Meeting Synopsis

1. Call to order
2. Review of the minutes from October 19th, 2017
3. Review of the agenda
4. The Total Cost of Doing Research – Mary Lidstrom
5. Update on Federal Research Regulatory Reform – Lynette Arias
6. Recommendations from ACIP3 on Open Access Policy implementation
7. OSP and FCR / restricted contracts
8. Good of the order
9. Adjourn

1) Call to order

Rosenfeld called the meeting to order at 9:00 a.m.

2) Review of the minutes from October 19th, 2017

The minutes from October 19th, 2017 were approved as written.

3) Review of the agenda

The agenda was approved as amended. Item #7 was added as an update.

4) The Total Cost of Doing Research – Mary Lidstrom

Lidstrom (president’s designee) gave a presentation relating to the cost of conducting research both at higher education institutions and at private research institutes. She explained the PowerPoint would be widely shared in the coming weeks and welcomed feedback from FCR members (Exhibit 1).

Direct costs and indirect costs were explained at the outset of the presentation; it was emphasized that a lot of the costs involved in doing research are paid for under Facilities and Administrative Rates (F&A), including building upkeep and pay for support staff (Slide 1, Exhibit 1). There was a recommendation that the presentation be expanded to not solely focus on research that occurs in labs, especially in relation to illustrations/infographics.
A pie chart graphic was shown of the costs of conducting research (Slide 4, Exhibit 1). It was clarified cost sharing cannot be subsidized by federal funds, and administrative costs are capped for public institutions like universities, but not for private entities like the Fred Hutch Cancer Research Center. The majority of grants at the UW do not include cost sharing, though the practice is prevalent at the School of Medicine.

Current F&A rates were exhibited for various institutions/organizations (Slide 5, Exhibit 1). The current on-campus F&A rate at the UW is 55%. Private institution F&A rates tend to be higher (Harvard on-campus 69%).

It was noted it is possible to reduce the UW’s F&A rate but a reduction would include consequences relating to administrative services, research facility construction, building maintenance and modernization, and other areas (associated costs have to be made up elsewhere).

A conclusion slide was shown, including the following points (Slide 9, Exhibit 1):

- Facilities and Administrative Costs are real costs associated with research.
- The UW associated F&A Costs are in line with other public research universities, and less than research institutes and private universities.
- A reduction in F&A Costs would jeopardize the ability of our researchers to carry out their research, and in the end, would result in less research being carried out.

It was recommended that the information included in the final slide be moved up to the start of the presentation (and still be showed at the end).

Lidstrom thanked members for their feedback.

5) Update on Federal Research Regulatory Reform – Lynette Arias

Lynette Arias (Assistant Vice Provost, Office of Vice Provost Research) was present to update the council on federal research regulatory reform. She used a PowerPoint as part of her presentation (Exhibit 2).

A federal budget outlook was presented (Slide 2, Exhibit 2). It was noted F&A rate projections for FY18 are normal, but there may be issues in FY19. Proposed FY 2018 funding for various research agencies shows an increase in NIH funding, and a decrease for NSF funding (Slide 3, Exhibit 2).

There was some discussion of planned tax reform at the federal level, specifically its potential impacts relating to graduate student tuition waiver taxes and employee tuition remission. Several members commented the notion that graduate students be taxed on tuition waivers is abhorrent and is likely to be disastrous for many American graduate students if approved.

A Research Policy Board is actively being set up to monitor burdens/costs for researchers as part of the 21st Century Cures Act (Slide 6, Exhibit 2). The Act encourages U.S. research agencies to revise policies to reduce administrative burden in conducting research, among other things.
There was some discussion of the Basic Research Bill and Evidence Based Policy Act (Slide 11, Exhibit 2).

Arias provided a brief overview on other hot topics at the federal level, which included (Slide 12, Exhibit 2):

- F&A
- Open Science
- Marijuana Research
- Drug pricing
- EPA funding
- Whitehouse Office of American Innovation
- Clinical Trial definitions
- Foundation / University Partnership

A slide was shown on the Federal Demonstration Partnership (FDP); it was noted the UW is actively involved in several areas that have been prioritized (Slide, Exhibit 2). UW FDP representatives include Mark Haselkorn, Jim Kresl, and Lynette Arias.

Arias was thanked for updating the council on federal research regulatory reform.

6) Recommendations from ACIP3 on Open Access Policy implementation

Rosenfeld explained ACIP3 met and could not reach consensus on a recommended implementation pathway for the Open Access Policy. Different members supported both opt-in and opt-out options for the Policy. He explained Faculty Senate Chair, Thaisa Way, plans to convene a group made up of himself (as FCR chair), Faculty Council on University Libraries (FCUL) chair, and other faculty senate leaders to make a final determination on how to implement the Policy, and if it will be opt-in or opt-out. It was clarified the Policy will go forward as legislation to the Faculty Senate during the 2017-2018 academic year.

7) OSP and FCR / restricted contracts

Rosenfeld presented a handout on the topic (Exhibit 3). He explained Executive Order No. 8, which mandates the FCR’s review and vote on restricted research proposals, originated during the 1960s in response to the Vietnam War – as faculty at the time desired a say in what types of military contracts would be accepted by the university. He noted the university climate surrounding research has shifted considerably since that time, however EO 8 was never revised in this regard, and FCR retains responsibility to review a growing number of research proposals each year (many of them routine and rarely denied by the council).

Rosenfeld explained he plans to request support from the Senate Executive Committee (SEC) to delegate responsibility for approval of routine research contracts to the Office of Sponsored Programs (OSP) so that each contract with restrictive clauses does not have to be reviewed by the FCR. These would include:
Contracts with confidentiality agreements (e.g. clinical trials)
Right of first review (for corporate contracts with no more than 60 days restrictions)
Consortium agreements per standard trails regarding publication restrictions
Office of Naval Research task orders

Rosenfeld explained FCR will still review research restrictions not highlighted above (Exhibit 3). Frevert explained he will present the topic to the SEC in an upcoming meeting, and if the response is favorable, a meeting will be convened of FCR members, members from the President’s Office and from OSP, with the result being formal amendment of EO 8. He clarified that following that change, EO 8 will be revised to list contract restrictions FCR still has responsibility to review and decide on.

8) Good of the order

Shared research resources

Lidstrom explained the Office of Research possesses a list of recharge and cost centers that support research and there is now a plan to publish and update that list within the Office. The list is not expected to be exhaustive but a work in progress as other shared resources are sought out. The goal is to get it up and running in March, 2018.

9) Adjourn

The meeting was adjourned at 10:30 a.m.

Minutes by Joey Burgess, jmbg@uw.edu, council support analyst

Present: Faculty: Eliot Brenowitz, Chuck Frevert, Benjamin Marwick, Michael Rosenfeld (chair), Paul Fishman
Ex-officio reps: Larry Pierce, Jake Busche, Charles Hirschman
President’s designee: Mary Lidstrom
Guests: Susan Camber, Lynette Arias

Absent: Faculty: Donald Chi, Todd Herrenkohl, Nicole Gibran
Ex-officio reps: Ann Glusker

Exhibits
Exhibit 1 – FA Education Slide Set 10_27_17 FINAL.ppt
Exhibit 2 – Arias FCR Research Federal Update Nov 2017.ppt
Exhibit 3 – Request to the SEC for support to amend EO8 11-3-17.TW
Direct Costs + F&A + More = The Total Cost of Doing Research

Mary Lidstrom
Vice Provost for Research
How Much Does Research Cost?

The UW has a portfolio of over $1.5 billion in awards. These dollars come from sponsors in the form of Direct Costs and Facilities and Administrative Costs.

These award dollars do not cover the total cost of research. The UW subsidizes both Direct Costs and Facilities and Administrative Costs with funds from a number of sources.
Costs of Federally Sponsored Research

The total cost of federally sponsored research includes a combination of both direct and facilities and administrative (F&A) costs. Both types of expenditures are key an institution's ability to conduct cutting-edge research. F&A consists of the construction and maintenance costs of laboratories and high-tech facilities; energy and utility expenses; and safety, security, and other government-mandated expenses. These costs are real and research cannot be conducted without them.

Direct costs - These expenses solely cover research and include lab supplies and equipment; salaries and stipends for researchers and graduate students; and travel costs for conducting and sharing research.

Upkeep of any building space not used directly for federally-funded research, such as classrooms or lobbies, is not covered by F&A reimbursement.

Secure data storage, internet, telecommunications, and high-speed data processing.

Utilities – ventilation, heat, air conditioning, water, and lighting.

Radiation and chemical safety, including safety training and hazardous waste disposal.

Personnel in support of research, including security, financial, administrative, technical, maintenance, and janitorial staff.

Costs of federal, state, and local regulatory compliance, including human and animal safety review boards.

Advanced research lab equipment.

Library and research facilities.
Total Cost of Research: An Example

Total Cost for a $1M Project, On-Campus Rate, with 10% Cost Share

- **Direct Costs**: $1,000,000
- **Cost Sharing (10% of DC and F&A)**: $155,000
- **Negotiated F&A**: $550,000
- **Research Facilities, Financial Management, Compliance**: $550,000
- **Calculated F&A Not Recovered**: $72,996

**Total Cost**: $1,777,996

**Reimbursed Cost**: $1,550,000

~15% subsidy
F&A Rates Compared

UW on-campus 55%
U of Michigan on-campus 55%
Harvard on-campus 69%
FHCRC on-campus 76%
Seattle Children’s on-campus 88.3%

UW F&A Rates are comparable to other public universities, and in general, less than private universities and non-profit research institutes.
Federal vs Private Foundation Funding for F&A

- Many costs that the Feds consider F&A Costs, foundations allow as Direct Costs.
- The Federal rate is applied to Modified Total Direct Costs-MTDCs; the foundation rate is usually applied to all (Total) Direct Costs-TDCs.
- Foundation awards often require less administration per award dollar than federal awards.
- Foundations typically impose less regulation on awards than the Feds.
## F&A Costs of Foundation vs Federal Grants

### Research Budget and Application of F&A (NIH compared to a private foundation*)

<table>
<thead>
<tr>
<th>Research Budget</th>
<th>NIH R01 (Lab-based)</th>
<th>Private Foundation (Lab-based and Foreign)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Investigator (MTDC)</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Lab Techs / Scientists (MTDC)</td>
<td>300,000</td>
<td>150,000</td>
</tr>
<tr>
<td>PostDocs / Grad Students (MTDC)</td>
<td>250,000</td>
<td>125,000</td>
</tr>
<tr>
<td>Project Manager</td>
<td>0</td>
<td>65,000</td>
</tr>
<tr>
<td>Supplies (MTDC)</td>
<td>50,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Travel (MTDC)</td>
<td>5,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Grad Student Tuition</td>
<td>20,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Subaward (Foreign component)</td>
<td>250,000</td>
<td>600,000</td>
</tr>
<tr>
<td>Facilities and Lab charge</td>
<td>0</td>
<td>60,000</td>
</tr>
<tr>
<td>Data/IT charge</td>
<td>0</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>SUB-TOTAL</strong></td>
<td><strong>1,040,000</strong></td>
<td><strong>1,260,000</strong></td>
</tr>
</tbody>
</table>

| NIH R01 F&A (50% applicable to MTDC) | 360,000² |
| FOUNDATION F&A (10% applicable to TOTAL) | 125,000³ |

**TOTAL RESEARCH BUDGET**

<table>
<thead>
<tr>
<th></th>
<th>NIH R01 (Lab-based)</th>
<th>Private Foundation (Lab-based and Foreign)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,400,000</td>
<td>1,386,000</td>
</tr>
</tbody>
</table>

### F&A and Similar Costs

<table>
<thead>
<tr>
<th>Costs</th>
<th>NIH R01 (Lab-based)</th>
<th>Private Foundation (Lab-based and Foreign)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager</td>
<td>0</td>
<td>65,000</td>
</tr>
<tr>
<td>Facilities and Lab charge</td>
<td>0</td>
<td>60,000</td>
</tr>
<tr>
<td>Data/IT charge</td>
<td>0</td>
<td>50,000</td>
</tr>
<tr>
<td>F&amp;A</td>
<td>360,000</td>
<td>126,000</td>
</tr>
<tr>
<td><strong>SUB-TOTAL: F&amp;A AND SIMILAR COSTS</strong></td>
<td><strong>360,000</strong></td>
<td><strong>301,000</strong></td>
</tr>
</tbody>
</table>

**TOTAL RESEARCH BUDGET**

<table>
<thead>
<tr>
<th></th>
<th>NIH R01 (Lab-based)</th>
<th>Private Foundation (Lab-based and Foreign)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,400,000</td>
<td>1,386,000</td>
</tr>
</tbody>
</table>

**F&A AND SIMILAR AS % OF TOTAL**

<table>
<thead>
<tr>
<th></th>
<th>NIH R01 (Lab-based)</th>
<th>Private Foundation (Lab-based and Foreign)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25.7%</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

Could we reduce our F&A costs? Yes, but...

- Administrative services from departments, deans, and central would need to be:
  - Reduced
  - Covered by Direct Costs
  - Assumed by researchers

- Schools and colleges might decide to limit the kinds and numbers of proposals submitted, based at least partially on a cost analysis.

- We would not be able to leverage the construction of new research facilities with debt.

- We would have to reduce or eliminate building maintenance and modernization.
In Conclusion

- Facilities and Administrative Costs are real costs associated with research.
- The UW associated F&A Costs are in line with other public research universities, and less than research institutes and private universities.
- A reduction in F&A Costs would jeopardize the ability of our researchers to carry out their research, and in the end, would result in less research being carried out.
Research Federal Update

Lynette Arias | AVP for Research Administration Strategic Initiatives
Office of Research
FEDERAL BUDGET OUTLOOK

• FY18 Budget *(10/1/2017 – 9/30/2018)*
  ▪ Continuing Resolution until Dec 8th
  ▪ Optimistic that we will have budget by end of CY
  ▪ Shutdown – extraordinary low chances
    ▪ “A shutdown at Christmas time would be right out of Dickens”
  ▪ Focus is on Tax Reform though
    ▪ “Congress cannot walk and chew gun at the same time”

• Going forward
  ▪ Return to fiscal austerity
  ▪ Emphasis on return – “biggest bang for the buck”
  ▪ Debt ceiling and Budget Control Act caps
  ▪ F&A – FY18 ok, expect issues again in FY19
### Proposed FY 2018 Funding for Research Agencies

<table>
<thead>
<tr>
<th>Agency</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIH</td>
<td>$35.2 billion</td>
<td>$36 billion</td>
</tr>
<tr>
<td></td>
<td>(+$1.1 billion)</td>
<td>(+$2 billion)</td>
</tr>
<tr>
<td>NSF</td>
<td>$7.34 billion</td>
<td>$7.3 billion</td>
</tr>
<tr>
<td></td>
<td>(-$133 million)</td>
<td>(-$161 million)</td>
</tr>
<tr>
<td>DOE SC</td>
<td>$5.37 billion</td>
<td>$5.55 billion</td>
</tr>
<tr>
<td></td>
<td>(no change)</td>
<td>(+$158 million)</td>
</tr>
<tr>
<td>VA</td>
<td>$691 million</td>
<td>$722 million</td>
</tr>
<tr>
<td></td>
<td>(+$16 million)</td>
<td>(+$47 million)</td>
</tr>
<tr>
<td>AFRI</td>
<td>$375 million</td>
<td>$375 million</td>
</tr>
<tr>
<td></td>
<td>(no change)</td>
<td>(no change)</td>
</tr>
</tbody>
</table>

*Per FASEB slides, Oct 2017 COGR Meeting*
FEDERAL LEGISLATIVE OUTLOOK

- Mood in Washington
  - Disagreement over policy
  - Frustration over lack of accomplishments
  - Focus shifting to mid-term elections

- Washington is very “noisy” right now.

- All about Tax Reform the rest of the year
  - Higher Education matters are on the table
    - Possible 1.4% excise tax on Endowments (might be just privates)
    - Grad student Tuition waivers and employee Tuition Remission
    - UBIT
    - Charitable giving
FEDERAL ADMINISTRATION

• Science Advisor / Office of Science & Technology Policy (OSTP)
  • Only one political appointee currently – Michael Kratsios
  • Chief Technology Officer / defacto head of OSTP

• Administration is still thinly staffed
  • OMB memo - shrink headcount / plans submitted in Sept
  • Whitehouse keeping score of FTE and $$ saved
    • “Starving the beast”
  • Many positions populated with questionably-qualified, non-science people. Big learning curves and causes slow downs
    • Example: staff to approve policy

• Mick Mulvaney, OMB – wants to challenge the University/Federal Government Partnership
### 21st Century Cures Act – Reducing Administrative Burden for Researchers

<table>
<thead>
<tr>
<th>Area</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Conflicts of Interest</td>
<td>• Harmonizing regulations</td>
</tr>
<tr>
<td>Human Subjects Regulations</td>
<td>• Common Rule: Final rule effective Jan 19, 2018</td>
</tr>
<tr>
<td></td>
<td>• Requested one year delay in compliance date</td>
</tr>
<tr>
<td>Monitoring of Subrecipients</td>
<td>• “Safe-Harbor” - Part of NIH request to OMB</td>
</tr>
<tr>
<td>Reporting Financial Expenditures</td>
<td>• Consolidating reporting - Part of NIH request to OMB</td>
</tr>
<tr>
<td>Animal Care and Use</td>
<td>• Report recently issued</td>
</tr>
<tr>
<td>Documentation of Personnel</td>
<td>• Universities actively pursuing alternatives</td>
</tr>
<tr>
<td>Agency admin burden reduction</td>
<td>• NSF pilots</td>
</tr>
<tr>
<td></td>
<td>• NIH has submitted requests to OMB in key areas</td>
</tr>
<tr>
<td>Research Policy Board</td>
<td>• Being actively set up – will meet 12/13/17 deadline</td>
</tr>
</tbody>
</table>
# 21st Century Cures Act – Reducing Administrative Burden for Researchers

<table>
<thead>
<tr>
<th>Area</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Confidentiality</td>
<td>• NIH Policy, effective 10/1/2017</td>
</tr>
</tbody>
</table>
| Next Generation Researchers Initiative | • Started with Grant Support Index  
                                     | • 8/31/2017 NIH Guide notice - Policy               |
Also keeping an eye on...

- **HHS Strategic Plan** – draft released/comments by 10/26
  - Strategic Goal #4: Foster Sound, Sustained Advances in the Sciences.
  - Some interesting language regarding human subjects

- **NIH Strategic Plan** – in future

- **FDA Regulatory Reform** – comments due 12/7
RESEARCH REGULATORY OVERSIGHT

• **OIRA – Office of Information and Regulatory Affairs**
  - Within OMB - Reviews & approves draft rules and regulations
  - New Administrator – Naomi Rao
  - COGR met with Deputy Admin – Dominic Mancini recently
  - Lead on Research Policy Board

• **Research Policy Board**
  - OIRA leading. 10 fed, 9-12 non-fed members
  - OIRA, OSTP, HHS and NSF plus 6 agencies - OMB’s choice
  - Will have expert subcommittees: lab safety, animal regs, etc.
  - 2 year report to OMB; 4 year GAO report; Sunset 9/30/2021
RESEARCH REGULATION OVERSIGHT

• **American Innovation and Competitiveness Act (AICA)**
  • Also calls for Interagency Working Group
  • Likely to merge with Research Business Models Working Group (NSTC / Committee on Science)

• **Research Business Models Working Group**
  • Well established in past, has been on sabbatical
  • NIH/NSF co-chairs
  • Being reinvigorated, with OSTP support
  • Accomplishments in past: RTC’s, RPPR, A-21 Task Force
  • Could be the “workhorse” underneath and to support RPB
**RECENT LEGISLATION**

- **Basic Research Bill**
  - No co-sponsors; “position bill”
  - Concerns about ideas and mischaracterizations taking hold
  - Recent **Hearing** with lots of talk of “silly science”

- **Evidence Based Policy Act – Ryan/Murray**
  - OMB would stitch agencies’ ideas together into one government-wide guide for evidence building
  - Agencies required to appoint or designate chief data officers and chief evaluation officer.
  - Federal agencies would have to inventory their data sets
  - A new commission on evidence-based data would be formed
OTHER HOT TOPICS

- F&A
- Open Science
- Marijuana Research
- Drug pricing
- EPA funding
- Whitehouse Office of American Innovation
- Clinical Trial definitions
- Foundation / University Partnership
• UW reps: Mark Haselkorn, Lynette Arias, Jim Kresl
• Actively tests out new ideas, models and methods
• UW actively involved in several areas
  • Faculty/Administrator Collaboration Team
  • FDP/SMART IRB Agreement Working Group
  • FDP Expanded Clearinghouse Working Group
  • Animal Compliance Committee – Compliance Unit Standard Procedure (CUSP) Sharing Site
  • Grants.gov Joint Application Development Team
• FDP Faculty Workload Survey 3 – coming soon
From: Mike Rosenfeld, Chair Faculty Council on Research

To: Senate Executive Committee

For: Support of a request by the Faculty Council on Research to the UW President’s Office to amend Executive Order #8 in order to delegate responsibility to the Office of Sponsored Programs to make decisions on a limited number of routine requests for restricted contract waivers.

According to Executive Order #8 (attached), it is the responsibility of the Faculty Council on Research to “review every proposal for a research grant or contract that carries a provision expressed or implied that seeks to limit participation, access to facilities, or the freedom of the investigators to publish or not to publish the results of such research in full.”

In my experience both as a member and chair of the FCR over the past several years, many of the restricted contracts forwarded to the FCR for review are routine in the types of restrictions included in the contract. During my tenure on the FCR we have never denied these types of waiver requests. These types of restricted contracts include:

- contracts with confidentiality agreements (eg. clinical trials),
- right of first review (corporate contracts with 30-60 days restrictions),
- consortium agreements (eg. multi-center clinical trials where all parties must agree to publication of pooled data).

To review requested waivers for restricted contracts, the FCR has a standing sub-committee that does an initial review of each contract and makes a recommendation to the full voting membership of the FCR. At each FCR meeting where the waiver requests are pending, the full FCR has a discussion that takes into consideration the recommendation of the sub-committee followed by a vote. Approval is granted if more than half of the voting members approve the request.

Over the past few years, the FCR has received 10-15 waiver requests annually. Pre-review plus discussion by the full FCR takes a considerable amount of time and effort by the FCR and often delays approval of the contracts for months. This will be a much bigger problem this coming year as the APL has a new basic agreement with the Office of Naval Research where every task order will have a restriction that requires the Project Officer’s prior approval. According to EO8, the FCR will have to review each task order.

The FCR would like to delegate responsibility for approval of these routine contracts to OSP so that every contract with restrictive clauses do not have to be reviewed by the FCR. These would include:

- contracts with confidentiality agreements (eg. clinical trials),
- right of first review (corporate contracts with no more than 60 days restrictions),
- consortium agreements per standard trails regarding publication restrictions
- Office of Naval Research task orders

However, in order to delegate responsibility to OSP, we need to have the President’s office give their approval and amend EO 8. The Secretary of the Faculty and the Chair of the Faculty Senate have recommended that the FCR seek support from the SEC before contacting the President’s office. I believe that the mandate for having the FCR do these contract reviews originated with the Faculty Senate in the late 60s as a means for having the faculty play a role in approving military contracts during the Vietnam War.

The FCR proposes to meet with representatives from the President’s Office and OSP to develop the final list of routine restricted contracts that can be approved by OSP without prior approval by the FCR. All other restricted contracts will continue to be reviewed by the FCR. A list with additional examples of restricted contracts has been attached.