A database of federal research F&A costs could be created and maintained. Doing so would require an organization within the government to take responsibility for operating it. Furthermore, adequate funding would be needed to ensure that this operation was properly staffed to design, maintain, and keep accurate F&A rate data.

Existing data systems capture some information already. Currently, ONR and DHHS break down negotiated F&A rates into major cost components. Formalizing the existing data collection within ONR and DHHS and standardizing between the two agencies could enable ongoing monitoring of the types of calculations in this report.

There are opportunities to expand some aspects of the data collection in ways that could support policy analysis. OMB is now developing a new standard format for universities to submit their F&A proposals to the cognizant agencies. If implemented, this format will offer an improved way of capturing certain data that supplement the rate and component information in university proposals. Information that may be covered on the standard format includes the estimated MTDC base for the next fiscal year and the number of square feet of space allocated to research, instruction, and other functions.

A particularly useful figure to collect through this new system would be the amount of estimated MTDC base eligible for full F&A recovery as opposed to amounts subject to a cap on F&A reimbursement. Knowing this amount—at least for large universities—would allow the government and researchers to estimate the effects of changes in F&A reimbursement. Typically, changes in F&A reimbursement will have no effect on grants already subject to a cap on reimbursement. Changing a rate from 50 to 48 percent will not affect grants with F&A capped at a smaller percentage. Changes affect only grants and contracts with full F&A reimbursement. An estimate of that quantity would be helpful in computing the impact of proposed changes.
The standard format, however, applies specifically to proposals rather than negotiated rates and components. Although proposal information alone would be of some value, it would be more useful to have the standard format items updated during the negotiation process to reflect the actual negotiated rates and their underlying components. Updating the proposal information, however, is not always straightforward. Negotiators may take a “bottom-line” approach by agreeing on a rate with a university without any specific accord on the assumptions and computations used to calculate it. The government will have to make a tradeoff between generating more accurate data on rate components and assumptions and streamlining the negotiating process.

Information on actual government expenditures for F&A reimbursements would be far more complex to capture, because it is generated within individual programs throughout the government. But a modest effort could still generate useful information. As discussed in the introduction, NIH awards the majority of federal research funds to universities. Because NIH already compiles a report on F&A costs (for grants with no limits on F&A reimbursement), a good deal of this information is available now. Because NIH is not representative of every agency, there might be value in having other agencies compile similar information. USDA already produces information on awards at an aggregate level. We caution, though, that because a few agencies account for almost all federal research funding to universities, expanding these data mandates to all federal agencies appears to be a large burden for a small incremental value.