check, bank draft, or postal money order.

For payments made by wire transfer, include the unique user fee ID number to ensure that the payment is applied to the correct fee(s). Without the unique user fee ID number, the payment may not be applied, which could result in FDA not filing an application and other penalties. Note: the originating financial institution may charge a wire transfer fee, especially for international wire transfers. Applicable wire transfer fees must be included with payment to ensure fees are paid in full. Questions about wire transfer fees should be addressed to the financial institution. The account information for wire transfers is as follows: U.S. Department of the Treasury, TREAS NYC, 33 Liberty St., New York, NY 10045, Acct. No.: 75060099, Routing No.: 021030004, SWIFT: FRNYUS33. If needed, FDA's tax identification number is 53–0196965.

B. Prescription Drug Program Fees

FDA will issue invoices and payment instructions for FY 2025 program fees under the new fee schedule in August 2024. Under section 736(a)(2)(A)(i) of the FD&C Act, prescription drug program fees are due on October 1, 2024.

FDA will issue invoices in December 2025 for products that qualify for FY 2025 program fee assessments after the October 2024 billing.

C. Fee Waivers and Refunds

To qualify for consideration for a waiver or reduction under section 736(d) of the FD&C Act, an exemption under section 736(k) of the FD&C Act, or the return of an application or program fee paid under section 736 of the FD&C Act, including if the fee is claimed to have been paid in error, a person must submit to FDA a written request justifying such waiver, reduction, exemption or return not later than 180 days after such fee is due (section 736(i) of the FD&C Act). A request submitted under this paragraph must include any legal authorities under which the request is made.

Dated: July 26, 2024.

Lauren K. Roth,

Associate Commissioner for Policy.

[FR Doc. 2024–16875 Filed 7–30–24; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2024–N–3383]

Food Safety Modernization Act Third-Party Certification Program User Fee Rate for Fiscal Year 2025

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or we) is announcing the fiscal year (FY) 2025 annual fee rate for recognized accreditation bodies and accredited certification bodies, and the initial and renewal fee rate for accreditation bodies applying to be recognized in the third-party certification program that is authorized by the Federal Food, Drug, and Cosmetic Act (FD&C Act), as amended by the FDA Food Safety Modernization Act (FSMA). We are also announcing the fee rate for certification bodies that are applying to be directly accredited by FDA.

DATES: The fees apply to the period from October 1, 2024, through September 30, 2025.

FOR FURTHER INFORMATION CONTACT:

For Questions Related to FSMA Program Fees: FSMAFeeStaff@fda.hhs.gov.

For Questions Related to This Notice: Olufunmilayo Ariyo, Office of Financial Management, Food and Drug Administration, 10903 New Hampshire Ave, Silver Spring, MD 20903, 240–402–4989; or the User Fees Support Staff at *OO-OFBAP-OFM-UFSS-Government@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Section 307 of FSMA (Pub. L. 111–353), Accreditation of Third-Party Auditors, amended the FD&C Act to create a new provision, section 808, under the same name. Section 808 of the FD&C Act (21 U.S.C. 384d) directs FDA to establish a program for accreditation of third-party certification bodies [1] conducting food safety audits and issuing food and facility certifications to eligible foreign entities (including registered foreign food facilities) that meet our applicable requirements. Under this provision, we established a system for FDA to recognize accreditation bodies to accredit certification bodies, except for limited circumstances in which we may directly accredit certification bodies to participate in the third-party certification program.

Section 808(c)(8) of the FD&C Act directs FDA to establish a reimbursement (user fee) program by which we assess fees and require reimbursement for the work FDA performs to establish and administer the third-party certification program under section 808 of the FD&C Act. The user fee program for the third-party certification program was established by a final rule entitled ''Amendments to Accreditation of Third-Party Certification Bodies To Conduct Food Safety Audits and To Issue Certifications To Provide for the User Fee Program'' (81 FR 90186, December 14, 2016).

The FSMA FY 2025 third-party certification program user fee rate announced in this notice is effective on October 1, 2024 and will remain in effect through September 30, 2025.

II. Estimating the Average Cost of a Supported Direct FDA Work Hour for FY 2025

FDA must estimate its costs for each activity in order to establish fee rates for FY 2025. In each year, the costs of salary (or personnel compensation) and benefits for FDA employees account for between 50 and 60 percent of the funds available to, and used by, FDA. Almost all the remaining funds (operating funds) available to FDA are used to support FDA employees by paying for rent, travel, utility, information technology, and other operating costs.

A. Estimating the Full Cost per Direct Work Hour in FY 2025

Full-time Equivalent (FTE) reflects the total number of regular straight-time hours—not including overtime or holiday hours—worked by employees, divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave, compensatory time off, and other approved leave categories are considered ''hours worked'' for purposes of defining FTE employment.

In general, the starting point for estimating the full cost per direct work hour is to estimate the cost of an FTE or paid staff year. Calculating an Agency-wide total cost per FTE requires three primary cost elements: payroll, non-payroll, and rent.

We have used an average of past year cost elements to predict the FY 2025

[1] For the reasons explained in the third-party certification final rule (80 FR 74570 at 74578–74579, November 27, 2015), and for consistency with the implementing regulations for the third-party certification program in 21 CFR parts 1, 11, and 16, this notice uses the term ''third-party certification body'' rather than the term ''third-party auditor'' used in section 808(a)(3) of the FD&C Act.

cost. The FY 2025 FDA-wide average cost for payroll (salaries and benefits) is $213,556; non-payroll (including equipment, supplies, information technology, general and administrative overhead) is $131,739; and rent (including cost allocation analysis and adjustments for other rent and rent-related costs) is $23,750 per paid staff year, excluding travel costs.

Summing the average cost of an FTE for payroll, non-payroll, and rent, brings the FY 2025 average fully supported cost to $369,046 [2] per FTE, excluding travel costs. FDA will use this base unit fee in determining the hourly fee rate for third-party certification user fees for FY 2025 prior to including travel costs as applicable for the activity.

To calculate an hourly rate, FDA must divide the FY 2025 average fully supported cost of $369,046 per FTE by the average number of supported direct FDA work hours in FY 2023 (the last FY for which data are available). See table 1.

TABLE 1—SUPPORTED DIRECT FDA WORK HOURS IN A PAID STAFF YEAR IN FY 2023

Total number of hours in a paid staff year	2,080
Less:	
11 paid holidays	−88
20 days of annual leave	−160
10 days of sick leave	−80
12.5 days of training	−100
22 days of general administration	−176
26.5 days of travel	−212
2 hours of meetings per week	−104
Net Supported Direct FDA Work Hours Available for Assignments	1,160

Dividing the average fully supported FTE cost in FY 2025 ($369,046) by the total number of supported direct work hours available for assignment in FY 2023 (1,160) results in an average fully supported cost of $318 (rounded to the nearest dollar), excluding travel costs, per supported direct work hour in FY 2025.

B. Adjusting FY 2023 Travel Costs for Inflation To Estimate FY 2025 Travel Costs

To adjust the hourly rate for FY 2025, FDA must estimate the cost of inflation in each year for FY 2024 and FY 2025. FDA uses the method prescribed for estimating inflationary costs under the Prescription Drug User Fee Act (PDUFA) provisions of the FD&C Act (section 736(c)(1) (21 U.S.C. 379h(c)(1))), the statutory method for inflation adjustment in the FD&C Act that FDA has used consistently. FDA previously determined the FY 2024 inflation rate to be 3.8896 percent; this rate was published in the FY 2024 PDUFA user fee rates notice in the **Federal Register** (July 28, 2023, 88 FR 48881). Utilizing the method set forth in section 736(c)(1) of the FD&C Act, FDA has calculated an inflation rate of 3.8896 percent for FY 2024 and 4.1167 percent for FY 2025. FDA intends to use this inflation rate to make inflation adjustments for FY 2025; the derivation of this rate will be published in the **Federal Register** in the FY 2025 notice for the PDUFA user fee rates. The compounded inflation rate for FYs 2024 and 2025, therefore, is 1.08166 (or 8.166 percent) (calculated as 1 plus 3.8896 percent times 1 plus 4.1167 percent).

The average fully supported cost per supported direct FDA work hour, excluding travel costs, of $318 already takes into account inflation as the calculation above is based on FY 2025 predicted costs. FDA will use this base unit fee in determining the hourly fee rate for third-party certification program fees for FY 2025 prior to including travel costs as applicable for the activity. For the purpose of estimating the fee, we are using the travel cost rate for foreign travel because we anticipate that the vast majority of onsite assessments made by FDA under this program will require foreign travel. In FY 2023, the Office of Regulatory Affairs spent a total of $2,629,906 on 431 foreign inspection trips related to FDA's Center for Food Safety and Applied Nutrition and Center for Veterinary Medicine field activities programs, which averaged a total of $6,102 per foreign inspection trip. These trips averaged 3 weeks (or 120 paid hours) per trip. Dividing $6,102 per trip by 120 hours per trip results in an additional cost of $51 (rounded to the nearest dollar) per paid hour spent for foreign inspection travel costs in FY 2023. To adjust $51 for inflationary increases in FY 2024 and FY 2025, FDA must multiply it by the same inflation factor mentioned previously in this document (1.08166 or 8.166 percent), which results in an estimated cost of $55 per paid hour in addition to $318 for a total of $373 per paid hour ($318 plus $55) for each direct hour of work requiring foreign inspection travel. FDA will use this rate in charging fees in FY 2025 when travel is required for the third-party certification program.

TABLE 2—FSMA FEE SCHEDULE FOR FY 2025

Fee category	Fee rates for FY 2025
Hourly rate without travel	$318
Hourly rate if travel is required	373

III. Fees for Accreditation Bodies and Certification Bodies in the Third-Party Certification Program Under Section 808(c)(8) of the FD&C Act

The third-party certification program assesses application fees and annual fees. In FY 2025, the only fees that could be collected by FDA under section 808(c)(8) of the FD&C Act are the initial application fee for accreditation bodies seeking recognition, the annual fee for recognized accreditation bodies, the annual fee for certification bodies accredited by a recognized accreditation body, the initial application fee for a certification body seeking direct accreditation from FDA, and the renewal application fee for recognized accreditation bodies. Table 3 provides an overview of the fees for FY 2025.

[2] Total includes rounding.

TABLE 3—FSMA THIRD-PARTY CERTIFICATION PROGRAM USER FEE SCHEDULE FOR FY 2025

Fee category	Fee rates for FY 2025
Initial Application Fee for Accreditation Body Seeking Recognition	$53,520
Annual Fee for Recognized Accreditation Body	2,505
Annual Fee for Accredited Certification Body	3,131
Initial Application Fee for a Certification Body Seeking Direct Accreditation from FDA	53,520
Renewal Application Fee for Recognized Accreditation Body	32,802

A. Application Fee for Accreditation Bodies Applying for Recognition in the Third-Party Certification Program Under Section 808(c)(8) of the FD&C Act

Section 1.705(a)(1) (21 CFR 1.705(a)(1)) establishes an application fee for accreditation bodies applying for initial recognition that represents the estimated average cost of the work FDA performs in reviewing and evaluating initial applications for recognition of accreditation bodies.

The fee is based on the fully supported FTE hourly rates and estimates of the number of hours it would take FDA to perform relevant activities. These estimates represent FDA's current thinking, and as the program evolves, FDA will continue to reconsider the estimated hours. Based on data we have acquired since starting the program, we estimate that it would take, on average, 80 person-hours to review an accreditation body's submitted application, 48 person-hours for an onsite performance evaluation of the applicant (including travel and other steps necessary for a fully supported FTE to complete an onsite assessment), and 32 person-hours to prepare a written report documenting the onsite assessment.

FDA employees review applications and prepare reports from their worksites, so we use the fully supported FTE hourly rate excluding travel, $318 per hour, to calculate the portion of the user fee attributable to those activities: $318/hour × (80 hours (application review) + 32 hours (written report)) = $35,616. FDA employees will likely travel to foreign countries for the onsite performance evaluations because most accreditation bodies are anticipated to be located in foreign countries. For this portion of the fee, we use the fully supported FTE hourly rate for work requiring travel, $373 per hour, to calculate the portion of the user fee attributable to those activities: $373/hour × 48 hours (*i.e.,* two fully supported FTEs × ((2 travel days × 8 hours) + (1 day onsite × 8 hours))) = $17,904. The estimated average cost of the work FDA performs in total for reviewing an initial application for recognition for an accreditation body based on these figures would be $35,616 + $17,904 = $53,520. Therefore, the application fee for accreditation bodies applying for recognition in FY 2025 will be $53,520.

B. Annual Fee for Accreditation Bodies Participating in the Third-Party Certification Program Under Section 808(c)(8) of the FD&C Act

To calculate the annual fee for each recognized accreditation body, FDA takes the estimated average cost of work FDA performs to monitor performance of a single recognized accreditation body and annualizes that over the average term of recognition. At this time, we assume an average term of recognition of 5 years. We also assume that FDA will monitor 10 percent of recognized accreditation bodies onsite. As the program proceeds, we will adjust the term of recognition as appropriate. We estimate that for one performance evaluation of a recognized accreditation body, it would take, on average (taking into account that not all recognized accreditation bodies would be monitored onsite), 22 hours for FDA to conduct records review, 8 hours to prepare a report detailing the records review and onsite performance evaluation, and 8 hours of onsite performance evaluation. Using the fully supported FTE hourly rates in table 2, the estimated average cost of the work FDA performs to monitor performance of a single recognized accreditation body would be $9,540 ($318/hour × (22 hours (records review) + 8 hours (written report))) plus $2,984 ($373/hour × 8 hours (onsite evaluation)), which is $12,524. Annualizing this amount over 5 years would lead to an annual fee for recognized accreditation bodies of $2,505 for FY 2025.

C. Annual Fee for Certification Bodies Accredited by a Recognized Accreditation Body in the Third-Party Certification Program Under Section 808(c)(8) of the FD&C Act

To calculate the annual fee for a certification body accredited by a recognized accreditation body, FDA takes the estimated average cost of work FDA performs to monitor performance of a single certification body accredited by a recognized accreditation body and annualizes that over the average term of accreditation. At this time, we assume an average term of accreditation of 4 years. This fee is based on the fully supported FTE hourly rates and estimates of the number of hours it would take FDA to perform relevant activities. We estimate that FDA would conduct, on average, the same activities, for the same amount of time to monitor certification bodies accredited by a recognized accreditation body as we would to monitor an accreditation body recognized by FDA. Using the fully supported FTE hourly rates in table 2, the estimated average cost of the work FDA performs to monitor performance of a single accredited certification body would be $9,540 ($318/hour × (22 hours (records review) + 8 hours (written report))) plus $2,984 ($373/hour × 8 hours (onsite evaluation)), which is $12,524. Annualizing this amount over 4 years would lead to an annual fee for accredited certification bodies of $3,131 for FY 2025.

D. Initial Application Fee for Certification Bodies Seeking Direct Accreditation From FDA in the Third-Party Certification Program Under Section 808(c)(8) of the FD&C Act

Section 1.705(a)(3) establishes an application fee for certification bodies applying for direct accreditation from FDA that represents the estimated average cost of the work FDA performs in reviewing and evaluating initial applications for direct accreditation of certification bodies.

The fee is based on the fully supported FTE hourly rates and estimates of the number of hours it would take FDA to perform relevant activities. These estimates represent FDA's current thinking, and as the program evolves, FDA will reconsider the estimated hours. We estimate that it would take, on average, 80 person-hours to review a certification body's submitted application, 48 person-hours for an onsite performance evaluation of the applicant (including travel and other steps necessary for a fully supported FTE to complete an onsite assessment),

and 32 person-hours to prepare a written report documenting the onsite assessment.

FDA employees are likely to review applications and prepare reports from their worksites, so we use the fully supported FTE hourly rate excluding travel, $318 per hour, to calculate the portion of the user fee attributable to those activities: $318/hour × (80 hours (application review) + 32 hours (written report)) = $35,616. FDA employees will likely travel to foreign countries for the onsite performance evaluations because most certification bodies are anticipated to be located in foreign countries. For this portion of the fee, we use the fully supported FTE hourly rate for work requiring travel, $373 per hour, to calculate the portion of the user fee attributable to those activities: $373/hour × 48 hours (*i.e.,* two fully supported FTEs × ((2 travel days × 8 hours) + (1 day onsite × 8 hours))) = $17,904. The estimated average cost of the work FDA performs in total for reviewing an initial application for direct accreditation of a certification body based on these figures would be $35,616 + $17,904 = $53,520. Therefore, the application fee for certification bodies applying for direct accreditation from FDA in FY 2025 will be $53,520.

E. Renewal Application Fee for Accreditation Bodies Participating in the Third-Party Certification Program Under Section 808(c)(8) of the FD&C Act

Section 1.705(a)(2) establishes a renewal application fee for recognized accreditation bodies that represents the estimated average cost of the work FDA performs in reviewing and evaluating renewal applications for recognition of accreditation bodies.

The fee is based on the fully supported FTE hourly rates and estimates of the number of hours it would take FDA to perform relevant activities. These estimates represent FDA's current thinking, and as the program evolves, FDA will reconsider the estimated hours. We estimate that it would take, on average, 43 person-hours to review an accreditation body's submitted renewal application, 24 person-hours for an onsite performance evaluation of the applicant (including travel and other steps necessary for a fully supported FTE to complete an onsite assessment), and 32 person-hours to prepare a written report documenting the onsite assessment.

FDA employees are likely to review renewal applications and prepare reports from their worksites, so we use the fully supported FTE hourly rate excluding travel, $318 per hour, to calculate the portion of the user fee attributable to those activities: $318/hour × (43 hours (application review) + 32 hours (written report)) = $23,850. FDA employees will likely travel to foreign countries for the onsite performance evaluations because most certification bodies are anticipated to be located in foreign countries. For this portion of the fee, we use the fully supported FTE hourly rate for work requiring travel, $373 per hour, to calculate the portion of the user fee attributable to those activities: $373/hour × 24 hours (*i.e.,* fully supported FTE × ((2 travel days × 8 hours) + (1 day onsite × 8 hours))) = $8,952. The estimated average cost of the work FDA performs in total for reviewing a renewal application for recognition of an accreditation body based on these figures would be $23,850 + $8,952 = $32,802. Therefore, the renewal application fee for recognized accreditation bodies in FY 2025 will be $32,802.

IV. Estimated Fees for Accreditation Bodies and Certification Bodies in Other Fee Categories for FY 2025

Section 1.705(a) also establishes application fees for certification bodies applying for renewal of direct accreditation. Section 1.705(b) also establishes annual fees for certification bodies directly accredited by FDA.

Although we will not be collecting these other fees in FY 2025, for transparency and planning purposes, we have provided an estimate of what these fees would be for FY 2025 based on the fully supported FTE hourly rates for FY 2025 and estimates of the number of hours it would take FDA to perform relevant activities as outlined in the Final Regulatory Impact Analysis for the Third-Party Certification Regulation. Table 4 provides an overview of the estimated fees for other fee categories.

TABLE 4—ESTIMATED FEE RATES FOR OTHER FEE CATEGORIES UNDER THE FSMA THIRD-PARTY CERTIFICATION PROGRAM

Fee category	Estimated fee rates for FY 2025
Renewal application fee for directly accredited certification body	$32,802
Annual fee for certification body directly accredited by FDA	25,096

V. How must the fee be paid?

Accreditation bodies seeking initial recognition must submit the application fee with the application. For recognized accreditation bodies and accredited certification bodies, an invoice will be sent annually. Payment must be made within 30 days of the invoice date. The payment must be made in U.S. currency from a U.S. bank by one of the following methods: wire transfer, electronically, check, bank draft, or U.S. postal money order made payable to the Food and Drug Administration. The preferred payment method is online using an electronic check (Automated Clearing House (ACH), also known as eCheck) or credit card (Discover, VISA, MasterCard, American Express). Secure electronic payments can be submitted using the User Fees Payment Portal at *https://userfees.fda.gov/pay.* (Note: only full payments are accepted. No partial payments can be made online.) Once you have found your invoice, select ''Pay Now'' to be redirected to *Pay.gov.* Electronic payment options are based on the balance due. Payment by credit card is available only for balances less than $25,000. If the balance exceeds this amount, only the ACH option is available. Payments must be made using U.S. bank accounts as well as U.S. credit cards. When paying by check, bank draft, or U.S. postal money order, please include the invoice number. Also write the FDA post office box number (P.O. Box 979108) on the enclosed check, bank draft, or money order. Mail the payment, including the invoice number on the check stub, to: Food and Drug Administration, P.O. Box 979108, St. Louis, MO 63197–9000.

When paying by wire transfer, it is required that the invoice number is included; without the invoice number the payment may not be applied. The originating financial institution may charge a wire transfer fee. If the financial institution charges a wire transfer fee, it is required to add that

amount to the payment to ensure that the invoice is paid in full. For international wire transfers, please inquire with the financial institutions prior to submitting the payment. Use the following account information when sending a wire transfer: U.S. Department of the Treasury, TREAS NYC, 33 Liberty St., New York, NY 10045, Account Name: Food and Drug Administration, Account No.: 75060099, Routing No.: 021030004, Swift No.: FRNYUS33.

To send a check by a courier such as Federal Express, the courier must deliver the check to: U.S. Bank, Attn: Government Lockbox 979108, 3180 Rider Trail S., Earth City, MO 63045. (Note: this address is for courier delivery only. If you have any questions concerning courier delivery, contact U.S. Bank at 855–259–3064. This phone number is only for questions about courier delivery.) The tax identification number of FDA is 53–0196965.

VI. What are the consequences of not paying this fee?

The consequences of not paying these fees are outlined in 21 CFR 1.725. If FDA does not receive an application fee with an application for recognition, the application will be considered incomplete, and FDA will not review the application. If a recognized accreditation body fails to submit its annual user fee within 30 days of the due date, we will suspend its recognition. If the recognized accreditation body fails to submit its annual user fee within 90 days of the due date, we will revoke its recognition. If an accredited certification body fails to pay its annual fee within 30 days of the due date, we will suspend its accreditation. If the accredited certification body fails to pay its annual fee within 90 days of the due date, we will withdraw its accreditation.

Dated: July 26, 2024.

Lauren K. Roth,

Associate Commissioner for Policy.

[FR Doc. 2024–16880 Filed 7–30–24; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2024–N–3381]

Food Safety Modernization Act Voluntary Qualified Importer Program User Fee Rate for Fiscal Year 2025

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing the fiscal year (FY) 2025 annual fee rate for importers approved to participate in the Voluntary Qualified Importer Program (VQIP) that is authorized by the Federal Food, Drug, and Cosmetic Act (FD&C Act), as amended by the FDA Food Safety Modernization Act (FSMA). This fee is effective on August 1, 2024, and will remain in effect through September 30, 2025.

FOR FURTHER INFORMATION CONTACT: *For questions related to FSMA program fees: FSMAFeeStaff@fda.hhs.gov. For questions related to this notice:* Olufunmilayo Ariyo, Office of Financial Management, Food and Drug Administration, 10903 New Hampshire Ave., Silver Spring, MD 20903, 240–402–4989; or the User Fees Support Staff at *OO-OFBAP-OFM-UFSS-Government@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Section 302 of FSMA, VQIP, amended the FD&C Act to create a new provision, section 806, under the same name. Section 806 of the FD&C Act (21 U.S.C. 384b) directs FDA to establish a program to provide for the expedited review and importation of food offered for importation by importers who have voluntarily agreed to participate in such program, and a process, consistent with section 808 of the FD&C Act (21 U.S.C. 384d), for the issuance of a facility certification to accompany a food offered for importation by importers participating in VQIP.

Section 743 of the FD&C Act (21 U.S.C. 379j–31) authorizes FDA to assess and collect fees from each importer participating in VQIP to cover FDA's costs of administering the program. Each fiscal year, fees are to be established based on an estimate of 100 percent of the costs for the year. The fee rates must be published in a **Federal Register** notice not later than 60 days before the start of each fiscal year (section 743(b)(1) of the FD&C Act). After FDA approves a VQIP application, the user fee must be paid before October 1, the start of the VQIP fiscal year, to begin receiving benefits for that VQIP fiscal year.

The FY 2025 VQIP user fee will support benefits from October 1, 2024, through September 30, 2025.

II. Estimating the Average Cost of a Supported Direct FDA Work Hour for FY 2025

FDA is required to estimate 100 percent of its costs for each activity in order to establish fee rates for FY 2025. In each year, the costs of salary (or personnel compensation) and benefits for FDA employees account for between 50 and 60 percent of the funds available to, and used by, FDA. Almost all of the remaining funds (operating funds) available to FDA are used to support FDA employees by paying for rent, travel, utility, information technology (IT), and other operating costs.

A. Estimating the Full Cost Per Direct Work Hour in FY 2025

Full-time Equivalent (FTE) reflects the total number of regular straight-time hours—not including overtime or holiday hours—worked by employees, divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave, compensatory time off, and other approved leave categories are considered ''hours worked'' for purposes of defining FTE employment.

In general, the starting point for estimating the full cost per direct work hour is to estimate the cost of an FTE or paid staff year. Calculating an Agency-wide total cost per FTE requires three primary cost elements: payroll, non-payroll, and rent.

We have used an average of past year cost elements to predict the FY 2025 cost. The FY 2025 FDA-wide average cost for payroll (salaries and benefits) is $213,556; non-payroll—including equipment, supplies, IT, general and administrative overhead—is $131,739; and rent, including cost allocation analysis and adjustments for other rent and rent-related costs, is $23,750 per paid staff year, excluding travel costs.

Summing the average cost of an FTE for payroll, non-payroll, and rent, brings the FY 2025 average fully supported cost to $369,046 [1] per FTE, excluding travel costs. FDA will use this base unit fee in determining the hourly fee rate for VQIP fees for FY 2025 prior to including domestic or foreign travel costs as applicable for the activity.

To calculate an hourly rate, FDA must divide the FY 2025 average fully supported cost of $369,046 per FTE by the average number of supported direct FDA work hours in FY 2023—the last FY for which data are available. See table 1.

TABLE 1—SUPPORTED DIRECT FDA WORK HOURS IN A PAID STAFF YEAR IN FY 2023

Total number of hours in a paid staff year	2,080
Less:	
11 paid holidays	−88
20 days of annual leave	−160

[1] Total includes rounding.