

SUMMARY OF NEW F&A GUIDING PRINCIPLES AND DISTRIBUTION MATRIX

Background: An F&A Task Force was charged by the President and Senior Vice Presidents (SVP) to evaluate how F&A is used and distributed across campus. The Task Force recommended that F&A allocations be adjusted based on principles of **transparency**, a culture of **fairness**, aligning **responsibility with resources**, and incentivizing **excellence in research performance**.

The final recommendations have been refined and approved by senior leadership for adoption at the beginning of FY21. The new distribution model (**Table 1**) maintains appropriate use of F&A to support and enhance research administration and infrastructure, but also equalizes and increases F&A overhead return to research units. The foundational elements of this model are:

- 1) F&A will continue to be used for its intended purpose to support and enhance essential research administration and infrastructure including: grant support administration, research education, radiation and lab safety, facilities, human subjects, animal research compliance, etc.
- 2) Special agreements and historical exceptions to F&A policies will be phased out, and support for new campus-wide strategic programs/initiatives will have term limits. This is intended to enhance transparency and fairness going forward.
- 3) The SVP for Academic Affairs (SVPAA) and Health Sciences (SVPHS) will receive 20% of the F&A generated by their reporting units to support strategic research-based investments at their discretion.
- 4) At the beginning of FY21 and FY22, Colleges and qualifying Centers/Institutes (i.e., those that generate >\$1.5 million of F&A annually) will receive up to 35% F&A distribution based on their previous year research expenditures. This increased F&A distribution is intended to be used to grow unit-level and interdisciplinary research and support Research Assistant (RA) graduate tuition and stipend programs. After this two-year period, units will receive an F&A distribution that is based on their research performance, and will be no less than 15% (floor) and up to 35% (ceiling). In any given year, the ceiling (35%) may be adjusted (up or down) based on institutional capacity and/or institutional strategic research priorities. Previous F&A agreements with select Institutes will remain as previously agreed upon. Qualifying Centers/Institutes as of FY22 may receive up to a 35% distribution, but the total F&A distribution to the Center/Institute, partnering College(s), and corresponding SVP is capped at 55%. Distribution percentages must be agreed upon by all of the corresponding parties and the VPR office.
- 5) Colleges will receive an F&A distribution of up to 15% (previously 12.8%) from grants/contracts attributed to investigators who have faculty appointments in their college, but are affiliated and administratively supported by a qualifying Center/Institute.
- 6) To allow for increased F&A return, individual units must use their increased F&A distribution or other sources to support RA graduate student tuition and first-year stipend reimbursements. In parallel, the University will lower the cost of tuition for graduate students working on their thesis (i.e., dissertation rate). A bridge program will be provided to select units who have historically over relied on central F&A to subsidize RA tuition for PhD and Master's students, allowing units to make necessary adjustments in a reasonable period of time.

	Current Distribution Model		New Distribution Model	
	Not in Center	Center Member	Not in Center	Center Member
Center/Institute Share	0%	15%	0%	Up to 35%
College Dean Share	15%	12.8%	15-35%	Up to 15%
SVP Share (direct reports only)	20%	17%	20%	Up to 20%
Total Distributed	35%	44.8%	55%	55% (cap)
Total Remaining in Central Pool	65%	55.2%	45%	45%

SUMMARY OF THE OPERATIONAL PROCESS FOR F&A DISTRIBUTION AND RA SUPPORT

General Overview of the Operational Process and Performance Evaluation: Units will receive up to 35% F&A distribution at the beginning of FY21 and FY22. At the beginning of FY23, the University will move to a performance-based distribution model (**see below**). The new model will be reviewed by an F&A committee and annually approved by the VPR office with input from the SVPs and other research leaders. The VPR office will work with the Chief Financial Officer (CFO) and Graduate School to manage F&A distribution to Colleges and Centers/Institutes. Key features of the operational and evaluation process are as follows:

- As before, distributions to qualifying units will be made based on their previous fiscal year research expenditures – minus RA graduate student expenses. Central administration will confirm the RA graduate student expenses for each unit, subtract the RA expenses from the unit's total distribution, and then allocate the net F&A distribution to each unit.
- The Tuition Benefit Program (TBP) for RA's will continue to be managed by the Graduate School, per current policy (<https://gradschool.utah.edu/tbp/tuition-benefit-program-guidelines/>). TBP for Graduate Fellows (GF), Graduate Assistants (GA), and Teaching Assistants (TA) will be annually reviewed by the Graduate School. Any proposed increases in the number of GF, GA, or TA graduate students will require pre-approval by the Graduate School. This is intended to avoid shifting the funding mechanism for graduate students from RA to GF/GA/TA models except as needed to meet strategic needs in education and research.
- As described above and depicted in **Figure 1**, at the beginning of FY23 units will receive a performance-based F&A distribution that will be no less than their current allocation (i.e., 15%) and up to 35% (ceiling). The VPR office will oversee the process for determining each unit's F&A performance-based distribution, and performance reviews and forward looking projections will occur near the end of every fiscal year. Personalized performance-based measurements and expectations will be discussed and defined with every unit, but may include the following types of criteria:
 - Proposals submitted and grants/contracts awarded
 - Number, amount, and ratio per eligible investigator
 - Type of project (programmatic, individual, training, etc.)
 - Three-year trends for submissions and awards
 - Management of Graduate Programs
 - Graduation rates and career placement of graduate students
 - Placement of graduate student RA tuition on eligible grants of faculty mentors
 - Procurement of pre-doctoral individual and training grants that support tuition expenses
 - Adherence to Lab Safety requirements and regulations
 - Adherence to best practices in pre- and post-award grant management
 - Clear demonstration that F&A is being used to increase research capacity in and across units
 - Research successes personalized to the unit (i.e., national rankings, prestigious research awards/honors, etc.)

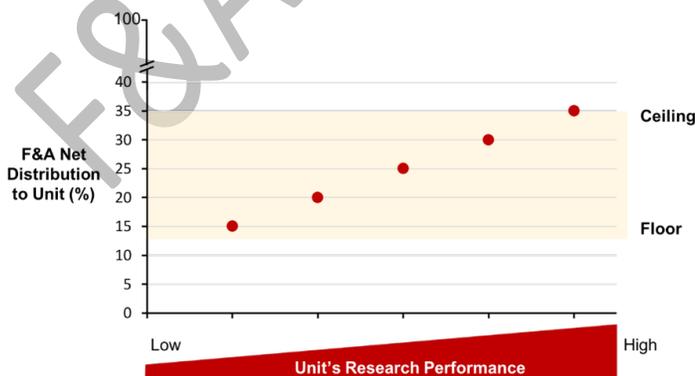


Figure 1. Schematic depicting performance-based F&A distribution that will be implemented at the beginning of FY23. Units will receive F&A allocations that are no less than their current allocation (i.e., 15%) and up to 35% (ceiling). The amount of F&A distributed to units will be based on their personalized research performance and institutional capacity and/or institutional strategic research priorities in any given year.