

In 1998, Congress directed the White House Office of Science and Technology Policy (OSTP) to conduct an analysis of issues related to the ways universities recover the facilities and administrative costs (also known as indirect costs) they incur when performing research under federal grants and contracts. At OSTP's request, the RAND Science and Technology Policy Institute prepared this report to present objective information on facilities and administrative costs in U.S. higher education. This report addresses the issues raised by Congress, although its scope is limited to presenting factual information and analysis of alternatives. It does not take positions on policy options. The report should be of interest to scientists, higher education administrators, and federal, state, and local governments.

THE SCIENCE AND TECHNOLOGY POLICY INSTITUTE

Originally created by Congress in 1991 as the Critical Technologies Institute and renamed in 1998, the Science and Technology Policy Institute is a federally funded research and development center sponsored by the National Science Foundation and managed by RAND. The institute's mission is to help improve public policy by conducting objective, independent research and analysis on policy issues that involve science and technology. To this end, the institute

- supports the Office of Science and Technology Policy and other Executive Branch agencies, offices, and councils
- helps science and technology decisionmakers understand the likely consequences of their decisions and choose among alternative policies
- helps improve understanding in both the public and private sectors of the ways in which science and technology can better serve national objectives.

Science and Technology Policy Institute research focuses on problems of science and technology policy that involve multiple agencies. In carrying out its

mission, the institute consults broadly with representatives from private industry, institutions of higher education, and other nonprofit institutions.

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