Meeting Synopsis:

1. Call to Order
2. Introductions
3. APL Requests for Approval
   a. North Pacific Ambient Noise Laboratory (NPANL) Support
   b. Creare Mooring
   c. Sonar Simulation Toolset Training and Support for the Defense Science and Technology Organization
4. Approval of the Minutes from June 5th
5. Outcome of July Email Ballots
   a. Deep Ocean Engineering Support for SPARTON’s Universal Payload Delivery System
   b. General Upward Lifting Platform for Emergency Response (Gulper)
6. Announcements
7. Future Agenda Items
8. Proposed Changes to 1461 Policy and Executive Order 47 (Outside Work Form)
9. Emerging Issues and Updates – OMB, HHS and NSF
10. Adjourn

1) Call to Order
The meeting was called to order by Chair Miller at 9:00 a.m.

2) Introductions
Miller discussed the charge of the council and members introduced themselves.

3) APL Requests for Approval
Daniel Vogt introduced himself and explained the role of the Subcommittee on Classified/Restricted Research. Whenever there are restrictions to classified research special procedures must be taken before the project can be conducted. The subcommittee reviewed three proposals over the summer and unanimously approved each one. These are:

North Pacific Ambient Noise Laboratory (NPANL) Support

The Principal Investigator on the sub-contract is Dr. Rex Andrew and the amount of requested funding is $4,000 over an eighteen month period to collect data. This project involves classified aspects of naval operations which is why the proposal was sent to FCR first before submission to the Office of Sponsored Program (OSP). This is a relatively small request but was a project that needed to be reviewed by the council to determine how classified data would be collected and processed. The subcommittee was initially concerned if there would be restrictions to publications but it appears to not be a problem since there are no students or foreign nationals involved with the project. Miller explained that when
reviewing these proposals FCR also needs to consider if these types of projects are appropriate for the university to support.

The proposal received unanimous approval from the full FCR.

**Creare Mooring**

The Principle Investigator on the sub-contract is David Dyer and the amount of requested funding is $80,018 to design, build and deploy a mooring system associated with a larger, ongoing contract. The project involves developing devices to convert thermal energy from deep ocean hydrothermal vents to electrical energy. The concern was that the company Creare is a partner and requires that any publication that comes from this project goes through them and the Office of Naval Research (ONR). It is unlikely that publication would occur since this is a work-for-hire relationship, but it still needs to go through this process. Vogt explained that the time frame to notify contractors about publications is typically 60 days.

APL-UW has a great reputation working with the US Navy coordinating deep-water ocean studies, especially with sonar simulations. Their reputation is so great that the Navy turns to them first which brings in funding and recognition to APL-UW.

The proposal received unanimous approval from the full FCR.

**Sonar Simulation Toolset Training and Support for the Defense Science and Technology Organization**

The Defense Science and Technology Organization (DSTO) is an agency of the Australian Department of Defense and the amount of requested funding is $124,000. APL-UW created a simulation model, the Sonar Simulation Toolset (SST), which is software developed to create digital data and computer simulations of sound in the sea. Vogt explained the software would be provided by ONR to be used for The Technical Cooperation Program (TTCP), an international exchange program amongst the defense establishments of the US, Canada, United Kingdom, Australia, and New Zealand. APL-UW has developed previous versions of this software which has been used by many international members of TTCP. Robert Goddard, the primary architect, was asked by the Australian Department of Defense to train their people on sonar simulation programs.

The primary concern revolves around restrictive software with SST. Because SST will be used to train internationals, providing the software is analogous to the export of restricted information. In order to approve this proposal many steps need to be taken to ensure UW does not conflict with the legal issues surrounding the law. The job will eventually fall to OSP to ensure UW is in compliance with the rules and regulations surrounding the proposal. At this point FCR should be more concerned with the appropriateness of this project and whether it inhibits publications. This is a simulation model and no publications would result since it is only a training mechanism. The subcommittee found no problems and believes this is an appropriate proposal to support.

The proposal received unanimous approval from the full FCR.

4) Approval of the Minutes from June 5th
Miller explained that Christi Chapman, Director of Management Accounting and Analysis, incorporated changes to the minutes regarding her presentation to the council. These amended changes were approved by Miller and sent to the council for review prior to this meeting.

The minutes from June 5th were approved as amended.

5) Outcome of July Email Ballots
Miller reported on the results of two summer email ballots. The subcommittee recommended two new classified contracts submitted APL to be reviewed by FCR:

- Deep Ocean Engineering Support for SPARTON's Universal Payload Delivery System
- General Upward Lifting Platform for Emergency Response (Gulper)

Both proposals were approved by the council.

6) Announcements
Plans are that at next month’s meeting Dr. Robert Miyamoto will present classified research aspects at APL. Dan Vogt will also present on the charge of the Subcommittee on Classified/Restricted Research. Carol Rhodes, Associate Director for the Office of Sponsored Programs, will discuss export/import regulations.

7) Future Agenda Items
Eight years ago FCR approved a UW rule limiting appointment for Research Associates. The rule created appointments limited to six years from receipt of a terminal degree. At the time, the rationale was that it protected post-doctoral (post-docs) candidates. Miller suggested that it is time to revisit the issue of post-docs because the current policy restricts the ability for faculty to complete projects.

A concern was raised that appointments are usually funded by the National Institute of Health (NIH) which is moving in the opposite direction. Discussion ensued. Having post-docs in these positions is often viewed as exploitation, yet these individuals do have the ability to move their careers to other institutions. Miller explained that in the physics department individuals might be in their third post-doc, excel in their field, but not able to obtain faculty status because there are no openings available. It would be good to allow for greater flexibility.

Discussion ensued. It is important to continue discussions on the rules and regulations that surround post-docs while including stakeholders across campus to explain the impacts of all available options. This is an issue that is handled differently in different places on campus and FCR could develop standards to allow for flexibility. It would be beneficial to create a professional track that is more career-oriented for researchers by creating a position at the UW for individuals to continue with the institution.

Discussion moved to the available methods on changing the classification of post-docs. Changes would require either Class A or B legislation depending if the changes would be made to the Faculty Code or to UW policies/procedures. It is possible that the changes could also result from an Executive Order. In reviewing the Faculty Code, it appears that the code addresses Research Associates which states their appointments cannot exceed 6 years at the UW. Discussion ensued about post-docs on campus. There is no official recognition of post-docs per se; either they are classified as a Senior Fellow or Senior Fellow Trainee. It would be nice to have a description of post-docs and their role at UW.
8) Proposed Changes to 1461 Policy and Executive Order 57 (Outside Work Form)
Mary Lidstrom discussed the Outside Work Form which she brought to FCR’s attention last year. The annual submission of 1461’s is UW’s process for reporting outside work. Executive Order (EO) 57 would propose changes to the current reporting process by removing the requirement to report outside work that does not require approval. Discussion ensued. Some outside work requires approval while some does not. For example, faculty members are given one day a week to consult with outside organizations which normally require approval. However, when faculty members consult with most non-profits the activity is considered “professional activity” and does not require approval. The proposed changes in EO 57 would no longer require faculty to report this as outside work.

Lidstrom stated that her office believes taking a more targeted approach to reporting would reduce administrative oversight and costs, decrease risk, and improve compliance. Rather than require reporting for all outside work her office could target the higher-risk categories, such as faculty who are near their limit for outside consulting and those who have a management plan.

A question was raised about non-compliance. “Conflict of commitment” is typically the issue when a faculty member is spending too much time with their outside work than their commitments to the UW. However, there are some grey areas that are not perfectly clear such as situations where faculty create spin-off bio-tech companies. In these scenarios the faculty members should have a management plan. If there is substantial work on a day-to-day business then the individual should take partial-leave at that time. UW is open to start-up businesses, but it should not come into conflict with their jobs. Joe Giffels, Associate Vice Provost for Research Compliance in the Office of Research, can present to FCR about this process.

Lidstrom explained that her presentation is just for informational purposes at this point. Reporting for outside work that does not require approval will be erased from the 1460 process and the paragraph in EO 57 addressing those reporting requirements will be removed. The changes will go to Rebecca Deardorff (UW Rules Coordinator), then to Jack Johnson (President’s Chief of Staff) and finally to Jack Lee (Chair of the Faculty). Lee will then decide which faculty council or body within the Faculty Senate should review the changes. Lee has already been advised of the changes and indicated that FCR would likely review the formal request. Lidstrom also mentioned that state ethics laws have carved out an exception to UW to allow for outside consulting. However, this means that any changes to the policy will have to go through the Office of the Governor to sign off on the final changes.

The goal is to have all the changes completed by Winter Quarter. It will take time and they do not anticipate a problem, but has to go through this process because it may be seen by outsiders as loosening requirements.

9) Emerging Issues and Updates –NIH, HHS and NSF
Susan Camber, Associate Vice President for Financial Management, provided updates to the emerging issues surrounding UW grant awards with the US Health and Human Services (HHS) and the National Science Foundation (NSF). Before the federal shutdown these agencies were very busy and the goal today is to highlight issues that could impact faculty.

NIH/HHS Cash Payment and Close-Out Process

NIH and HHS came out with a ruling in July stating that all draws (on-line invoices) would be handled on a grant-by-grant basis. In the past, Camber’s office would coordinate funding requests behind the scenes
by consolidating all separate requests together into one large transaction to draw the funding down. This new ruling would affect approximately 1,500 grants at the UW which will dramatically increase the difficulty in submitting draws.

On September 3rd the federal agencies also announced that all active awards, including SNAP (Streamlined Non-Competing Award Process) awards with a 5-year project period, must shut down and reopen under a new project, possibly impacting flexibility to carry over funds within the project. The agencies originally thought that this change would only impact administrators but it has a large impact on researchers as well. The university community has reacted negatively to this ruling because this would require a major undertaking requiring several hundred budgets closing and reopening. The feedback got the attention of the agencies and they will hold off implementation until October 2014. While the requirement will still be there, this gives the university community the ability to address concerns and have conversations with the agencies to effectively manage this process.

A question was raised asking about the reason for the rule change. This came as a result of a report on the close-out process at HHS conducted by the General Accounting Office. The report found that they still had open accounts from many years ago which prompted the agency to clamp down on the process. Discussion ensued. Concern was raised about the impacts on principal investigators, administrators and active projects.

It is important to understand that in many cases faculty coordinate the grant award process themselves without the help of administrators, which is why UW is pushing back because this will not be a minor change. Camber clarified that these rulings would affect all other universities as well so we are working with our peers in the conversations with HHS and NIH.

In the past these agencies have provided some flexibility in terms of financial reporting. Part of the new crackdown would mean that if a financial report is not submitted and funds are not requested within 90 days of expiration, a special request will have to be submitted and the agency must determine whether we get paid. Additionally, UW currently has 12 months to revise financial reporting but the agencies are considering shortening the time period to a 6 month window. These changes would have many implications on how projects are managed at and after expiration to ensure deadlines are met.

**NSF Office of the Inspector General (OIG) Audit – Data Analytics**

The NSF OIG will be conducting a data analytics audit of expenditures at the UW for a three-year period on NSF grants. This entails a detailed download for all expenditures on NSF grants from April 1, 2010 to March 31, 2013. NSF picked 10-15 institutions to perform the audit and will be looking for anything suspicious. Any transaction on a grant can be reviewed. Examples of transactions the auditors might review include late project expenditures, large transactions, salaries, travel, cost-sharing and any transactions they consider high risk.

Concern was raised about the burden of complying with administrative requirements. Faculty would be required to review financials which they have limited understanding about and may include errors. Greater assistance should be provided to faculty; if NSF is increasing the burden for faculty then the NSF should provide more funding to comply with the increasing obligations. UW has been working closely with other peer institutions which have been pushing back on administrative burden. As a group they have a strong voice, but the agencies are facing challenges because they are under pressure from outside stakeholders to implement the changes. It was mentioned that industry has been successful in
influencing changes to federal regulations, but universities are in a unique position because there is a strong emphasis on government accountability and transparency. Work has been done to identify what burdens can be cut back from these regulations. It was mentioned that faculty are being required to manage too many things that they are not qualified to do. Discussion ensued.

The first data analytics audit resulted in a $6.8 million finding at another university. The process is not finalized, but the result will likely require the university to pay back the funding. One outcome that could result from a similar audit would be the suspension of future funding.

UW’s audit should last about nine months, include several sit visits, and be completed by June. Camber explained that UW will also have its own audit performed by the Internal Audit department for awards not based on NSF funding in order to identify weaknesses and areas for improvement. This was planned before NSF selected UW for a data analytics audit and Internal Audit subsequently decided to remove NSF grants from the population it would cover so work wouldn’t be duplicated.

Other Audits

Camber discussed other audits that will be conducted at UW, including an audit conducted by the State Auditor’s Office focusing on research and a review corresponding with the UW’s submission of a new indirect-cost rate proposal.

Combined Federal Circulars

Camber updated the council on developments in combined federal circulars. Changes have been made to combine eight direct circulars into one which will result in some rule changes. The implications would mean taking grant policies for state agencies, non-profits, tribal governments and universities and combining them into one large circular. The comment period is complete and the federal government appears poised to release the final rules in December 2013 or early 2014.

Federal Shutdown

Implementation has been relatively inconsistent. Some agencies like NSF simply shut their doors while HHS allowed UW to draw out money. The US Department of Defense seems to be open as well. The biggest impact appears to the effect on new grants that have not been awarded. Although federal agencies may temporarily cease making payments, the UW has temporary funding plans in place to ensure active research grants continue. Once the government reopens UW would be compensated for funding that was not obtained during the closure. If the shut-down continues for an extended period of time it may create larger problems, but the expectation is the shut-down will be lifted shortly.

10) Adjourn

The meeting was adjourned by Chair Miller at 10:25 a.m.

Minutes by Grayson Court, Faculty Council Support Analyst. gcourt@uw.edu

Present: Faculty: Miller (Chair), Aragon, Demiris, Rosenfeld, Scheuer, Shields, Slattery (by phone), Vogt
President’s Designee: Lidstrom
Ex-Officio Reps: James, Louden
Guests: Susan Chamber, Associate Vice President for Financial Management

Absent: Faculty: Beauchamp
Ex-Officio Reps: Fridley