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

PRESENT: Professors Booth, Heath, Kiyak, Troll Ex-Officio Blake, Camber, Zuiches, Parks


Approve agenda
The agenda was approved.

Approve minutes
Approval of the February minutes was postponed until April, pending review by guest speaker Harlan Patterson.

Report on Grant and Contract Accounting
Susan Camber, Assistant Controller Grant and Contract Accounting, gave a PowerPoint presentation on the organization and work of Grant and Contract Accounting.

Grant and Contract Accounting (GCA) is the University department that
- establishes new grant budgets in the accounting system
- assists with grant sponsor compliance requirements
- invoices and manages cash
- prepares fiscal reports and submits them to grant sponsors
- closes grant budgets
- prepares financial statements and summary reports
- maintains an accounts receivable database
- develops, interprets, and implements University of Washington grant policies and procedures

GCA is divided into five units:
- New Accounts
- Federal Fiscal Reporting
- Accounts Receivable
- Comprehensive Reports and Reconciliation
- Support Services/Systems

Camber said that grants take up the greatest amount of GCA time, and the number of grants is increasing. GCA staff managed about 444 grants per FTE in FY01, as compared to 248 grants per FTE in FY90.

Camber drew the Council's attention to a graph of mean and median administrative costs of .425% and .450% per sponsored project dollar, respectively, for 15 R-1 universities, compared to the UW's administrative cost of just .3% per sponsored project dollar. The UW's administrative cost is well below both the mean and the median for its peer organizations. In addition, the University's post-award administrative cost averages just $175 per active project, compared to the mean and median costs of $360 and $623, respectively, per active project for the same group of peer institutions. Camber said this speaks well of GCA's efficiency.
Automation and streamlining are important in keeping costs down. Most sponsors, including the major Federal sponsors, Camber said, prefer to see financial reporting done in central offices because the quality of reporting is more uniform, better quality, and is completed in a more timely manner than financial accounting work that is done in local university departments. Major sponsors are increasingly becoming automated, though a few sponsors are not as compatible with UW systems as GCA would like.

Camber noted that although grant volumes are up, resources are shrinking - GCA has worked hard to improve and streamline their processes to maintain high quality work at a low cost. In 1987, for example, GCA had no computers at all - everything was done manually with paper and pencil, and typed by a statistical typist. Today, everything is done online and there is no duplication of data entry. Unfortunately, most of the time-saving and cost-saving improvements have already been made - GCA's ability to "get better" is now being taxed. Thin staffing means that timeliness is suffering and administrators' ratings of GCA (normally good or excellent) may drop. Heath asked whether the increased workload and staff cuts have resulted in any negative audit consequences - Camber cited a management letter from the Washington State Auditor chiding them for fiscal reports that are behind.

GCA, said Camber, has 79% more budgets per person to administer than it did ten years ago, and 10 fewer staff members to do the work. Although GCA is supported by indirect cost recovery money, they may still be facing further budget cuts in the current financial crisis. "If we get a 5% or 10% decrease, we're in real trouble," Camber said of the as-yet-unknown budget cuts.

Asuman Kiyak asked Camber for figures on indirect costs that the grants processed by GCA are generating, to determine whether GCA is paid mostly by state money or not. Kiyak would like to see if "no cuts" can be justified for GCA, based on their indirect cost recovery. Heath said that the UW's administrative costs are higher than the cap, but that true cost recovery during the biennium is always higher than what is budgeted at the beginning of the biennium. This higher-than-expected recovery is what should buffer GCA against further cuts.

Heath pointed out that GCA's staffing is not a money issue, it's a policy issue. What things are absolutely necessary to be funded? "Fundamental, legal management of the grants should be untouchable," said Heath, "because the grants are the goose that lays the golden eggs - if we kill that goose, the grants will stop coming."

Camber said GCA has been able to hold the line by improving their processes, as they went from 46 to 36 people and volumes increased. "But in the last couple of years," Camber said, "it's really starting to show - we're running out of big improvements we can make." At present, the biggest backlog is 2000 grants that need to be closed out. The automated system keeps generating reports for these expired grants, but GCA doesn't have the bodies to close them.

Fiscal reporting was last year's audit issue - 46% of fiscal reports were not completed on time due to a combination of lack of staff and difficulty of coordinating with departments within required sponsor deadlines. Other kinds of reports are also behind schedule and may become an audit exception. Cost sharing and compliance monitoring are risks - GCA lost its compliance monitoring staff in the last round of budget cuts and can do very little in this area. The administration has been advised that this may generate audit exceptions as well.

Catherine Booth asked Camber about staff turnover - this hit a peak in 1995-96, said Camber, but staff positions have been reclassified and this had brought some stability. High volumes and thin staffing make burnout a problem. In addition, departments tend to recruit their favorite GCA staff members, causing more turnover.
Kiyak again raised the issue of increased grant volumes - with a 20.2% increase in grant money, shouldn't the corresponding increase in indirect cost recovery help with GCA's funding?

Heath suggested that, rather than focus on indirect cost recovery, objectives such as the following should be set up to govern GCA (and GCS) operations:

- Accounts opened within 2-3 three days of the award
- Expired grants closed within 90 days
- Cost sharing compliance monitored on a defined metric
- Other objectives as appropriate

Staffing would then be predicated on the number of people needed to meet the stated objectives.

Catherine Booth agreed. Chasing indirect cost recovery is a dead end, she said. The goal-oriented route Heath described for GCA is the one to pursue.

Heath asked Camber what it would take to remove the risks she has described and forestall the problems looming on the horizon. Camber will provide Heath with this information and he will write a letter to the Provost on behalf of GCA. This might tend to provide GCA some protection from further budget cuts.

Jefferds Committee
Heath reported on the Council's meeting with the Jefferds Committee, which (without the Council's input) had proposed some restructuring in the Provost's Office that would affect research functions.

During the meeting with the Research Council, the Jefferds Committee presented itself as a "listening" committee as opposed to one that was taking action, and reported that they had gleaned the following from their listening:

- There is no support for Grant and Contract Services being anywhere other than where it is now.
- Academic Program Reviews are working well "as is" (if it ain't broke, don't fix it).
- The heads of Centers are opposed to moving, but Deans and Directors wanted them moved into academic units.

During the meeting, Research Council members made the point that issues such as these should not be considered in a vacuum.

Council members were surprised to learn that a review of the Friday Harbor research facility had been instituted with almost nobody knowing about it, including the Vice Provost for Research (to whom Friday Harbor Labs reports). A review like this, said Heath, should be discussed in light of all the field activities the University is involved in.

Heath reported that the Jefferds Committee also looked into the formation of an Office of Scholarly Integrity and the functions to be included in this office. Formation of such an office has the support of the deans, but so far the concept seems ill-defined. There would be a conflict of interest should the proposed office provide consultation services at the same time it provided oversight or enforcement services.

An Office of Scholarly Integrity would give high visibility to integrity and ethical behavior at the University, said Heath, but its makeup and reporting structure needs a lot more broad discussion. It should employ expert people who have been actively involved in research, who have sat on human subjects research review boards, etc. Deans, directors, and chairs are probably not the people who have the most experience with this.
At present, this kind of oversight is being done in the Graduate School, but by only one person on a part-time basis. Council members felt the Graduate School was the appropriate place for this function, but more resources should be devoted to it. As far as the reporting structure is concerned, Heath said, there are good cases to be made on both sides of the issue, but it is clear that a broad range of research faculty need to be involved in the discussion.

The Jeffords Committee advised the Research Council that they looked into other issues connected with research:

- What are the general issues that affect UW researchers' ability to do a good job?
- Is the university set up to deal with the complexity of research in which it is now engaging?
- How to increase visibility and advocacy in Washington, D.C. for UW research programs.
- General issues of autonomy and the stature of research at the UW.

Heath concluded that the council should invite the Provost to come and talk with the Council on these and other research-related matters. He will invite Lee Huntsman to the next meeting. "We're not going to be able to find all the answers," said Heath, "but we can provide a different set of voices and a different perspective."

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