The Faculty Council on Research met on Tuesday, February 12, at noon, in 26 Gerberding. Chair Ross Heath presided.

**PRESENT:** Professors Booth, Gordon, Heath, Kartsonis, Kiyak, Ruzicka, Reh, Stewart, Troll, Vance, Vitaliano, Vogt  
*Ex-Officio* Camber, Perrin, Zuiches, Parks Kahl  
**Special Guests:** Harlan Patterson

**ABSENT:** Professors Ruzicka  
*Ex-Officio* Blake, Ghosh, Kahl, Ludwig, Sjävik, Takhar

**Approve agenda**
The agenda was approved.

**Approve minutes**
The minutes were approved.

**Budgeting for Research Support (Harlan Patterson)**
Harlan Patterson, Vice Provost for Planning and Budgeting, attended the Council meeting to present information on research support; i.e., indirect costs, indirect cost accounting, and government requirements for indirect costs. Patterson began his presentation by defining indirect cost as grant money spent to support research efforts - money spent on buildings that house research, interest debt, equipment, maintenance, libraries, and administration.

For cost recovery purposes, the federal government makes a distinction between administration costs and facilities costs. Administration costs, which are capped at 26% of grant monies, include:

- General Administration (offices of President, Provost and EVP for Research)
- Departmental Administration (program support at college, school and department levels)
- Sponsored Projects Administration (GCA, GCS, some Vice Provost for Research costs)
- Student Services Administration (grad student counseling, health services, grad admissions)

Facilities costs, which are not capped, include:

- Buildings and improvements (building and land improvements depreciation, off campus rental space)
- Interest (on debt associated with buildings, equipment, and capital improvements)
- Equipment (depreciation, if not purchased with federal monies)
- Operations and Maintenance (utilities, EHS, custodial, security, facilities management, building design)
- Library (centralized library costs)

Patterson pointed out that indirect costs are recoverable, but they are recovered in the base year after the year in which the money is spent. In addition, the federal government applies accounting rules that allocate costs based upon the percentage of the faculty member's time that is actually spent on research, as opposed to time spent on other activities such as teaching, service, etc. Building depreciation is treated the same way - in buildings where research activities take place, there is a room by room breakdown for depreciation purposes, showing what each room is used for and the percentage of time it is in use for research activities. Even hallways and common areas are included in this breakdown, based on the overall percent use of the entire building.

Mac Parks commented that federal agencies are under pressure to reduce indirect costs; this translates to more stringent accounting methods at the research universities. The goal of UW accountants is to recover $1.00 of indirect cost for every $1.00 of indirect cost spent - the goal of federal accountants is to trim costs as much as possible.

Patterson reported that administration costs recovered are now shared with schools and colleges, based on the percent of administration the schools and colleges provide (in the 1999-2002 biennium, Departmental Administration costs returned to schools and colleges were 15.5% of the total 26% administrative costs recovered.) There is no constraint from the UW administration on how these dollars are used by deans of the schools and colleges - but Patterson's office tells the deans that if they allocate these monies to education, for example, there will
be fewer research dollars available on the next round of cost recovery (since the percent of funding for the current year is based on the previous year's costs).

Some Council members felt there is frustration among researchers because the recovered indirect costs don't come back to pay for needed research support activities. Heath pointed out that all budgets are required to go through the College Councils, and encouraged members to get involved in allocation decisions at this level. Patterson said his office thought it was very important to return these cost recoveries to the departments that provided the support.

Patterson also said indirect cost recovery does not cover everything that is expended. Neither the departments nor the administration get any relief from "unfunded mandates" - costly regulatory requirements for human subjects research or other research programs, which are not reimbursed as part of the 26% administration costs cap. If the 26% cap remains in place, Patterson added, he believes a regulatory administrative component should be added to the costs that are recoverable. The USA PATRIOT Act, for example, adds a heavy regulatory burden to research activities, but has not been funded through indirect cost recovery or any other means.

Ed Perrin spoke to the issue of the 15.5% that is being returned to schools and colleges to use as they wish - he believes this is the source of a lot of difficulty, and wondered if it's time to revisit that decision.

The decision was made, said Patterson, to allow schools and colleges as much autonomy as possible. Some disagree, and think the money should be managed more centrally; Patterson is willing to engage in that conversation and talk about ways the situation could be improved. "But I also know," he said, "that a 'one size fits all' approach has its tensions, too." Perrin clarified his comment - he doesn't suggest a centrally-mandated "one size fits all" approach, but would like faculty participation in the decisions within the schools. In his opinion, said Perrin, this does not now exist.

Patterson responded that greater faculty participation in these decisions is one reason the policy was instituted - the conversations about dollar support of research are now between the deans and their faculty. It has taken a while for the rule change to sort itself out, Patterson added, but the process is beginning to work as more and more faculty understand that they can go to their deans and negotiate the support they need.

Perrin suggested that research faculty be notified each year, via memo, of how much money in indirect costs has been returned to their departments. Heath suggested that it might be time for the Council to do a walk-through by college and see how that 15.5% is being used.

Kiyak pointed out that budgets are larger than they were 10 years ago, but departments are getting no more money, and in some cases they're getting less money. She is interested in the delta - to be able to track a single dollar through the system to see what happens to it.

Heath asked whether every new dollar gets divided up according to the percentages Patterson mentioned earlier in the discussion. Patterson responded that each new dollar does get divided, but not according to a pre-determined policy as in the case of the 15.5% that goes back to schools and colleges. No one is "entitled" to any particular share, and needs are funded as they arise (increased electricity costs, human subjects costs, etc.). There are some delta increases, which are awarded as departments make their case for increases that correspond to their research support needs - as need is identified, money is allocated where support services are under-performing, Patterson said. However it is important to understand that to the extent that the delta is not invested in Research, there will be an erosion of future research capabilities. The awareness of this fact is much higher at the University's budget planning meetings than it used to be.

To put the scale of Research Cost Recovery (RCR) into perspective, Patterson said, State funding plus tuition contributes about $500 million per year to the University, while Research expenditures total about $700 million, including about $135 million in indirect cost recovery each year -- Research Cost Recovery (the portion of indirect cost that is returned schools and colleges) is currently 15.5% of this latter figure. Undergraduates should be participating in the research programs to the extent possible, added Patterson, but research programs cannot pay for undergraduate education at the UW.
Patterson commented that it is always going to be necessary to have additional research money from gifts and grants. It would be nice if the 26% cap could be raised, or a third component of funding could be added in recognition of the fact that everything that has been mandated since the 26% administration cap was imposed has not been funded - but that is a tough national battle.

Report from Carol Zuiches, Director of Grant and Contract Services
Carol Zuiches, director of Grant and Contract Services, reported on the function, organization, budget, peer organization comparison, and future of her department.

Zuiches has been in her position for 18 months, has seen much change in the office, but feels the department has recovered and stabilized - she is far less concerned about the future of the office.

Zuiches showed a chart that tracked the huge increase in research dollars at the University. Between 1992 and 2001, grant dollars increased from 414 million to 708 million - a 70% increase in funding. The office processed 6500 proposals in 2001 - 4500 of these proposals resulted in awards.

GCS staff members assist the research effort in the following many ways:

- Review approve proposals
- Assist Principal Investigators in understanding University and sponsor proposals
- Negotiate Grant and Contract awards
- Accept Grant and Contract Awards on behalf of UW
- Authorize establishment of accounts (NEA)
- Negotiate and approve subcontracts
- Represent P.I. interests at national forums
- Host sponsor conferences
- Manage Human Subject reviews
- Manage Grant and Contract database; produce Annual, Regents, and ad hoc reports (2-3 per day)
- Work with P.I.s on negotiation, pre-award and post-award concerns
- Work with Tech Transfer re conflict of interest and consulting

GCS is organized into several divisions:

- Federal (6 administrators)
- Industry Agreements (3 administrators)
- Human Subjects (2 administrators)
- Support Services

In 1993, GCS has 28 staff members and a budget of 1.78 million; in 2003, with the addition of new positions, that number will rise to 44 staff members and a budget of 4.23 million.

GCA recently received recognition from KPMG for their efficiency - the University's Grant and Contract staff employ fewer people per 10 million dollars in awards than any of their 34 peer group R-1 institutions. Part of this efficiency comes from the effective use of computers - when Zuiches came to GCS, there were about two computers in the entire office. The office has added 13 computers, and staff who have the skills to make the best use of the new equipment. Despite this, there is still a lot of paper handling that must be done.

Zuiches said GCS is redesigning its database to allow more electronic processing and to allow supervisors to know exactly where proposals are in the GCS process, and how long the proposals have been in queue.

The list below, submitted by Zuiches at the meeting, provides more information about the process improvements that Grant and Contract Services (GCS) has undertaken within the last eighteen months to meet the growing needs and complexity of research administration at the University of Washington. Although the Human Subject Division is within GCS, this list is primarily focused on the grant and contract processes.
• Purging of files is now on a schedule, which provides space for better management and retrieval of files. Original purging produced 114 boxes of files for the archives.
• Hired one additional G&C Administrator, hire of three more in process.
• Hired Database Manager for design of new "robust" database for better storage of proposal and award data for tracking and reporting. Half of the funds were provided from another GCS position and the remainder from V.P.-Research. This database will interface with the Grant and Contract Initiative (GCI) electronic proposal routing system, and a programmer will be provided by the GCI.
• Award processing status check now available on-line.
• Thirteen new computers were purchased during the past year for GCS and Human Subjects. Old computers were inadequate for the required "fastlane" submission of proposals to NSF and other agency electronic requirements, and for timely data retrieval.
• Email notification of assignment of proposals and awards to faculty and administrators.
• Subcontract checklist developed and provided at GCS website. Subcontract backlog is virtually eliminated.
• Reclassification of G&C Coordinators from classified to professional status.
• Hire of Industry Agreement Director with strong legal, intellectual property and administrative skills.
• Restructured curriculum of Training and Development class "Fundamentals of Grant and Contract Administration" to provide campus staff with education needed to function effectively in managing grants and contracts.
• Decentralization of NIH non competing continuation process put on hold pending an expected change of NIH procedure that would categorize the non competing continuation application to a report which would be submitted directly from the PI.
• Provide monthly "brown bag discussions" on topics of interest to campus staff involved in grant and contract administrators. These discussions provide an opportunity for informal education.
• Reorganization of GCS based on College assignment is being implemented.
• Reports provided weekly by all administrators regarding number of proposals and awards processed and status of negotiation for all agreements, including time in process.
• Non financial closeout is current; previously it had a several month backlog.
• GCS staff are involved in GCI task groups reviewing cost sharing, budgeting, collaborative agreements and GCS internal processes for development of a system for the electronic routing of proposals.
• The GCS website is being reviewed and will be redesigned to better serve the information needs of faculty and staff.
• Signature authority has been delegated to G&C Administrators for selected award types; this will be expanded as GCS reorganizes.

Provost's Office Reorganization Task Force
Ross Heath will contact Brad Holt and the Chair of the Reorganization Task Force to ask for a meeting to explore the research issues raised by the proposed reorganization in the Provost's Office.

Heath announced that it's time to recruit new members and retain existing ones for the next academic year. If Council members would like to serve another term, or know someone who might volunteer, please advise Lea Vaughn, Secretary of the Faculty. Heath and Parks both encouraged members to continue serving on FCR, since this preserves "institutional memory" and makes the work of the Council easier.

Ed Perrin, retired faculty representative, announced that he is going off the Council - anyone who knows retired faculty they can recommend is encouraged to do so.

The meeting was adjourned at 1:35 p.m. Minutes by Linda Fullerton, Recorder.