Meeting Synopsis:

1) Call to Order and Approval of Agenda
2) Approve minutes from April 11, 2012 FCR meeting
3) Announcements
4) Requests for Information and Updates
   a. Update on PHS regulations on financial conflicts of interest – Jeff Cheek
   b. Update on PHS salary cap – Carol Rhodes
5) Old/New Business
   - Two APL restricted research contracts – Dan Vogt, Restricted Research Subcommittee
6) Adjournment

1. Call to Order and Approval of Agenda
Gerald Miller called the meeting to order at 9:06 a.m., stepping in for Chair Ron Stenkamp

2. Approve minutes from April 11, 2012 FCR meeting
Minutes from the April 11, 2012, FCR meeting were approved as modified.

3. Announcements
Mary Lidstrom announced three UW faculty members who have been elected to the National Academy of Sciences: Ann Nelson, James Bardeen and Evan Eichler.

Sue Camber noted that Grant and Contract Accounting had been behind in setting up budgets due to turnover in Winter quarter, and not only has completely caught up but is processing budget set-ups, supplements or extensions in less than 24 hours due to a new process. Concerns were expressed that the National Institutes of Health are delaying start-dates for awards by several months, and Camber requested examples be sent to her in order to determine the cause of such delays.

4. Requests for Information and Updates
   a. Update on PHS regulations on financial conflicts of interest – Jeff Cheek, Associate Vice Provost for Research Compliance and Operations, Office of Research
Jeff Cheek was reintroduced to the Council, and introduced his colleague Jackie Salgado. He thanked the Council for its feedback. Cheek emphasized the heavy administrative and faculty burden in complying with changes in financial conflicts of interest for Public Health Service (PHS) funded research. 7,000 individuals at the University of Washington will be required to complete the Financial Conflicts of Interest training by August 24, 2012. The training will begin to be available in June.

Cheek noted need to balance providing investigators with all essential information, without causing too much burden, yet clarifying applicable elements to each faculty member. A website was proposed for development,
containing the new policy, requirements, contact information for questions, and links to the training website. Additionally, there was worry if training is expanded that it would be difficult to get researchers to follow up on additional content. Clarity will be needed to be provided as to designation of “investigators” within the eGC1 form, in addition to disclosing any financial interest.

Though departments could integrate this content within already existing training modules, it was noted that this would require a mechanism to ensure consistency in training. Council members suggested concentrating on training department administrators first, rather than bearing the responsibility of answering questions on policy by the Office of Research. Concerns were also expressed on providing potential disincentives for faculty working under small technology transfer research grants, however this was noted to pose a separate challenge, potentially violating the State Ethics Act rather than federal requirements.

The majority of these changes are required for PHS funded research. Council members were provided two handouts, one organizational chart of organizations within the PHS and another with a flowchart displaying responsibilities between investigators and the institution. Faculty members are initially responsible to identify all investigators for each of their projects, will need to be recertified every 4 years on financial conflict of interest (FCOI), and annually update FCOI annually. Cheek asked whether it was necessary to understand the institutional responsibilities, or if this was too much information. It was suggested that institutional responsibilities are important for investigators to know. Another suggestion was to categorize responsibilities between all investigators and the additional requirements for those with Significant Financial Interests (compensation of $5,000 annually).¹

Another point was having significant financial interest in “any university responsibilities” was confusing. The Policy Revision group is working to appropriately define this prior to beginning training. Such policies were developed to address physicians doing continuing medical education funded by pharmaceutical companies and to prevent use of solely these pharmaceutical companies’ products. Questions arise how this is significant for other PSH funded research, and providing examples of particular scenarios may best clarify this.

Discussion continued on the communication plans. Though the Office of Research can identify all PHS funded investigators at UW, contact through email would probably yield a small penetration rate, around 10%. The first communication would target solely PHS funded investigators. Broader information would then be sent to all faculty via email. Cheek was suggested to present this information at Department Chair meetings (particularly within the School of Medicine and Public Health) and focus on orienting administrators. An informational video or recording of question and answer sessions could be archived online and broken into specific questions.

No imminent policy changes were noted for National Science Foundation funding, however changes may come forth in two years. This experience with the change in PHS policies could prepare UW should NSF follow suit. Cheek noted that the training module should be live by June 15th, and requested if any council members had additional thoughts to email him.

¹ Receiving compensation of $5,000 or more annually
b. Update on PHS salary cap – Carol Rhodes, Associate Director, Office of Sponsored Programs

Carol Rhodes informed the FCR that the Department of Health and Human Services (DHHS) has decreased its salary cap to $179,700 from $199,700. She noted that this change will be complicated as the salary cap will be retroactively assigned to grants with an issue date of 12/23/2011 forward, rather than the more commonly used start date. Discussions are being held to capture this issue date. Not all DHHS agencies will be affected by this.2

After a question was raised on salaries between multiple DHHS grants, a salary cap may be determined on a grant-by-grant basis, and multiple caps may be applicable during any different cycle. Multiple groups on campus have been discussing the impacts of this policy change. The difference between the amount of the grant and the salary cap would be considered cost sharing to the University, thus reducing the award level. The cap is projected by annualizing monthly salaries. Continuing grants proceeding to a second year would then be subject to a lower cap. The University has a responsibility to not charge the sponsor for more than the appropriate cap. These calculations will need to be performed monthly and compared to the award document. Sample audits are being planned and will be the responsibility of Management Accounting and Analysis.

The Office of Sponsored Programs will track this and will focus on special cases (grants which will be considered under the “Executive Level I cap” of $199,700) which were placed on hold, as most grants will fall into the new “Executive Level II cap” of $179,700. Further complications will occur in non-continuation, supplement, or carry forward funding. To segregate funding, a department must identify if a grant is subject to the Executive Level 2 cap, they must set up a sub-budget which OSP can do upon setting up the grant. A sub-budget may be created later, but through Grant and Contract Accounting, which can also be used if a researcher is added to the project, and their pay exceeds the cap.

Faculty members on a project should be identified should their salary exceed the new salary cap, and whether a sub-budget is needed. Grant flags must be reviewed to see if coded properly in Faculty Effort Certification. Though online reporting has been rolled out for eFECS, the old salary cap is the only current option, which will hopefully be adjusted to allow different caps to be entered before the end of the reporting cycle on June 30th.

A brief history of salary caps was discussed, noting that they remained the same for around 10 years. A more grave reduction had been proposed and the new salary cap represents a compromise. Discussion continued on NIH and PHS to cope with decreased funding in their grants. This cap reduction prevented a reduction in the number of grants or investigators supported, saved funding and disbursed more total grants. The burden of these cuts falls to Universities. This policy will cost the University over $3 million as such “cost sharing” is absorbed by the college. This policy serves as a disincentive for clinical faculty to conduct research. Rhodes provided some resource links to council members and requested that they contact OSP should they have any questions.

5. Old/New Business
   - Two APL restricted research contracts – Dan Vogt, Restricted Research Subcommittee

The Restricted Research Subcommittee reviewed two grants which were sent to FCR by the Applied Physics Laboratory to be submitted to OSP.

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2 The cap is solely applicable to NIH, SAMHSA, AHRQ, HRSA and CDC grants
The first proposal is from Dr. James Pitten, and is “Surface and Underwater Obstacle Avoidance using BlueView Sonars” from the Office of Naval Research. This grant will consist of $2.3 million over two years. The Subcommittee received responses to the typical questions and did not find any problems with this proposal. The proposal will study navigation of unmanned underwater vehicles using BlueView Sonars, for which the program will be applying algorithms to be used. This research will involve work with classified information and material, but publishing will be allowed, and no foreign nationals or students will work on this project. The location and systems information will be classified information. No questions followed by FCR.

The second proposal is from Dr. Jim Thompson “Small Business Technology Transfer Research (STTR) subcontract from Oscilla Power, Inc.” Thompson will be evaluating the capability of Oscilla Power’s wave harvesting device, which is proprietary. After several interactions between Professor Thompson and the Subcommittee, it was determined that the results from Dr. Thompson or his group will not be considered proprietary, nor only tied to Oscilla’s equipment. The only restriction is that the quantification of how much energy is generated cannot be published; the interest is solely in the mooring design. Thus publications would discuss the design rather than the performance of the device. Dr. Thompson would be able to file a patent for the mooring design, not Oscilla. Vogt noted that good questions were posed by subcommittee members, and they also unanimously approved this and passed it to FCR. No questions followed by FCR.

These two proposals will be voted on electronically to be sent to OSP, due to lack of quorum.

6. Adjournment
Meeting was adjourned at 10:09 a.m. by Gerald Miller.

Minutes by Jay Freistadt, Faculty Council Support Analyst. jayf@u.washington.edu

Present: Faculty: Miller, Rosenfeld, Vogt
President’s Designee: Lidstrom
Ex Officio Rep: Spelman
Guests: Jackie Salgado (ORIS), James Poland, Jeff Cheek, Susan Camber, Carol Rhodes

Absent: Faculty: Spieker, Roesler, Stenkamp (Chair), Haselkorn, Slattery
Ex Officio Rep: Fridley, James, Nolan, Pantazis, Gruhn