

Council on Research Meeting
Tuesday, May 14, 2019
2:30 – 4:30 p.m.
Arts and Sciences (AS) Room 122

Robert Rosenswig, Chair

MINUTES

Members present: Rosenswig, Robert (Chair); Aykanian, Amanda; Coddington, Kate; Drislane, Lisset; Ernst, Jesse; Freedman, Jeff; Jahanbani, Nakissa; Kumar, Satyen (Ex Officio VPR Designee); McAndrew, Lisa; Minder, Justin; Morano, Carmen; Piotrowska, Monika; Poehlmann, Nancy; Slade, Leonard

Members absent: Jiang, Shiguo; Trolan, Teniell

Call to Order

The meeting was called to order by Council on Research (CoR) Chair, Robert Rosenswig at 2:45 p.m.

Approval of Meeting Minutes

The April 22, 2019 CoR meeting minutes were reviewed and approved, with 1 abstention.

Old Business

Indirect Cost Return Proposal

Chair Rosenswig reviewed that the ICR proposal and two appendices had been presented at the last meeting. The Chair opened the floor for comments and suggestions. Discussion included the following: context compared to peer institutions; description by AVPR Kumar of some findings from his study in 2017; the goal of transparency and providing a clear public accounting; the seeming unnecessary complexity of the current practice for calculating the 10% ICR to the campus; recommendation that all parties provide an accounting of ICR expenditures; suggestion to re-order and label items in the proposal for clarity.

Action Item:

CoR vote

A motion was made to add to the proposal that Chairs/Deans provide an accounting of ICR expenditures, with the following voting results: Approved 9, Opposed 3, Abstained 0.

Action Item:

CoR vote

A motion was made and unanimously approved that CoR put forward to the Senate a proposal on ICR based on the modified draft, here attached as an addendum to the minutes.

New Business

2019-2020 CoR Chair Nominations

Chair Rosenswig asked each of the nominees, Nancy Poehlmann and Jessie Ernst, to introduce themselves, describe their work and say a few words regarding service as CoR Chair. The nominees had each agreed to serve if elected.

Action item:

CoR vote

Paper ballots were then distributed, and CoR members were asked to vote for one of the candidates, with the option to write in and vote for a separate candidate. The completed ballots were collected and counted by CoR Staff Support López.

Chair Rosenswig announced the following voting results:

Nancy Poehlmann, University Libraries, Head of Metadata Services 3

Jessie Ernst, College of Arts and Sciences, Associate Professor of Physics 9

Total Votes: 12

CoR congratulated and thanked the newly elected 2019-20 CoR Chair Jessie Ernst.

CoR thanked outgoing Chair Rob Rosenswig for his dedication and service.

Meeting adjourned at approximately 3:45 p.m.

Submitted by Elisa López, Staff Support.

ADDENDUM

Distribution of Indirect Cost Return (ICR)

Proposal from the Senate's Council on Research
May 20, 2019

History: In 1996, the Council on Research submitted a proposal to President Hitchcock that ICR from grants and contracts be returned to the units that generated them with 2% going Deans (or Schools) and 8% to Departments; and further that this initial rate of 10% be increased to 20% as soon as was feasible (Appendix A). President Hitchcock implemented the initial 10% distribution of ICR in AY 1997/1998. In 2005, the issue was revisited and a new proposal submitted to President Hall recommending an increase in the proportion of ICR distributed to Deans, Departments and PIs by providing a share directly to PIs (Appendix B). With President Hall's sudden death (and then the financial crisis) the topic of ICR distribution was not pursued further. This proposal is thus the third iteration of an ongoing conversation between faculty and administration and is submitted in the spirit of shared governance.

Goal of this Proposal: To revisit the topic of ICR distribution and provide recommendations for increased procedural transparency and incentivization to increase Federal grant funding levels through increased PI buy-in.

Recommendations:

Rationale for #1: Reform the current practices so that each PI is personally invested in increasing the ICR rate that their research support generates. This was the intention of the 2005 proposal (see Appendix B) but was never instituted. The current proposal of 5% to PIs is more modest and the calculation of distribution amounts simpler than the earlier proposal.

- 1) Increase the ICR from the current 10% to 15% with the additional 5% going to the PI to be spent on research costs that contribute to their future research efforts.

Rationale for #2, 3, 4: Reform the current practices so that each PI, Department Chair and Dean can easily track the ICR that their grants and contracts generate. Simplicity and transparency will go a long way to increase faculty buy-in for the claim that increased ICR "raises all ships."

- 2) Distribute the current 2% of ICR to Deans/Schools and 8% to Department in a simple manner based on the previous year's actual spending. If, for example, \$10,000 in ICR was spent from a grant, then the following year \$200 would be returned to the PI's Dean and \$800 to her Department. And, if recommendation 1 is adopted, then \$500 (5%) would be provided to the PI who generated it.
- 3) Provide annual accounting, broken down by individual PI, of: a) total RF funds spent each year, b) total dollars of ICR recovered, c) the ICR rate, d) the total dollars returned to units. Deans and Department Chairs would also be responsible to provide annual accounting as to how the ICR funds they received were spent to promote research.
- 4) The ICR distributed to units be in the form of RF funds and, when State Funds are substituted, the rationale for such a change be explained each year.

Appendix A

University Council on Research
Minutes of the Meeting of May 16, 1996

Present: David Barlow, Bonnie Carlson, Steven Rich (Chair), Louise Tornatore,
Giri Tayi, Lillian Williams, Jeanne E. Gullahorn (ex officio), Laurie
Kozakiewicz (recorder)

Absent: Helmut Hirsch, Bonnie Nastasi

1. Members of the Council reviewed the draft proposal prepared by the External Linkages Committee that would provide for the return of some indirect cost recovery dollars to the departments and principal investigators. It was agreed that the Office of the Vice President would make suggested changes and circulate to members for final review and approval. The Council endorsed the submission of the final proposal to President Hitchcock for her consideration.

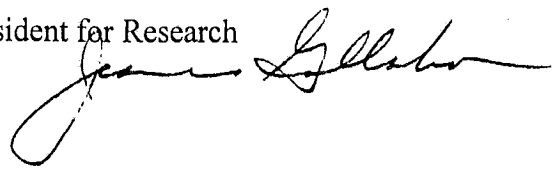
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UNIVERSITY AT ALBANY
STATE UNIVERSITY OF NEW YORK

MEMORANDUM

TO: President Karen R. Hitchcock

FROM: Jeanne E. Gullahorn, Vice President for Research
and Dean of Graduate Studies 

DATE: May 23, 1996

SUBJ: Transmittal of Research Council Proposal

This year the University Council on Research took up the issue of indirect cost return as a potential form of research incentive for the faculty. There was consensus on the position that a return of some portion of indirect costs to the units that generated them would likely have a positive, leveraging effect on future research activity. The Council then, with the assistance of its External Linkages Committee, has prepared and submitted to me for transmittal the attached **Proposal to Distribute a Portion of Indirect Costs to University Faculty**.

While the proposal calls for a twenty percent return of indirect costs, the Council recognizes that this is an objective that can only be achieved over time. Nonetheless, they believe the establishment of even a modest program now will have significant influence on researcher morale and activity. I concur with the goals of the attached proposal.

Should you wish, I am available to discuss the proposal and its implementation guidelines in greater detail.

attachment

cc: Chair, Research Council

Proposal from the Research Council to President Karen Hitchcock to provide additional support and incentives for research activity through the distribution of a portion of indirect costs derived from external awards to University faculty.

1. The Council recommends that the President distribute a portion of indirect costs to deans, departments, and centers with a goal of approximating 20% of the funds returned to campus. This goal would be reached as soon as is feasible on a timetable to be determined by President Hitchcock.
2. The Research Council recommends that funds be distributed in the following manner:
 - a. College/School allocations will be determined by the direct proportion of their units' contribution to the total indirect cost recovery pool;
 - b. Deans will retain 20% of the funds allocated to their college or school under (a) above;
 - c. The remaining 80% of funds available within the college or school will be distributed to departments/centers in direct proportion to their contribution to the college/school allocation determined in (a) above.
3. The Research Council recognizes that the organization of research centers and institutes on the campus is complex. Some are wholly contained within departments, others are organized at the college or university level. Therefore, the Research Council recommends that the Vice President for Research and Dean of Graduate Studies, in consultation with the Research Council, deans, department chairs, and center directors, develop a reasonable plan for distributing the 80% allocation targeted to departments and centers to those units.
4. For those funds allocated directly to departments and centers, the Research Council recommends that those units establish a committee of their researchers, who have been funded sometime over the last five years, to act in combination with other appropriate departmental or center administrative mechanisms to distribute the monies for the greater good of the department or center, and based on the Research Foundation Campus Incentive Funds Expenditure Guidelines as attached.

The Research Council will forward an annual summary of expenditures of these funds to the President for review.

The Research Council deeply appreciates the input of President Hitchcock into these deliberations. We believe that the implementation of this policy will be widely viewed as a major and positive step in the promotion and support of funded research on this campus.

Appendix B

Distribution of Indirect Cost Return

December 2005

Nan Carroll
Frank Hauser
Jeryl Mumpower
Larry Schell
Bob Webster

Our task: to propose how indirect costs returned to this campus be distributed such that a PI also gets a share. The current arrangement is that 10% of indirect costs returned to campus go to academic units; a college or school gets 2% and the department or center/institute gets 8% with the PI receiving nothing. For those centers that report directly to the VPR, the VPR receives the 2%. This policy has been in place since AY 1997-1998, when President Karen R. Hitchcock instituted it in response to proposals by the Council on Research. The Council's recommendation that the University pursue a long-term goal of increasing the return to academic units to 20% has never been implemented.

We propose:

- a **maximum rate of 40% using a sliding scale (explained below) with a break-out of 15% for college or school, 15% for department or College-based Centers/Institutes, and 10% for PI. For University Centers, we would substitute the VPR for college or school but otherwise the break-out is the same.**
- **to reaffirm the policy that these funds are to be used to support research activities, new or current.**
- **that the accounts would exist for three years and then any leftovers would be swept up into deans/VPR accounts.**
- **that 1% net ICR to campus would go to CAS in support of research in the Humanities and Fine Arts.**
- **that the revised distribution of ICR will not negatively impact the operation of any of the central research support offices.**

Deleted: of

Why this Proposal should be Implemented

- It rewards most those who get projects that capture full federal rates.
- It reflects the fact that UA already subsidizes (sometimes very heavily) those projects that return only a fraction of the true indirect costs, as reflected by federal F&A rates.
- It permits UA to set a much higher base ICR because only a fraction of current projects return the full federal rate.
- It has the desirable incentive property that every additional indirect dollar will return something to those who generated it.
- It provides an incentive to increase federal funding.

How would the sliding scale work?

1. The basic principle of the sliding scale is that any grant will receive ICR in proportion to its indirect rate as compared to the full (federal) F&A rate. Grants that generate the full F&A rate would receive the full ICR recommended above. Grants for which the effective

F&A rate is lower than the full federal F&A rate would receive proportionally less; e.g., a grant with an F&A rate of half the federal F&A rate would receive half the maximum ICR.

2. The proposed sliding scale is captured by the following formula:

$$\text{\$GICR} = \text{ICR rate} * (\text{GF\&A} / \text{FF\&A}) * \text{\$GI}$$

where,

$\text{\$GICR}$ = the indirect cost return to a grant

ICR rate = the maximum ICR rate to be returned to any grant (i.e., proposed above to be 40%)

GF&A = the F&A rate for the grant

FF&A = the full (federal) F&A rate

$\text{\$GI}$ = the net value of the indirect dollars returned to the campus by the RF for the individual grant

3. A numeric example illustrates how the sliding scale works.

- Assume that the University were to adopt the policy proposed above and set the maximum ICR rate to be 40%; i.e.
ICR rate = .40
- The full federal F&A rate for a research grant is currently 50.4%; i.e.,
FF&A = .504
- Assume that a particular grant returns the full federal rate; i.e.
GFF&A = .504
- Assume that this particular grant returns a total of \$100K in net indirects to the campus
 $\text{\$GI} = \100K

then,

$$\text{\$GICR} = \text{ICR rate} * (\text{GF\&A} / \text{FF\&A}) * \text{\$GI}$$

$$\text{\$GICR} = .40 * (.504 / .504) * \$100\text{K}$$

$$\$40\text{K} = .40 * 1 * \$100\text{K}$$

- A total of \$40K in ICR would therefore be distributed to PIs, Chairs or Directors, and Deans or VPR, according to the formula specified above and as depicted in Figure 1 below.

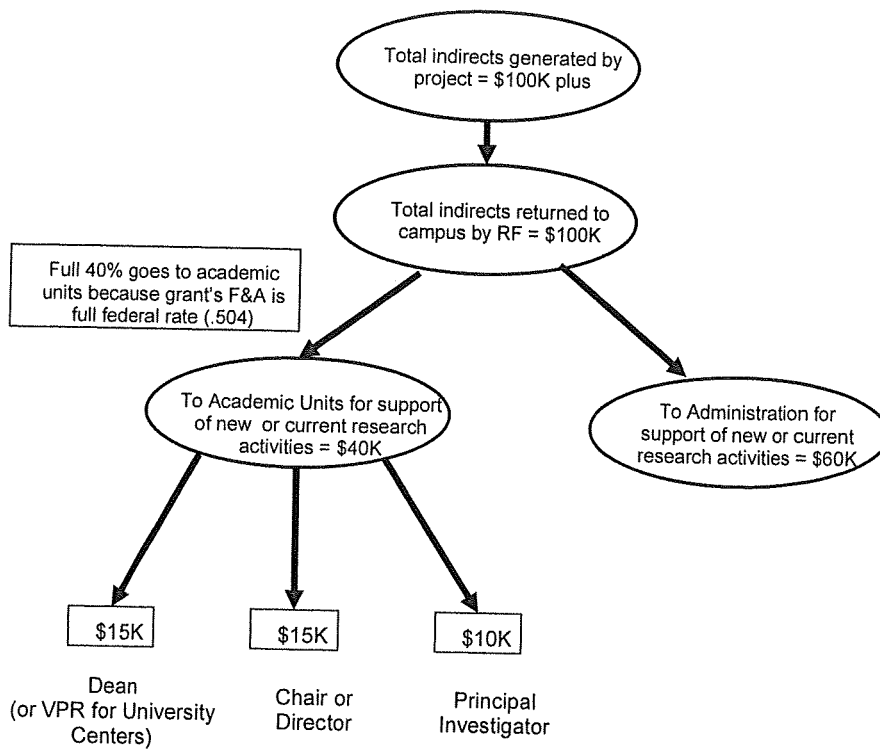


Figure 1. Distribution of funds for a grant returning \$100K in indirects to campus, when grant F&A rate is equal to full federal F&A rate of .504

4. A second numeric example illustrates how the sliding scale works when a grant does not return the full federal F&A.

- As before, assume that the University were to adopt the policy proposed above and set the maximum ICR to be 40%; i.e.
ICR rate = .40
- As before, the full federal F&A rate for a research grant is currently 50.4%; i.e.,
FF&A = .504
- Assume, however, that a particular grant returns an effective F&A rate of 20% (which happens to be the approximate campus average); i.e.
GFF&A = .20
- As before, assume that this particular grant returns a total of \$100K in net indirects to the campus
\$GI = \$100K

then,

$$\text{\$GICR} = \text{ICR rate} * (\text{GF\&A} / \text{FF\&A}) * \text{\$GI}$$

$$\text{\$GICR} = .40 * (.20 / .504) * \text{\$100K}$$

$$\text{\$15.9K} = .40 * .397 * \text{\$100K}$$

- A total of \$15.9K would therefore be distributed to PIs, Chairs or Directors, and Deans or VPR, according to the formula specified above and as depicted in Figure 2 below.

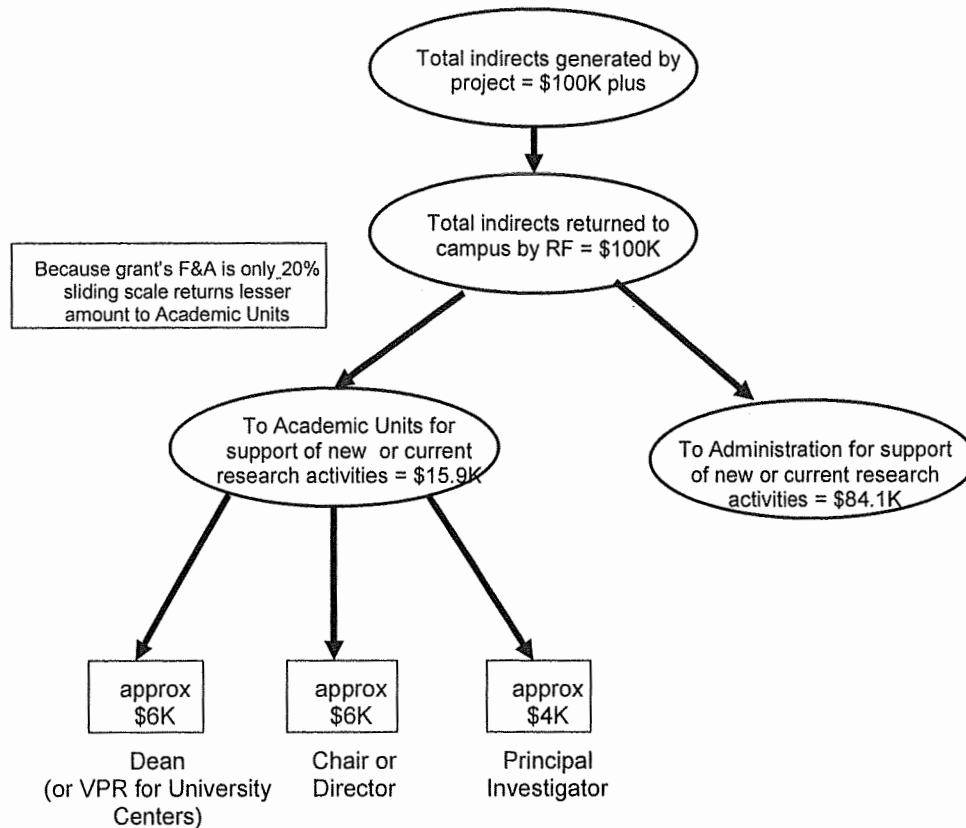


Figure 2. Distribution of funds for a grant returning \$100K in indirects to campus, when grant F&A rate is equal to 20% as compared to full federal F&A rate of .504