C.**

## Executive Summary

The Federal Demonstration Partnership met at the Academies' Beckman Center, Irvine, California, January 11–12, 2001.

**Remembering John Walsh.** Barbara Siegel, FDP Chair, welcomed the group. She then announced the death of John Walsh, FDP faculty representative from Dartmouth College. Susan Braunhut added a few words in remembrance.

**Hot Topics on the Federal Horizon.** Barbara Siegel introduced a series of brief reports on recent developments in federal agencies. Wendy Baldwin, NIH, made several announcements, including the fact that internal NIH funding of systems for electronic research administration seems to be nearly resolved. Joe Cook, HHS, discussed several aspects of research administration, including a discussion of the outlook for relief from the federal cap on administrative costs of research. Chuck Paoletti, ONR, reviewed several key outcomes of the White House PRD-4 process, in which the FDP played a central role.

**ERA History.** Denise Clark (Cornell) and Steve Dowdy (MIT) made a presentation on the history of electronic research administration.

**Public Law 106–107 Updates.** Barbara Siegel introduced a panel session, chaired by Ken Forstmeier (Pennsylvania State University), on implementing P.L. 106–107 (to streamline grants administration). Forstmeier reminded the group that FDP has great leverage over these policies, and must involve itself in developing and implementing them. Presentations were made by Joe Kull, Deputy Comptroller, OMB; Jeanellen Kallevang, HHS, Health Resources and Services Administration; Brad Stanford, ONR, ; Pam Webb, Northwestern University; and Carlos Vargas Aberto, Kent State University, and co-chair of the FDP's Task Force on Public Law 106–107.

In the afternoon task forces and committees met separately, before adjourning.

**Perspectives on the Transition to a New Administration.** The morning session of January 12 began with a panel discussion moderated by Bob Hardy, NSF, on the ongoing political transitions and their implications for the government-university research partnership. Hardy voiced confidence that the bipartisan majority in Congress, for its part, intends to increase research funding.

Wendy Baldwin, NIH, agreed that Congress and the new Administration have spoken warmly of increasing research funding. She added that significant transitions are underway in the congressional committees that fund and oversee research. Demands for accountability in government are likely to continue under the Government Performance and Results Act (GPRA).

Joe Cook, HHS, also stressed the importance of the upcoming congressional transition.

Joe Kull, OMB, spoke of the continuity provided by the federal government's career personnel, who routinely carry out the transition to a new administration every four years. He echoed Baldwin's views that accountability will continue to be demanded of federal agencies. FDP would have special standing in helping develop performance standards under GPRA, owing to its uniquely broad base in agencies and universities, its prestige, and its record of achievement.

**Membership Committee.** Bob Hardy made the membership committee report that had been postponed from the previous day. The committee has been discussing the need to take a more proactive stance in encouraging participation in the FDP by federal agencies. It is also considering the transition to FDP Phase IV.

**Standing Committee and Task Force Reports.** The group heard a series of presentations from committees and task forces. The Contracts Task Force co-chairs (Mary Armstead of NIH and Samuela Evans of the UC system) reported progress with model subcontracts. (Armstead announced that she would be leaving her current job (and the task force) to join a new NIH project.) Denise Clark (Cornell) and Steve Dowdy (MIT) walked the group through the new ERA website. George Stone (NIH) reported on the progress of the NIH Commons Working Group. A faculty panel—Bill Olbricht (Cornell), Susan Braunhut (Cornell), and Carole Liedtke (Case Western Reserve University)—reviewed the findings and implications of the National Research Council (NRC) report *Addressing the Nation's Changing Needs for Biomedical and Behavioral Scientists*. Julie Norris (MIT) and Bob Hardy (NSF) of the Task Force on Cost Sharing and Effort Reporting reviewed a proposed demonstration, submitted to OMB in March 2000. ERA co-chairs Denise Clark (Cornell) and Jerry Stuck (NSF) reported on some issues raised by P.L. 106–107. Elaine Simonds, Publications Task Force co-chair, reported that the publications task force has developed a working draft of the 2000 annual report. Bob Silverman (ONR), co-chair of the Subawards Task Force, reviewed the group's current project to develop a model subaward agreement for collaborative research efforts. Brad Stanford (ONR), co-chair of Electronic Notification of Awards Task Force, reported on the group's successful completion of its planned demonstration, and announced that the task force is to be disbanded. Jean Feldman, co-chair of the Integrated Performance Standards Task Force, reported on NSF's progress in standardizing its agency funding opportunities.

**Agency Updates.** The group heard updates on recent federal activities from representatives of NASA, NIH, USDA, ONR, DOE, EPA, and NSF.

**Upcoming FDP Meeting.** Barbara Siegel announced that the next FDP meeting will be held May 14–15 at the NAS building in Washington, D.C. With that, the meeting adjourned.

# Meeting Summary

Thursday, January 11, 2001

## Welcome

Michele Goetz, Director of Research Administration and Community Services at San Diego State University (the meeting's host institution), introduced Dr. James Cobble, Professor of Chemistry, Dean of the Graduate Division, and Vice President for Research. Dr. Cobble welcomed the group, stressing SDSU's commitment to FDP activities.

## Remembering John Walsh

Barbara Siegel, FDP Chair, welcomed the group. She then announced the death of John Walsh, long-time FDP faculty representative from Dartmouth College. She read a letter she had sent to Dartmouth's president expressing her deep sadness at this event and the loss it would mean to the Federal Demonstration Partnership.

Susan Braunhut, faculty representative from U. Mass. Lowell, added a few words in remembrance of his friendship, scholarship, and contributions to the FDP.

## Hot Topics on the Federal Horizon

Siegel introduced a series of brief reports on recent developments in federal agencies.

**Wendy Baldwin, NIH.** She made several announcements:

- The nagging lack of internal NIH funding of systems for electronic research administration seems to be approaching resolution.
- Expected growth in NIH spending will not necessarily be translated into proportionate growth in research grants (owing to increases in average grant size and other factors).
- HHS's Office of Research Integrity will phase in its requirement for certification of education on human subjects research into the ORI assurance when that assurance is in place.
- A new Institute of Biomedical Imaging and Bioengineering is being established.
- The new IDEA program (modeled on the multi-agency EPSCoR program) will distribute funds to build research capacity in states and territories that receive little conventional funding.

**Joe Cook, HHS.** Joe Cook, Director of the HHS Audit Resolution and Cost Policy Office, discussed several aspects of research administration, including recent appropriations legislation raising the federal cap on administrative costs of research and the outlook for further relief.

**Chuck Paoletti, ONR.** He reviewed several key outcomes of the White House PRD-4 process, in which the FDP played a central role:

- The Dec. 29 Executive Order included a statement on the importance of integrating research and education.

- OMB’s clarification memo noted that (a) voluntary uncommitted cost sharing should not be included in the organized research base, and (b) graduate students are not employees for purposes of tuition remission.
- Scientific misconduct policies have been issued, and agencies will need formal rules to implement them.
- Remaining action items include:
  - Agencies must expand the use of “merit review” in funding research (and comply with associated reporting requirements).
  - Caps on administrative costs remain under discussion.
  - FDP terms and conditions are to be considered by the A-110 committee for use throughout the government.
  - The use of representations and certifications is to be reviewed.

**Discussion.** Participants discussed (a) the OMB clarification of the conditions under which tuition remission is allowable, and (b) the status of voluntary uncommitted cost sharing.

### **ERA History**

Denise Clark (Cornell) and Steve Dowdy (MIT) had just begun a presentation on the history of electronic research administration when the lights went out. For nearly an hour they continued in the dark, reading from their laptops. Clark’s presentation can be found at the FDP website, in the ERA page ([fdp3.org/era.html](http://fdp3.org/era.html)), under “ERA History.”

### **Public Law 106–107 Updates**

Barbara Siegel introduced a panel session; chaired by Ken Forstmeier (Pennsylvania State University), on implementing P.L. 106–107 (an effort by Congress to streamline grants administration throughout the federal government). Forstmeier reminded the group that the institutional members of the FDP have an opportunity to influence how the law is implemented. He suggested that the FDP should proactively participate in the government's planning and implementation process by providing comprehensive and ongoing input. Panel members were then introduced.

**View from OMB.** Joe Kull, Deputy Comptroller, OMB, said that streamlining the nearly 1,000 federal grant programs, which disburse more than \$250 billion annually, is obviously a huge undertaking. Government-wide plans must be in place by May 2001, with full implementation by late 2002. The CFO Council has resurrected its grants management committee (as the Federal Grant Streamlining Program [FGSP]) to manage the process. OMB’s notice of proposed rule making can be found at <http://www.hhs.gov/grantsnet/published.pdf>.

**Federal Grant Streamlining Program.** Jeanellen Kallevang, of the HHS Health Resources and Services Administration, surveyed the work of the FGSP. The program is moving into the implementation phase. At that point, it will make the transition from a largely voluntary initiative to a multi-year program with full-time staff. (For program activities, see <http://www.financenet.gov/financenet/fed/cfo/grants/grants.htm>). Kallevang stressed the need for objective performance measures.

**Inter-Agency Electronic Grants Committee.** Brad Stanford, Office of Naval Research, reviewed activities and structure of IAEGC (<http://www.financenet.gov/iaegc.htm>), which coordinates the electronic commerce activities of federal agencies (a vital aspect of Public Law 106–107). The systems for electronic grants administration are coalescing around the Federal Commons (<http://www.fedcommons.gov>). The FDP has played a positive role in shaping these plans, he said. “I wish the states and localities had a similarly effective coordinating body in this area.”

**What Will FDP Do?** Pamela Webb, Northwestern University, discussed the role of the FDP in implementing the law. The FDP is developing a consultative structure that matches the varied working groups of the IAEGC, so it will be possible to transmit the consensus views of FDP members effectively. Active participation of FDP members is vital.

**Summing Up.** Carlos Vargas Aberto, Assistant Dean for Research at Kent State University, and co-chair of the FDP’s Task Force on Public Law 106–107, summarized the session. He underscored the FDP’s effectiveness as a channel of communication to federal decision-makers. Continued participation is vital, Dr. Vargas said.

Ken Forstmeier announced that the FDP ERA Committee has worked with OMB and other agencies to draft a set of “core principles” for designing and implementing ERA systems in response to Public Law 106-107. The full group would be invited to discuss them later that day.

### **Discussion**

The group discussed ways to avoid “rogue systems,” developed by particular agencies in isolation. The new discipline of the IAEGC may help reduce this problem in the future. FDP can exploit its influence on the agencies to work toward consistency. OMB is not trying to police these systems at present, but it may find it desirable to do so in the future (just as it today polices inconsistencies in paper forms).

The group broke for lunch. In the afternoon task forces and committees met separately.

## **Friday, January 12, 2001**

### **Welcome**

Barbara Siegel welcomed the group at 8:30 a.m. For the benefit of new members, she introduced the members of the FDP Executive Committee.

She announced that Arthur Bienenstock, Associate Director, OSTP, would be unable to present his scheduled keynote address, owing to illness. She then introduced the panel on the transition to the new Presidential Administration.

### **Perspectives on the Transition to a New Administration**

Bob Hardy, moderator reminded the group that new administrations are sometimes hard to read at first. He also stressed that the research community must work to educate the new administration about the importance of the government-university partnership.

**National Science Foundation.** Bob Hardy said that the President-elect's transition team for NSF (the same team as for NASA) had met once with NSF's director. A solid bipartisan majority in Congress, for its part, intends to increase NSF research funding.

**National Institutes of Health, Office of External Research.** Wendy Baldwin agreed generally about likely support for science. Both parties seek to double the NIH budget, for example. But no one from the Bush transition team had thus far met with NIH. Significant transitions are under way also in the congressional committees that fund and oversee research. Demands for accountability in government are likely to continue; she said, particularly for such cases as the NIH, in which funding is growing rapidly.

**Department of Health and Human Services, Office of the Secretary.** Personnel of the Secretary's office have met with the transition team for HHS, Joe Cook reported, but he had little to report on their policy views. Like Baldwin, he stressed the importance of the upcoming congressional transition.

**Office of Management and Budget.** Joe Kull spoke of the continuity found in the federal government's career personnel, who routinely carry out the transition to a new administration every four years. Even the misfired presidential election of 2000 did not seriously perturb this process. He echoed Baldwin's views that accountability will continue to be demanded of federal agencies under the Government Performance and Results Act (GPRA). FDP, he suggested, should work with the agencies to develop objectively measurable standards of performance; otherwise such standards will be applied from outside. FDP would have special standing in developing performance standards under GPRA, owing to its uniquely broad base in both agencies and universities (and in both administration and faculty), its prestige, and its record of achievement.

**Discussion.** The group discussed the impacts on research of proposed deep income tax cuts. Federal priorities would be sharpened by such a step.

A participant warned that the measurable performance standards demanded by GPRA do not capture some of the most important elements of research. The kind of work that leads to breakthroughs, for example, has no measurable outcomes in the short term. On the other hand, GPRA does allow for measurement of things other than outcomes (such as progress toward milestones and various indicators of the quality of management)

### **Membership Committee**

Bob Hardy made the membership committee report that had been omitted on the meeting's first day, owing to the pressure of time. The committee has been discussing the need to take a more proactive stance in encouraging participation in the FDP by

federal agencies. It will put out a call to the agencies, asking them to report on their streamlining activities. In addition, it will try to involve those agencies that are not now involved (using the PRD report, among other things, as a tool), and to encourage those that are now lightly involved to be more active.

In planning for the upcoming FDP Phase IV, he said, it is necessary to examine thoroughly the organization's mission, goals, and objectives. Electronic issues will clearly remain in the forefront, as will best practices and models in research administration. The FDP wants to be more inclusive, but it must face the risk that growth may make the organization more unwieldy or less effective. Establishing different levels of membership is one possibility. The FDP might also want to consider a name change to correct the possibly misleading word "Demonstration."

Barbara Siegel asked that participants send their suggestions on these matters to Hardy or Beth Israel (co-chairs of the committee).

### **Announcements**

Barbara Siegel thanked Sandra Nordahl of San Diego State University, Michelle Goetz and her staff, and the GUIRR staff (Tom Moss, Nina Kaull, and Edvin Hernandez) for their help with the meeting.

She announced that NCURA had asked FDP to participate in one of their ongoing live satellite videoconferences on January 23rd; the subject is electronic research administration. She encouraged participants to register.

### **Standing Committee and Task Force Reports**

**Contracts Task Force.** Co-chairs Mary Armstead (NIH) and Samuela Evans (University of California System) reviewed the activities of this group. The previous afternoon's breakout session had been productive, she said. In addition, model subcontracts were expected to be developed within a month or so.

Evans reviewed the issues presented by the flow-down of subcontract terms from commercial prime contractors to universities. ONR has developed clauses for use in such situations. A model subcontract for inter-institutional use has been drafted. The task force is working on clauses for management and operations contracts (used in many large federal labs).

Mary Armstead announced that she would be leaving her current job (and the FDP contracts task force) to join a new NIH project to develop new administrative systems for research.

**ERA Website.** Denise Clark (Cornell) and Steve Dowdy (MIT) walked the group through the new ERA website. Clark thanked Don Denson (Emory) and Tammy Custer Ordway (Cornell) for their great work on the site. The ERA Committee site, available from the FDP home page, provides links to relevant executive orders and public laws, the

National Performance Review, the NIH Commons, FastLane, and other information. Participants were encouraged to confirm the accuracy of their own personal and committee membership information at the site.

**NIH Commons Working Group.** George Stone (NIH) reported on the progress of this effort at the agency. Because these major systems remain incomplete and behind schedule, their budget justifications have required extraordinary effort (to which J. J. McGowan contributed much). The project is now likely to see substantial new administrative funding. The time is pivotal to assess both its business processes and its technical directions. A new NIH Commons Working Group has been formed to obtain external review from a broad membership, representing faculty, administrators, foundations, and professional societies. It met for the first time the previous day, and will meet again in March. One subgroup will revisit existing Federal Commons interfaces; another will consider the processes for both renewal (noncompeting) and competitive applications.

**Faculty Panel Presentation: NRC Report on Changing Needs for Biomedical and Behavioral Scientists.** Bill Olbricht (Cornell) reviewed the mission and activities of the faculty committee, and welcomed anyone who might wish to participate. He then reported on some issues related to the National Research Council (NRC) report *Addressing the Nation's Changing Needs for Biomedical and Behavioral Scientists*. The study was supported by NIH and addressed many questions about current supply and future needs for these scientists. The bottom line is that research training and Ph.D. production in these fields should not be increased; supply roughly matches demand.

The study recommends, however, that NIH increase training grants and fellowships and decrease graduate research assistantships, under the 1974 National Research Service Act (NSRA), since NSRA award support is associated with better student outcomes and career paths. There are problems, though; for example, NSRA awards are limited to U.S. nationals.

Susan Braunhut (University of Massachusetts–Lowell) considered the same report in the context of current employment trends. The report concludes that a number of Ph.D.s are being trained who then leave their fields for entirely unrelated jobs. Braunhut's institution, among others, has focused its training to meet the changing demands of the market. For example, it has developed a dual-degree; terminal master's in bioinformatics (either chemistry or biology together with computer science). The best new jobs in the industry—paying better than academic salaries—are attracting the best graduates of these programs. This trend presents something of a brain drain on academia and should be monitored.

Carole Liedtke (Case Western Reserve University) focused on training of clinical scientists, a relatively new work force category and a difficult group to collect information on. Estimates of this category (covering Md.'s and Ph.D.s, and not the many other experts involved, such as dentists, veterinarians, and nurses) total about 19,500. Ph.D.s in the field have increased rapidly, while M.D./Ph.D.s are falling. Many of the

Ph.D.s represent very new fields and more than one-third are in psychology and social sciences. There are few data on these trends. The report points out a number of disincentives for participation by Md.'s and M.D./Ph.D.s in research, including the level of education indebtedness (for Md.'s), continuing pay gaps between research training stipends and medical resident salaries, salaries of funded investigators (who face congressionally mandated caps), and, especially, the limited time for research given the cost pressures on hospitals and high demands for clinical care. There is little information on career paths of physician-investigators. There are incentives for dual degrees, in the form of career development awards, but the outcomes for people trained under these awards is not known, and the quality of dual-degree training is questionable. While the NRC report suggests that no new Ph.D.s are needed, there is a need and a demand for clinical researchers who have been rigorously trained. Biotechnology in northeast Ohio is blossoming, and more Ph.D.s are also needed there for allied areas of law and venture capital, and for regulatory and environmental agencies.

In the ensuing discussion, Wendy Baldwin said that NIH has made 55 K-30 institutional grants to help institutions build clinical research training programs, but will wait until the outcomes are known before expanding the awards. NIH will continue to focus on increasing stipends. NIH is also hearing the call from industry for terminal master's degrees. It is problematic to ask Congress to increase NRSA funds while saying graduate students may be needed less. More data are also needed on professional outcomes for students studying under different kinds of support, including data on the needs of more specialized fields. NIH's Connie Atwell pointed out that giving more NRSA awards, as the NRC report recommends, may not shift outcomes; the better students have been selected for these awards to begin with. The current differential outcomes may owe to differences between the groups rather than the training they receive. Also, one known outcome of career development awards at her institute is that such students are more persistent and hence more successful in later obtaining research grants. One downside of shifting to more NRSA awards might be that not-yet-recognized emerging fields would probably not be supported through training grants.

**Task Force on Cost Sharing and Effort Reporting: Report on the Effort-Reporting Demonstration.** Julie Norris (MIT) and Bob Hardy (NSF) reviewed a proposed demonstration, "Accountability for Faculty and Other Senior and Key Personnel," submitted to OMB in March 2000. Its four objectives were to determine (a) whether technical and other progress reports would satisfy awarding-agency accountability requirements, (b) what the potential savings might be from eliminating time and effort reporting, (c) whether the qualitative assessment methods currently used meet federal agency needs for stewardship, and (d) whether the lack of time and effort reporting had unintended consequences on research progress or outcomes. Norris described the study's proposed methods. However, plans must be shifted owing to the OMB's new clarification memo discussed at length yesterday; Norris strongly encouraged all to read the memo. An overarching issue is the serious inaccuracies entailed in actually reporting effort percentages. (All agencies require effort reporting in accordance with A-21.) OMB's Joe Kull also attended the task force meeting and asked that the group reconsider its planned effort-reporting demonstration. Given all the work and political capital

expended to get the clarifying memo out, some in government feel that plans for the demonstration should be abandoned, given its focus on voluntary uncommitted cost sharing. Kull also said OMB plans to review the cost-sharing issue within the next two years. He and Joe Cook (DHHS) had also raised the issue whether there might be no need for effort reporting insofar as institutions' payroll distribution systems might be sufficiently strong to maintain the data required by Circulars A-21 and J-8.

Bob Hardy noted that the clarification memo did not address effort-reporting head on. However, the issue Kull and Cook raised suggested that the FDP's next step should be to have institutions look at their payroll systems to see if they could comply with current payroll distribution requirements and other requirements of the clarification memo. If institutions report that this is possible, the next step would be a study in which institutions would turn off their effort-reporting requirements and then assess, with the FDP, whether OMB objectives were still being met. The FDP should also play a role in OMB's assessment of the clarification memo, he suggested. In the ensuing discussion, participants generally agreed with these suggestions. More dialogue on the clarification should continue; the issues are not easy to grasp. It was noted that a meeting on financial research administration would be sponsored by NCURA in Orlando February 25-27 (for more, see [www.ncura.edu](http://www.ncura.edu)).

Later in the day, Bob Hardy added that it was unclear which institutions should take part in the study of payroll distribution systems. Joe Cook suggested that the group might even work with HHS to arrange a pre-clearance of these systems, which would probably interest other institutions, and then put the systems out more formally. It was agreed that the committee should also work separately to contribute to the interpretation of OMB's clarification memo.

**ERA Committee.** ERA co-chair Jerry Stuck (NSF) reported that institutional members have actively responded to issues raised by P.L. 106-107. Joe Kull led a discussion in the previous day's first afternoon session on various topics, including the draft core ERA principles and the public law. There are additional opportunities to comment on the law: an interim plan is being posted in the *Federal Register*, and the actual plans will be published in May. Much of the session concerned how to deal with new systems that run counter to the law.

Denise Clark, ERA co-chair, said that the ERA standing committee website will offer a feedback button for members' comments on the law, which will be compiled in a joint FDP response. Volunteers for this consolidation are welcome. The committee's second session focused on agency representatives' analysis of current systems, including those of the CDC (Ken Forstmeier), NASA (Sarah Wasserman and Diane Thompson), the Department of Education (Forstmeier and Doug Baptist), and NIH (Greg Millman, reporting on his pilot at NIAID). DOE's system (Carlos Vargas Aberto) will be the subject of an upcoming discussion.

Steve Dowdy reported on a recent meeting of the Research and Related Subcommittee of the IAEGC. The meeting had addressed requests for certifications and similar

information in applications; some questions have been removed from individual applications, since these questions were more appropriately asked at the institutional level. He urged participants to submit their comments on the proposed Standard Form 194 changes when they are issued.

**Publications Task Force.** Elaine Simonds, co-chair, reported that the publications task force has developed a working draft of the 2000 annual report, which it is still refining. Committees and task forces will be asked to supply brief information on their charges, significant accomplishments (milestones, activities), and focuses for the coming year. Also, she asked that participants supply their “top 10” reasons for coming to the FDP, whether individual or institutional benefits, or desires to contribute, etc.

**Subawards Task Force.** Bob Silverman (ONR), co-chair, recalled that the group’s first task was to put together the FDP statement on subawards, to better define the distinction between procurement awards and collaborative research assistance awards; that statement has been reviewed by the FDP and finalized. OMB’s review then resulted in the additional of a new footnote 2, to clarify a technical point for audit purposes. The group’s current project is developing a model subaward agreement for collaborative research efforts. The goal is a form resembling a notification of award, rather than a contract. The final form, and a companion model format for an amendment to an award, should be ready for the next FDP meeting.

**Electronic Notification of Awards Task Force.** Brad Stanford (ONR), co-chair, reported on the group’s successful completion of the planned demonstration. With ONR, they developed a data dictionary for the award document, mapped the data dictionary to EDI transaction set 850, and piloted the system. In all, 18 universities worked with four federal agencies, successfully receiving an electronic award in the EDI format as an e-mail, and acknowledging receipt with transaction set 997. Of the 14 universities that responded to a feedback questionnaire, 86% regarded the demonstration a notable success. (Some problems remain in linking awards to proposals electronically). Participants said they would link the electronic data stream award to the databases on their campuses if practicable; they strongly recommended that agencies standardize these efforts via the Federal Commons, that they provide the data stream in conjunction with e-mail notification, and that, while the process is relatively easy, adequate tech support and training be available. An analysis should be carried out to justify the economics of this approach. Given the demonstration’s success, the task force is to be disbanded.

**Integrated Performance Standards Task Force.** Jean Feldman, co-chair, and Leland Scott, reported on NSF’s progress in standardizing its agency funding opportunities. The next system will be produced in XML, and will be easily used by universities to check proposal compliance with required business rules. The experience will be valuable for other agencies as well. Paul Markovitz said that the commons element Federal BizOpps, used for government contract synopses of opportunities, will also be used for grants—the Federal Commons group has used the standards developed by this FDP task force to determine needed elements of grant synopses. The task force will try to ensure that the views and feedback of the research community are accommodated. The group is also

finalizing standardized contents of a federal agency funding opportunity; the recommended set should be ready by the May FDP meeting.

### **Agency Updates**

**NASA.** Diane Thompson reminded participants that the draft guidebook is now available for proposers responding to a NASA research announcement. She asked that participants feel free to submit any comments to her.

**NIH.** Carol Tippery reported that salary caps for executive levels one and two have been increased. Stipend levels have been increased about 5 percent. These changes are announced at the NIH website. The SF 398 is nearly complete and is due at OMB February 1. No substantial changes have been made, but fillable forms and a grants policy statement will be available at the website. Changes to the Prompt Payment Act mean that contractors working under cost reimbursement agreements must be paid within 30 days.

**USDA.** Bob MacDonald provided an update on CSREES grants. CSREES funds several programs distributed to state institutions through formula grants. The institutions then divide these grants into projects done by many investigators. Changes being made in the interagency editing system will allow entry of either grant or project number (though preferably both).

Louise Ebaugh reported on her efforts to see if unrecoverable indirect costs (the difference between the negotiated rate and the 19 percent cap) could be used as matching funds under grants that require matching. Both USDA lawyers and Gil Tran at OMB, when asked, said that unrecoverable indirect costs are not allowable. She also pointed out that the proposal services unit has been moved, and there is a new address for hand or courier (but not regular postal) delivery; the new address is given within requests for proposals. She also listed a variety of new funding opportunities available this year.

**ONR.** Jerry Smith described two new initiatives: (1) the pay web system, which allows fast electronic submission of invoices and payment for institutions with small numbers of ONR grants; and (2) the admin web, which allows people to check on the status of ONR-administered awards and to identify what final report deliverables must be submitted to the appropriate regional office. Later, admin web should allow electronic submission of final report deliverables. Both these systems are now being tested, and the first should be rolled out soon.

**DOE.** Doug Baptist reported that DOE will soon announce that all final deliverables—financial, scientific, or technical—must be submitted electronically. DOE has a web page for financial assistance, which presents much recent departmental news. Opportunities will continue to be posted to the industry interactive procurement system that DOE has used for financial assistance awards.

**EPA.** Jack Puzak said the agency will have no new initiatives this year, but rather will further develop some of its initiatives already underway. As usual, it will release

quarterly RAS, beginning in January, and announce them on the agency's website. The current focus is to improve the website's functionality; there is no work currently on electronic submissions. By the next FDP meeting, there should be plans for users to have individual web pages so that can receive customized information.

**NSF.** Jean Feldman announced that NSF has been working on electronic signatures, and is close to solving this problem. The proposed approach requires only approval by the NSF Office of the Inspector General. The result will be presented at the next FDP meeting. Also, FastLane has now begun accepting file formats other than PDF, including Microsoft Word, WordPerfect, and TeX. Files are converted to PDF, a process that had proved technically difficult.

### **Upcoming FDP Meetings and Acknowledgments**

Barbara Siegel announced that the next FDP meeting will be held May 14–15 at the NAS building in Washington, D.C. The first meeting of 2002 will be January 7–8. Departing FDP members Patricia Nelson and Susan Hill were thanked for their contributions. With Ann Start's retirement, Jean Feldman will now serve as co-chair of the terms and conditions standing committee.

### **Update on FDP Website**

Don Densen, FDP webmaster, reported that the group's website is heavily visited (1,700 hits/month). A comments function will be added to the site on the subject of P.L. 106–107. Elements of the website are being assessed for frequency of hits; little visited sites may be dropped. All materials at the site are being converted to PDF (most are now converted); those who need slides can request them from the webmaster.

### **Closing Remarks**

In closing, Barb Siegel encouraged all to sign up for the FDP's listservs. She also encouraged agencies to distribute by these list serves any materials they have put out for comment. Carlos Vargas asked that agencies write up quick summary reports of their updates, so that participants can take these reports back to their institutions to share with colleagues. Siegel said that these summaries can be copied and distributed via FDP meeting resources. She again thanked San Diego State University for their gracious and capable hosting of the meeting.