Report on IU University Research Budget Conference
University Hall, IUPUI, March 23, 2022

As a member of the UFC Budgetary Affairs Committee and on behalf of the UFC Executive Committee, I attended the Research Budget Conference as a faculty observer. In attendance were: Pamela Whitten (President), Rahul Shrivastav (IUB Provost), Jay Hess (Dean, IU School of Medicine), Andrew Klein (IUPUI Interim Chancellor), Dwayne Pinkney (VP Finance), Fred Cate (VP Research), Sam Adams (Associate VP Budget & Planning), Jeff Zaleski (IUB Vice Provost for Research), Janice Blum (IUPUI Vice Chancellor for Research), Bethan Roberts (Chief of Staff, VP Research), Marissa Pratt (VP Research Financial Operations), and David Polly (member UFC Budgetary Affairs Committee).

Summary: Vice President Cate proposed to *merge the budgets, staff, and decision making of the campus-level OVPR and OVCR offices into his university-level VPR office*. Cate's proposal, which was not flagged as confidential, accompanies this report. Cate's proposal presents its own case, so I will focus my attention on reviewing the research-related issues that motivate the proposal and on the implications of the proposal, concerns relating to it, and questions the faculty councils may wish to consider in reviewing it.

Background: A key topic at the meeting was ICR. ICR stands for "indirect cost returns", the funds given to IU by many external granting agencies on top of the cost of a funded project to support the underlying costs of research (such as libraries, space, maintenance of research instruments, accounting and financial support, etc.). Under IU's responsibility centered management (RCM) model, the bulk of ICR is devolved to the school as an incentive for that school to support external grants; and in return, that school is expected to cover most of the costs associated with the research. A percentage of ICR is kept at the University level to support cross-campus costs for things like research compliance, grant support, and university-level centers and institutes; some ICR is retained at the Campus level to support costs such as libraries, campus-level centers, faculty startup costs, competitive research grants, competitive equipment funds, etc. Allocation of ICR within schools varies – some devolve a percentage to departments or the faculty who secured the grant as incentives for obtaining external funds and to allow the local unit to hire lab support staff, maintain research instruments, pay for the accounting staff who manage purchasing and travel, etc.

Abbreviations: **ICR**, indirect cost return; **ORA**, Office of Research Administration that provides support for grant applications and reporting; **OVCR**, IUPUI Vice Chancellor for Research, a campus-level office; **OVPR**, IUB Vice Provost for Research, a campus-level office; **RCM**, responsibility centered management, the accounting philosophy that whoever earns the money should make the decision how to spend it; **VPR**, Vice President for Research, a university-level office.

Research-Related Issues at IU

IU has several very real research-related issues. VP Cate argues that his proposal will help address many of them.

- IU does not have enough funding to meet all its research-related needs;

- the RCM model can make budgetary collaboration between schools or campuses difficult;

- ORA has had difficulties keeping up with current demand from faculty for proposal development, submission, and reporting;

- IU lacks financial resources to support some kinds of research-related facilities and programs;

- much of IU's science facilities, including laboratory spaces, are aging and in need of upgrade or replacement;

- ICR policy differs between centers at university, campus, and school levels, between schools, and sometimes between departments, which can create barriers to collaborative grants across schools or departments and sometimes motivates faculty to "shop" for the best deal for submitting their grant proposals;

- faculty who seek funding for research programs, equipment, or infrastructure sometimes have to petition a combination of department chairs, deans, provosts/chancellors, and the president for contributions;

- the need to archive and share data is increasingly a necessary requirement of research, but there are not always easy, cost-effective methods to do this.

Significance of the proposal

While its significance was downplayed, the proposal has profound implications for how research resources are allocated at IU. Implied by the written proposal and the presentation by VP Cate:

- the Vice President would gain considerable influence over what kinds of research are prioritized at IU;

- the kind of research that would be funded would be at the discretion of the Vice President rather than campus Provost/Chancellor or the Vice Provost/Chancellor for Research;

- increasing the total income from external grants would become a primary criterion for how research funds are allocated;

- some research funds currently available at IUB or IUPUI would be redeployed to cover major research infrastructure, such as a larger ORA, more staffing in the IU Collections office of VPR, more staffing in the IU Commercialization office, etc., which would necessarily mean cutting funding at the campus level;

- decisions about the size of startup packages and their recipients would be at the discretion of the Vice President;

- decisions about faculty retention offers would be at the discretion of the Vice President;

- Provost/Chancellor would lose discretion to redeploy funds to meet local needs across the areas of research, teaching, special programs, and infrastructure;

- the Vice President would have discretion over which campus-level centers and institutes are funded and which are closed or merged;

- the proportion of ICR allocated to VPR would be increased above what VPR+OVPR+OVCR currently receive, which would necessarily reduce the amount devolved to schools, departments, and faculty;

- cost savings would be made by increased sharing of financial, IT, and HR services;

- VPR would take charge of deaccessioning university collections;

- the offices of OVPR and OVCR would essentially cease to exist and be replaced by a single VPR office.

Concerns about the proposal

While some concerns may arise directly from the aforementioned points, additionally the Faculty Councils may want to consider that:

- current structures of faculty governance and review are concentrated at the campus-level and are more diffuse at the university-level;

- current structures for resolving faculty grievances, including those about administrative decisions related to research, operate solely at the campus-level with the President's office serving as final arbiter;

- the selection processes for Vice Provost/Chancellor for Research have strong faculty governance inputs, whereas the process for selecting Vice President for Research does not;

- the current Vice Provost and Vice Chancellor for Research were appointed with faculty governance inputs, the current Vice President for Research was not;

- the qualifications and types of experience expected in a Vice President for Research will necessarily change if the role of this office is greatly expanded.

Questions raised during the meeting

A few questions and comments were made by attendees of the meeting:

- the reorganization would reduce the ability of provost/chancellor to spread resources across research, teaching, and programmatic activities which could hamper their ability to see units through temporary periods of financial hardship;

- the reorganization would also reduce the ability of provost/chancellor to support research activities that are a priority at campus level or to reward initiative from research faculty;

- finding ways to better support faculty and students is an important goal;

- finding ways to reduce unnecessary cost is an important goal;

- it is important for higher administrators to hear concerns about the proposal.

Questions for consideration

Some questions that the faculty councils may wish to consider when they review VP Cate's proposal:

- Should total grant dollars be the primary metric for allocating research funds at IU?

- Will increasing the size of ORA and commercialization offices, integrating the VPR, OVPR, and OVCR offices, and expanding shared services achieve the proposed goal of increasing the total grant income to IU?

- What factors might contribute to the number and amounts of external grants besides the ones considered in the proposal? (e.g., total number of faculty; balance between teaching, research, and service; types of incentives to obtain grants; balance between arts, humanities, sciences, professional subjects, medicine, etc.)

- Should attention be paid to other AAU indicators of research excellence (e.g., number and quality of publications; type of research output; departmental/subject area rankings; number and quality of graduate students; faculty accolades for research)? Will this proposal enhance or damage these?

- Should administration of research be decoupled from the traditional trio of research-teaching-service that fall under provost and chancellor?

- What is meant by "efficiency" and what kinds of efficiencies will be enhanced or reduced by this proposal?

- Which of the issues identified might be better solved by pushing ICR down to the level of campuses, schools, departments, or grant holders? Which might be better solved by reserving more of it at university level? Are there issues that might be made worse by removing ICR from campus level?

- What should be the balance between top-down and bottom-up oversight over allocation of research funds?

- Could some of the research-related issues be solved without changing the budgets or structure of research offices? (e.g., harmonizing ICR policy; sharing infrastructure).

- What will be the impact on individual faculty and on collaborative research centers by this proposal?

- What faculty governance procedures would need to be modified if research funding decisions are moved to the vice president level?

- Should new procedures for faculty governance in appointment and review of vice presidents be adopted if decision making is moved to that level?

Suggestions for faculty council review of the proposal

Because of the far-reaching significance of the proposal and its many and varied implications for the research life of individual faculty and for disciplinary areas, it is important that it be reviewed carefully, thoughtfully, and critically by the relevant faculty councils. Some points to consider are:

- university policy ACA-04 affirms the authority of the faculty to determine the standards and procedures for creation, reorganization, merger, and elimination of academic programs and units;

- no existing policy dictates how to review a proposal to merge research offices and shift their budgetary and operational decision making to another level so the councils must decide how they wish to do this;

- university policy ACA-79 provides a good model for evaluating a merger that simultaneously involves entities that exist at university level and on more than one campus;

- the proposal is relevant to a wide range of stakeholders: all tenure-track and research-track faculty, provosts and chancellors and their respective research offices, directors and faculty in campus-level centers, departments and programs that rely heavily on start-up funds and major equipment, deans of schools – the

faculty councils might consider establishing a committee to consult these stakeholders before arriving at an opinion about the proposal;

- the faculty's views are relevant to the president and the vice presidents who will decide how to act on the proposal, as well as to deans – the faculty councils should consider sharing their opinions with them all in a written report;

- the proposal contains few data to support its characterization of research-related problems or the efficacy of its proposed solutions – the faculty councils might wish to obtain more data before arriving at an opinion about the proposal;

- the proposal contains few details of how decisions about allocating resources will be made or what the role of faculty governance will be – the faculty councils might want to request more details and to propose procedures and governance structures that are appropriate for the restructured offices.