

TESTIMONY
of
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to the
Budget Committee Taskforce on Government Performance
United States Senate
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Good morning Chairman Warner, Ranking Member Ayotte, and members of the Taskforce. Thank you for the opportunity to provide testimony on transparency and federal reporting requirements for institutions of higher education in regards to federal research grants and contracts. My name is Gerry Kane and I am the Assistant Vice President for Research Administration at the University of Virginia. The University of Virginia is a non-profit public institution of higher education located in Charlottesville, Virginia. The University sustains the ideal in developing, through education, leaders who are well-prepared to help shape the future of the nation. In fiscal year (FY) 2012 the University received research awards totaling over \$306 million from all sources (federal and state agencies, industry and private foundations). Of this amount, \$245 million, or 80 percent, came from federal grants and contracts.

The Office of Research Administration is located in the Office of Sponsored Programs (OSP) at the University of Virginia. The OSP mission is to provide leadership in research administration, support the research endeavors of University faculty, ensure the responsible stewardship of research funding, and oversee the submission of proposals and the negotiation and acceptance of awards by the University according to State, University and sponsor regulations. Once an award has been made, OSP provides a comprehensive service in award administration and regulatory compliance.

With such a large research portfolio, UVa interacts with a variety of federal agencies, including the National Institutes of Health (NIH), the National Science Foundation (NSF), the Department of Energy (DOE), the Department of Defense (DOD), the Department of Education (ED), and others. As the Taskforce examines legislation to create greater transparency in federal spending and standardize across agencies, I would like to highlight several examples of duplication and burdensome reporting requirements that do not increase transparency, but rather increase the cost of compliance at our public institution.

Example Reporting Requirements

In order to comply with Federal reporting requirements, we are required to submit numerous reports, at different time frames (annually, quarterly, monthly, etc.), many of which include the same information in different formats. For example, we will use the National Institutes of Health (NIH).

NIH is the largest federal funder of research at the University of Virginia and this funding has led to numerous medical breakthroughs that have supported the health of the people of the Commonwealth and across the nation. As an example, recently the University Of Virginia School Of Medicine received a five year \$14.4 million grant, in a consortium with other universities, to study and to develop methods to better predict which patients with hypertrophic cardiomyopathy - the most common genetic heart disease - are at the greatest risk of heart failure or sudden death.¹

This type of award will require us to submit the following:

- Yearly financial expenditure report (eRA Commons)
- Annual Principal Investigator Progress Reports
- SF425 Quarterly financial receipt report (Payment Management System)
- If you have a subcontract that meets the threshold then you have additional monthly reporting for the Federal Funding Accountability and Transparency Act (FFATA).

This information is collected despite the invoicing process, which additionally collects information each time funding is drawn down on a grant. American Recovery and Reinvestment Act (ARRA) awards required all the above and additional quarterly reports to FederalReporting.gov. This reporting schedule is normal for most Federal grants across agencies, so these issues of redundancy are relevant for many agencies, not just NIH.

Loss of Filed Reports at the Agencies

At UVa, and I believe for our colleagues at peer research institutions, we have experienced and continue to experience agencies losing reports we have filed causing additional work re-filing reports. It would be much more efficient to set up a federal report repository where we upload the same form for all federal agencies. Then the agencies could reference and download the reports at their convenience.

Invoicing Challenges

Invoicing is one of the most difficult tasks for our office as agencies use different systems and some use multiple systems. This causes confusion and extra work as the award prescribes one system and when we invoice we are told to use another system. Once it is determined which is the proper system and we invoice in that system the payment request then comes from yet another system. When there is a problem it is difficult and time consuming to find a point of contact and get the issue resolved. This also causes time delays in our receiving payment.

Below is a sample list of the various invoicing systems we use today across agencies, some of which still require paper forms: DOD – Wide area workflow (WAWF); Office of Naval Research

¹ Source: <http://www.medicine.virginia.edu/clinical/departments/radiology/medical-imaging-research/news-and-highlights/som-receives-14.4-million-from-nih-to-battle-deadly-heart-condition>

(ONR) – Payweb; DOE – Vendor Invoicing Payments Electronic Reporting System (VIPERS); ED – G5; NSF – Research.gov; Health Resources and Services Administration (HRSA) – Electronic Handbooks ; National Oceanic and Atmospheric Administration (NOAA) – Grants Online; Department of Justice (DOJ) – Grants management System ; National Endowment for the Humanities (NEH) – eGMS; National Aeronautics and Space Administration (NASA) – Invoicing Processing Platform (IPP); AmeriCorps – OnCorps; Department of Health and Human Services (HHS) – Payment Management System (PMS); and several agencies use Automated Standard Applications (ASAP), including the Department of Agriculture (USDA), Department of Interior (DOI), Park Service, Department of Commerce (DOC), and others.

One key way to improve invoicing and reporting efficiency across federal agencies would be to allow universities and other federal awardees to upload all of the data electronically at one time for multiple awards. This would save many staff hours.

On a positive note one recent improvement has been the launch of the System for Award Management (SAM). This system combines the Central Contractor Registration (CCR), the Online Representations and Certifications Application (ORCA), Federal Agency Registration (FedReg) and the Excluded Parties List System (EPLS), making a more efficient process for award management.

The DATA Act

UVA, along with the Association of American Universities (AAU), the Association of Public and Land-grant Universities (APLU), and the Council on Governmental Relations (COGR), applauds the Taskforce’s bipartisan efforts to address some of these duplicative and burdensome reporting regulations while expanding transparency on government grants and contracts through the Digital Accountability and Transparency Act (DATA Act). Importantly, the legislation mandates the establishment of government-wide data standards and tasks the Office of Management and Budget (OMB) with reviewing current reporting requirements and reducing duplication. We appreciate that universities are explicitly mentioned as a stakeholder for input in the OMB process. We also support and would be happy to participate in the pilot program to evaluate consolidated recipient reporting. We support this legislation and hope to be a resource as this legislation moves through Congress.

Thank you for the opportunity to provide testimony today and I’m happy to answer any questions.