

**University of Utah Facilities & Administration (F&A) Task Force:
Recommendations for Utilization and Distribution**
October 2018

Task Force Committee Members (Final)

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Executive Summary

The University of Utah (UoU) is experiencing a significant increase in research awards and expenditures. This growth, coupled with new leadership, provides an opportunity to evaluate how Facilities & Administration (F&A) is being distributed and utilized at the UoU. Accordingly, a Task Force comprised of research and administrative leaders was charged to thoroughly evaluate how F&A is currently being allocated/used across campus and provide recommendations for future F&A utilization. **In summary, the committee recommends that F&A be used for key infrastructure and strategic investments and that senior leadership installs a new matrix that equalizes F&A distribution to all UoU Colleges & Centers/Institutes in order to promote a culture of fairness across the entire university. The committee also supported the continued phase out of exceptions and special subsidies that are currently supported by the central F&A pool and that the Office of the Vice President for Research (VPR) improve messaging and accountability on the use of F&A.** The Task Force recommends implementation of the following recommendations in fiscal year 2020 (FY20).

Overarching Recommendations

Consistent with historical practices, F&A should be prioritized to support campus-wide research infrastructure operations (i.e., OSP, IRB, radiological safety, OCM, etc.), facilities (O&M and bond payments for research buildings), and other essential activities of the VPR office. A percentage of F&A should also be returned to units/leaders that generate indirect costs (Colleges, qualifying Institutes/Centers, and Senior Vice Presidents for Academic Affairs [SVPAA] and Health Sciences [SVPHS]).

In addition to maintaining these historical practices, the committee recommends the following additions and subtractions for use of central F&A funds:

Additions to the central F&A pool commitments

- *Capital Infrastructure:* F&A funds should be allocated on an annual basis to support research infrastructure such as campus vivaria projects in order to meet federal regulations, safety standards and the demands of the growing research base. *Suggested annual F&A allocation: \$2M/year*
- *Central Pre-award Unit:* F&A should support a growing campus demand for enhanced pre-award services (i.e., beyond current OSP services) to be utilized by all Colleges and Institutes/Centers that will enhance the success of securing extramurally funded research. *Suggested annual F&A allocation: \$1M/year*
- *Rainy-day Funds:* Contributions towards a rainy-day fund should be prioritized. *Suggested annual F&A allocation: \$1M/year*
- *Grand Challenge and Seed Funds:* Funds to support VPR- and SVP-initiated interdisciplinary grand-challenge-oriented research and seed programs. *Suggested annual allocation: \$1.5M/year*

- *Centralized Cores Office:* A study is recommended to determine if a centralized core office should be established to provide services (i.e., billing, collecting, standardization, oversight for federal regulations of recharge centers, etc.) for all University Cores and Recharge Centers. *Potential F&A annual F&A allocation: \$3M (allocation to begin on or after FY21 if recommended by the upcoming study)*

Subtractions to the central F&A pool commitments

- *Special Subsidies:* There are numerous exceptions to F&A return rates, individually negotiated subsidies (faculty reports to the previous President or SVP's), and special unit subsidies (NMR, Nanofab, NCVS, CCTS, etc.) that have been historically supported by the central F&A pool that the VPR office has been ramping down or phasing out. The committee recommends that all of these historically-based special subsidies be completely phased out by FY21. With that said, pilot programs/arrangements are often proposed that should be considered for short-term central F&A support – assuming they will heighten campus-wide research. In these specialized cases, temporary support for these ideas should be considered via the interdisciplinary seed mechanism (**see above**) if the program meets the following requirements: 1) the initiative/program should support and/or catalyze research across the entire University; 2) have unanimous support of the VPR, SVPAA and SVPHS; and 3) come with term limits and clearly defined expectations that provide a rationale for central support, and a timeline and plan for weaning into self-sustainability. All arrangements should be clearly outlined and documented in a Memorandum of Understanding, and there should be no perpetual agreements.
- *Tenure Track Allocation:* There has been a historical allocation to all colleges of \$250 per tenure track faculty member. The allocation does not consider whether the faculty members are involved and/or excelling in research. The committee recommends elimination of this allocation.
- *Graduate Program Support:* Central F&A currently provides support for tuition waivers (~\$14 million) and first-year stipends (~\$3 million) for graduate student Research Assistants (RAs). The amount of central F&A needed to support RA tuition and stipends has been climbing, and will continue to increase with the rising cost of tuition and stipends and growth of graduate programs. Although the committee recognized that central support for RAs has contributed to research growth across campus, it was noted that there are currently no internal controls for right-sizing graduate programs or aligning the number of RAs with strategic goals of the University, Colleges, Institutes/Centers or the Graduate School. Therefore, the committee recommends that the costs and budgetary oversight of RAs be transferred to the responsible OrgID (i.e., Colleges or qualified Institutes/Centers) because reporting units are more adept to the needs of their graduate programs and can hold them accountable. The committee proposes that this new expense be offset by increased F&A distribution to the responsible College or Institute/Center (**see below, New F&A Distribution Matrix**). **This model will align the responsibility of supporting RA graduate students with units that provide their resources.** Colleges and qualified Institutes/Centers will have the option to use their increased F&A allocation to pay for RA tuition waivers and/or stipends, but will also have the opportunity to partially pay for RAs by requiring their faculty to charge tuition and/or stipends as a direct cost on grants. The committee also recommends that the UoU explore decreased tuition costs for RAs who are working on their dissertation, which would significantly reduce RA expenses and make it easier for investigators to bear the cost of tuition on their grants.

New F&A Distribution Matrix

University of Utah F&A Distribution Matrix				
	Current Model (FY19) Traditional PI		Proposed Model (FY20) Traditional PI	
	Not in Center	Center Member	Not in Center	Center Member
Center/Institute Share	0%	15%	0%	35%
College Dean Share	15%	12.8%	35%	15%
SVP Share	20%	17%	20%	20%
Total Distributed	35%	44.8%	55%	70%
Total Remaining in Central Pool	65%	55.2%	45%	30%

The committee recommends the implementation of the above matrix. This new matrix (**green columns**) provides Colleges with a greater distribution of F&A (35%), which is **equal across all units** and is consistent with the current F&A distribution to the Huntsman Cancer Institute (HCI) and Scientific Computer Institute (SCI). Colleges will also receive an increase from 12.8% to 15% for their faculty whose grants are managed by a Center/Institute. As described above, the 35% share to Colleges and qualifying Institutes/Centers would be offset by the transfer of graduate student (RAs) tuition and stipends to reporting units. The matrix will keep the SVP shares at 20% (or in the case of Centers/Institutes increase the distribution from 17% to 20%), and SVPs would no longer be obligated to distribute additional F&A to units through their 20% F&A share and/or remaining “trickledown” dollars they annually receive. This change, however, is not intended to discourage the SVPs from providing additional support to Colleges and Institutes/Centers with their F&A dollars. Rather, this allows SVPs to annually distribute their funds in a manner that aligns with strategic priorities of the University and their reporting units.

The Task Force recommends that the matrix be implemented for 5 years, with an evaluation for continuation after 4 years. Distribution and general accounting of all F&A funds should be run through the VPR office, which will have reviewed and approved all budgets related to F&A allocation (in coordination with the F&A Committee and the Office of Budget & Institutional Analysis).

- Changes to the F&A distribution at the College Level:* Colleges currently receive 15% of F&A they generate from the central F&A pool (**see matrix, blue columns**). The committee recommends that this F&A distribution be increased to 35% - the level of support currently allocated to the HCI and SCI through a combination of central (15%) and SVP (20%) F&A distributions. Support for the College of Engineering (CoE), which currently receives 50% of their F&A (15% from the central pool and 35% from the SVPAA), would need to be reduced by 15% to normalize distribution across all units (**see below for CoE specific considerations under the new model**). If grants are attributed to qualified Institutes/Centers (currently 4 on campus), then the College would receive 15% of returned F&A (also an increase from the current 12.8% distribution). Reasons for this recommendation are as follows: 1) it equalizes F&A distribution across all units at the UoU – enhancing a culture of fairness; 2) it does not reduce current F&A distributions to HCI and SCI; 3) it eliminates SVPs from having to use a significant share of their F&A allocation to support select units (HCI, SCI, and CoE) based on a percentage of F&A they generate. In turn, SVPs would have more discretionary F&A dollars at their disposal to support their respective Colleges and Programs – including the Units that are currently receiving special distributions; 4) it would simplify the F&A distribution by treating everyone the same; and 5) will provide Colleges with more returned F&A dollars that can be combined with SVP support to incentivize and retain exceptional faculty and recruit outstanding investigators – assuming Colleges develop internal mechanisms to offset (partial or in full) the cost of graduate student tuition and stipends.

- *Changes to the F&A distribution at the Institute Level:* The Task Force is proposing that the central F&A pool return 35% of F&A to qualifying Institutes/Centers. This would maintain current distributions to HCI and SCI at the same level, and increase distributions to EGI and ICSE – if they continue to qualify. This would make the F&A return both equitable and consistent, and eliminate the burden placed on new SVPs to distribute a significant portion of their F&A allocation to Institutes/Centers who negotiated special arrangements with previous leaders.

Other Considerations/Recommendations

Institutes/Centers: The committee recommends that the criteria to be a major Institute/Center should remain the same. Specifically, the Institute has to: 1) be officially endorsed by the reporting SVP; 2) be formally approved by the Graduate Council & the Board of Trustees; 3) be interdisciplinary and involve faculty from multiple Colleges; 4) generate \$1.5M in returned F&A per year, and will not receive an annual F&A distribution if the benchmark is not met; and 5) report directly to a Senior Vice President unless there are exceptional historical circumstances involving its reporting structure. Identical to Colleges, in order for an Institute/Center to receive returned F&A from a sponsored project - the faculty member's grant must be assigned the Institute/Center's OrgID. This F&A is expected to provide administrative and operational support required to successfully execute the grant as well as cover graduate student tuition and stipends (see above). In select cases where faculty members rely on administrative support and operational services from another unit (e.g., the faculty member is located in a building outside of his/her assigned OrgID), then a 10% transfer of F&A from the parent OrgID to the assisting unit should be considered to cover those services. The net effect would be a 25% indirect allocation to both units.

New Institutes/Centers: The Task Force agrees that established track records for key participating faculty should be considered before any new unit receives Institute consideration, and the unit should receive unanimous backing from both SVPs, the VPR, and affiliated College leaders prior to its formation. Units with high potential – but limited capacity to meet the \$1.5M benchmark - should be encouraged to seek VPR/SVP support for short-term (2-3 years) seed program funds (**see above**).

Messaging: It is important to be transparent about how F&A funds are distributed and used across the UoU, and the information should be readily available to the entire research community. Accordingly, the Task Force recommends that the VPR office annually updates the UoU community about how F&A is being used and allocated across campus. Suggested forms of communication include the creation of high-end graphics/tables depicting the source of F&A and where it is being spent, followed by annual VPR presentations and increased visibility on the VPR website.

Corporate Industry Sponsors F&A rate: The committee recommends that guidelines for Corporate Industry F&A rate need to be created for Industry-sponsored grants/contracts. These rates should follow the OSP published project rates for on-campus and off-campus research, instruction, clinical trials, etc. It is highly recommended that the VPR and SVPs follow these guidelines to keep industry F&A rates set at consistent levels, as much as possible.

Companion Projects: Interdisciplinary research is catalyzed by collaborations between multiple Colleges and/or Institutes. Current practices allow for grants between units to be partitioned into companion projects (i.e., subcontracts to partnering units). Equalization of F&A across every unit should facilitate more companion project agreements and interdisciplinary research. The committee recommends that companion projects be negotiated and agreed upon at the time of submission. For grants that require significant pre-award and post-award processing, the parental group (i.e., the group that bears the administrative burden) may negotiate a reasonable fee with their partners to administratively manage the parent grant and coordinate the companion projects.

College of Engineering: The CoE currently receives 50% of the F&A they generate (15% from the central pool and 35% from the SVPAA). In turn, the CoE pays for all of their recruitments, retentions, remodels, and other CoE research operations. After careful review and consideration of the pros and cons of this special arrangement, the committee recommends that the CoE should receive the same amount of F&A as all other Colleges and qualifying Institutes/Centers. However, the committee also recognizes that this change will have a significant impact on current research activities and operations because CoE will receive less F&A (i.e., 15% decrease) and assume the cost of their RAs – which is currently being supported at a high level by the central F&A pool. Accordingly, the committee recommends that both SVPs, the VPR, and CFO consider bridge support to assist the CoE as they adapt to the new F&A allocation matrix and graduate student expenses. The committee also acknowledges that the SVPAA will be responsible for providing long-term support (i.e., support for recruiting, retention, graduate student growth, etc.) to the CoE that ensures the success of the College – similar to support that the SVPAA currently provides to other reporting units.

Conclusions

The recommendations of the interdisciplinary Task Force align with the “One Utah” theme because they create a campus-wide culture of fairness that facilitates growth of interdisciplinary research and rewards excellence. The committee strongly believes that it is an ideal time to execute the proposed changes because we have a new President, SVPAA, SVPHS and a relatively new VPR, and implementation should occur in FY20. The proposed changes should be piloted for 5 years with an option to extend (or not) if they positively impact research across the University.