

Minutes*

Senate Research Committee
Monday, March 11, 2013
2:00 - 4:00
238A Morrill Hall

- Present: Linda Bearinger (chair), Jerry Cohen, Benjamin Fuller, Greg Haugstad, Goran Hellekant, Seung-Ho Joo, Frances Lawrenz, Richard Leppert, LaDora Thompson, Kathleen Thomas, Thomas Vaughan, Kyla Wahlstrom
- Absent: Melissa Anderson, Arlene Carney, Susan Everson-Rose, Maria Gini, Brian Herman, Brian Johnston, Tucker LeBien, Hinh Ly, Suzanne Paulson, Federico Ponce de Leon, Karen Williams, Lynn Zentner
- Guests: Associate Vice President Mike Volna (Office of the Controller); Channing Riggs (Federal Relations)
- Other: Emily Lawrence (Office of the President)

[In these minutes: (1) research subjects payments, grants for workshops; (2) update on federal issues; (3) statement on support for grant proposals]

1. Research Subjects Payments, Grants for Workshops

Professor Bearinger convened the meeting at 2:00 and welcomed Mr. Volna back for additional discussion of two topics that had been taken up earlier in the year, payments to research subjects and grants for workshops. She recalled that Professor Konstan in Computer Science and Engineering had brought the two items to the Committee. On the first, payments/honoraria to research subjects, one question had been whether the University should just make the payments and take a risk that the IRS might fine it for not reporting the payments (but thus allowing confidentiality in payments). On the second issue, grants for workshops have been discouraged because of issues regarding payment to participants; one question the Committee posed is whether the problems arise because of federal/IRS regulations or because of University policy. Former Vice President Mulcahy commented, on the first issue, that it has been a nightmare because people have to commingle personal and University funds.

[The two issues, as originally posed to the Committee, were these:

Research subject payments: I've worked with a set of PIs (mostly in public health) who conduct large online studies where we never meet the subjects in person. Subject compensation is a large part of being able to recruit people for studies, and the challenges of getting timely payments to several hundred (or in a few cases several thousand) subjects are substantial. Specifically: These are usually small payments (\$10-\$40), each one seems to require substantial processing at the unit and collegiate level, there seems to be no adequate means of batch processing, and a result is slow payment. As I've heard it (with no data to back this up), it

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probably costs us between \$60 and \$100 to process each payment, summing the time and effort at each level of the system. While this cost isn't charged to the project, it accumulates in units and centrally, and is substantial. I recognize that parts of this involve maintaining tax compliance (in case a subject accumulates over \$600 in payments in a year, or is an employee) and is record-keeping, but it is high inefficient. How can this be made more efficient?"

Workshops: In many fields NSF and other funding agencies award grants to hold workshops. Two particularly common awards are for doctoral symposia and PI meetings, both of which have the property of having the grant pay for travel, accommodations, meals, etc., for a large number of participants--in the case of doctoral symposia, from all over the world. Receiving these grants is a boon to the field and to the reputation of the PIs, departments, and university. Administering them is a nightmare. The goal should be to strike a balance between reimbursing expenses that legitimately vary a great deal and providing incentives (such as stipends or per diem payments) to encourage participants to self-manage other expenses. We seem to be incapable of that, and we seem to turn this process into one even more complex than subject payments, including often requiring setting up "personal service contracts" with each participant being reimbursed. Other universities seem to be more flexible; it has gotten to the point where as a department we've had to discourage senior faculty from getting these grants to keep staff time free. Perhaps a solution is finding the right outside vendor (travel contractor) that could bundle the work into a single transaction. Perhaps it is loosening up internally.]

Mr. Volna took up the second item first. In looking into the matter he discovered it was not a regulatory issue, it was the way University policy was written. He and his colleagues have drafted revised language to eliminate the requirement for a professional service contract; they need to clarify that the proposed language will not create inconsistencies with the travel policy for occasions when a University employee goes TO a workshop. They are working on the changes and hope to have them in place within 30-45 days. The changes should eliminate the paperwork; they will work out procedures language to try to ensure that the process is not bureaucratic.

Professor Bearinger asked if the changes would apply to international participants. Mr. Volna said they would need to understand if international travel poses unique situations but his assumption is that international participants would be treated the same as everyone else—absent any international regulations that might apply.

Professor Bearinger asked how business offices in the colleges would know about the changes, once made. Mr. Volna said that through various meetings and communications channels with administrators, business officers and certified approvers and people will be notified. The policy office will also send out notices.

Professor Bearinger asked if the proposed language could come to the Committee for review. Mr. Volna said it could and suggested the policy language be reviewed by email in order not to slow down the process.

Mr. Volna turned to research subject payments. He said he well understood that this is an important issue for research but it is a challenge to administer. There are three aspects of the issue that pull against each other: cash management, protection of research subjects, and IRS regulations. One need is to create a process that will not disable research but that has enough safeguards to manage cash,

another is to manage privacy of subjects safely, and the third is to manage the IRS risks reasonably safely. He said he was recently involved in a case from the Medical School and learned that the use of cash for research subjects can increase participation by two or three times (as opposed to giving the participants debit cards). He agreed that the policy needs to be reassessed.

He has established a team to look at the three risks he mentioned, Mr. Volna said, balancing the risks of cash (e.g., not losing it through theft), tax compliance issues (better ways to manage risk than accepting an IRS fine; it is very unlikely that payments in some situations would ever meet the requirements for IRS reporting, and where they can identify the absence of this risk, simplify the requirements), and with HIPAA issues (they believe they can modify the procedures so that in cases where there is an absence of risk, the HIPAA rules would not come into play).

Professor Bearinger pointed out that HIPAA covers research related to health data but that there are other areas of research with privacy concerns as well. Dr. Wahlstrom agreed; in some cases, the participants do not want anyone to know they received \$25 and they do not want a cash card. And many adolescents do not want their names on lists of research subjects, particularly for some sensitive areas of research, Professor Bearinger said. Many people will have nothing to do with a research project if they have to provide their Social Security number, Dr. Wahlstrom said.

Mr. Volna said that addressing the issues may require meeting with people who do the research where the issues arise and identifying the risks. He said he believed it would be possible to identify ways to deal with IRS rules and eliminate the barriers to research. He said he would welcome the names of researchers with whom they could speak. They also have to pay careful attention to international projects (e.g., the need for cash for overseas participants means dealing with local banking regulations, and people could be in trouble—and face jail time—if they have too much cash with them). The University needs to protect the researchers as well.

Professor Bearinger suggested that if they can find solutions to domestic research, they can then consider how the solutions might play out for international research. She asked if they might consider something parallel to the IRB language, which speaks of less than minimal risk to research participants versus more than minimal risk, and apply it to the three risk factors Mr. Volna has identified and see where cases would fall on a risk continuum. Mr. Volna said that might work but that he is not in a position to commit the Office of the Vice President for Research on privacy or safety issues without consultation with them. Professor Bearinger said, for example, that with respect to cash, if there is minimal risk, there could be Plan 1, and if more than minimal risk (i.e., subjects are paid more than the \$600 that must be reported to the IRS), then Plan 2. The point is not to use high-risk rules for low-risk situations.

Professor Thomas pointed out that the discussion has not touched on Vice President Mulcahy's point about commingling funds. She said she does have to use cash and in order to do so she has to use her own accounts and keep careful track of the money. There is no mechanism to deposit funding in an account from which she can withdraw cash for research subject payments. So what they need is something like an "ATM card" to get cash for research subjects, Mr. Volna observed. Professor Thomas agreed and said that a separate account would also work. Mr. Volna said there are already some separate accounts that are used to keep track of money paid out and names; but when those were established no one contemplated huge amounts or that a huge number of subjects would be using them.

Professor Bearinger said that those who review IRB applications have seen situations where researchers try to balance privacy concerns and the need for cash. That could be a source of consultation, or with the IRB office. Mr. Volna said it would be a multi-faceted procedure redesign that would include many academics and many administrators. When they are ready to engage the academic community, he will return to the Committee to ask for names of people who can help them.

Professor Bearinger thanked Mr. Volna for his help on these issues.

2. Update on Federal Issues

Professor Bearinger turned now to Ms. Riggs, Director of Federal Relations for the University, to provide an update on events at the federal level.

Ms. Riggs began by noticing that even though sequestration went into effect on March 8, the market has not reacted and in DC it is business as usual. With respect to cuts to research under sequestration, agencies have communicated broadly, but not specifically, about the 5% cuts. It is likely agencies are waiting until March 27, when Congress must act on the FY13 Continuing Resolution, to better understand their budgets. The next key date is May 19, when the debt ceiling must be raised.

A few example of sequestration cuts have been announced—Yellowstone restrictions, cancelling White House tours, cutting tuition assistance in the military—but she has heard little about what is important to the University. Last week in DC, the Deputy Director of NIH spoke to the Association of American Medical Colleges and said the NIH will give their Institutes discretion in administering cuts. Ms. Riggs noted that any unobligated funds would likely be pulled back. Associate Vice President Pamela Webb has set up a website to collect information on agency communications on the cuts

Paul Ryan (House Budget Chair) will release his FY14 budget proposal this week—it will propose cutting entitlements, eliminating the Affordable Care Act and erasing deficits over 10 years. Patty Murray's (Senate Budget Chair) budget proposal will raise taxes to deal with the sequester cuts and proposed broad tax reforms. The president will put out his FY14 budget in mid-March.

The federal government is already six months into FY13 and has no budget. The Continuing Resolution deadline is March 27, and she said she believed Congress would act because a government shutdown does not work well for anyone.

Professor Vaughan asked if there is any hint how NIH will implement the cuts. The NIH Deputy Director could not be more specific but did say cuts would come from both intramural and extramural programs. They may also pull applications or give no new awards, Professor Bearinger commented. Ms. Riggs said that her informal faculty survey suggests that some already have all their FY13 funding—but one must remember that the sequester is a nine-year budget-cutting plan. Congress could take away all non-defense-discretionary spending and they would still not solve the budget problem. One good thing is that Department of Defense funding remains on the table so that non-DOD discretionary spending and defense spending would share the cuts.

When she talks with members of Congress, do they talk about anything except funding, Professor Bearinger inquired? "Not at this point in time," Ms. Riggs responded.

Is it beneficial for faculty members who go to Washington, D.C., to let her know and to meet with legislators, Professor Bearinger asked? It is, Ms. Riggs said, especially if they can tell Minnesota members of Congress how they are using federal funds.

Professor Hellekant asked if Ms. Riggs belongs to any kind of formal group with her peers. He said that Congress seems not to understand the importance of science, and the TV and media focus on anti-science or non-science issues. He observed that 70% of the members of Congress are attorneys and it is not clear how one educates them on science. Ms. Riggs said there are a number of association and coalitions that aim to maintain/increase science funding, to raise issues of international competitiveness, and to talk about how federal research contributes to economic development and discovery.

Professor Cohen asked "are there enough of you?" Does the University have a big enough presence in Washington? One critique of the University has been that it does not sell its expertise well. Ms. Riggs said she is the only one representing the University; at the top level, institutions have up to 3 people, but not dozens. Professor Cohen suggested that perhaps the University should have 3 as well. There is no right answer, Ms. Riggs said. If she is in Washington, she learns what is going on but is then missing campus information—and vice-versa.

Dr. Wahlstrom inquired how Ms. Riggs gathers information to bring to Washington. Ms. Riggs said she tries to read everything and aims to connect faculty to Congressional staff. It is important to connect the Minnesota Members of Congress to the important, interesting work the University is doing. Should people contact her, Dr. Wahlstrom asked? "Please do," Ms. Riggs said, especially if they have "oh, wow" work that they are doing.

Professor Bearinger asked Ms. Riggs how she is connected to University Relations, which often says that it needs stories. She wants stories as well, Professor Bearinger commented to Ms. Riggs, but stories are not something the faculty and staff normally think of, so there needs to be a facilitated effort. Ms. Riggs said she is across the hall from University Relations, works with them, and is in touch with them constantly. She added that when stories are told, it is extremely important to identify the agency, if any, that funded the research. Professor Bearinger agreed—and said that in some cases, if the publicity about research does not mention the funding agency, the PI will not want it to be seen.

Professor Hellekant said that mentioning the agency serves its needs; the question is the public. The United States is falling behind Europe, running on an old infrastructure, and Congress needs to understand that the U.S. is not the greatest in the world in research.

Professor Cohen asked if there is anything the Committee can do to help her. He said he disagreed that every story must be an "oh, wow" story; is there a way the Committee can help identify significant work? It would be great if it did so, Ms. Riggs said. At present she has only an informal process by which to gather information. Professor Vaughan said that Congress does not want to hear about the most brilliant research, it wants to hear about jobs created and lives saved by research. They all know someone who believes that companies should fund research, not the public, Ms. Riggs said, so it is important to tell stories. Dr. Haugstad said it might be helpful to get the companies to tell about what the University does.

Professor Bearinger said Ms. Riggs has an entrée that faculty members do not, and they can't get in to key meetings in Congressional Offices as easily as Ms. Riggs can. Ms. Lawrence said it is best if

people coordinate visits to members of Congress through Ms. Riggs' office so that faculty members do not come from all over and converge on legislators, who won't know if they represent the University or just themselves. Professor Cohen observed that scientists have a number of channels available and said he did not know how to coordinate those. Ms. Riggs said it is helpful to her to know when someone meets with a member of Congress; it is her job to manage traffic, and the more that she can do, the more effect the University can have.

Professor Bearinger thanked Ms. Riggs for joining the meeting.

3. Statement on Support for Grant Proposals

Professor Bearinger said she would like the Committee to consider adopting a statement calling for institutional support for training grant proposals. She explained that typically NIH training grants (for instance) pay a stipend to graduate students or postdocs for research training, and also pay for health insurance, tuition—about 60% of the cost of graduate students. The institution that receives such a grant selects the graduate students and postdocs, gives them tuition, and they then pay the institution with their grant-support tuition dollars. These grants provide benefits to the University in tuition funds and help attract outstanding students; these grant-supported pre-doctoral students and post-doctoral fellows also stay at the University and become some of its top faculty further down the road.

The Committee heard Vice President Herman say that college views of research training grants do not fall within the purview of his office, Professor Bearinger recalled. The Faculty Consultative Committee spoke with Vice Provost Schroeder, and the Graduate School does not know the number of training-grant dollars that go to student stipends and tuition. The problem that she has heard about, a number of times, is that training grants are being discouraged by college administrations or faculty members are told directly that they cannot apply for training grants. (Professor Bearinger said this is NOT a problem in her college.) One reason for the discouragement/denial is that training grants only carry an 8% indirect-cost rate, but the disapproval assumes that training grant costs are the same as other research grants; she said she surmised that the actual costs are significantly less because training grants are so easy to administer.

She and Vice President Mulcahy spoke last year with the Committee on Academic Freedom and Tenure about whether restricting the ability to seek training grants in his or her field is a constraint on a faculty member's academic freedom, Professor Bearinger recalled. Vice President Mulcahy observed that there are limits on the grants that faculty members can seek (e.g., if someone wanted to do research on elephants that would require the University to build a facility to house elephants, the University could reasonably decline to approve such a grant). But Dr. Mulcahy and Associate Vice President Webb concluded that the denial or discouragement of training grants was not a problem, and he suggested—at the discussion with the Academic Freedom and Tenure committee—that any faculty member who had a problem should call him.

Professor Bearinger said she saw two problems with Dr. Mulcahy's approach. First, neither the Vice President for Research nor Associate Vice President Webb is likely to be aware of a problem if the grants are being derailed inside the colleges. Second, a faculty member would have to be pretty confident and brave to go to the Vice President for Research and say that his or her dean was not supporting a grant.

So, Professor Bearinger inquired, would the Committee be willing to consider adopting a statement, perhaps for subsequent action by the Faculty Senate, advising the administration and the colleges that there should be support for applications for research training grants? Dr. Wahlstrom asked what the size of the problem is; Professor Bearinger said it is very difficult to know; she has heard about it from a number of faculty members, some of whom are the Committee, but does not know how widespread it is.

The question touches the edge of a larger problem, Professor Cohen said. The 8% indirect-cost rate should be fine, but there is pushback because of the way that budgets are handled under the University's budget model. The budget model hurts many things, including interdisciplinary teaching, research grants, and so on. Deans are given money; Professor Cohen said he did not know if training grants cost the University more, but in the budget model, if they do not match their costs, the deans don't want them because they take from the money they have been provided.

Associate Vice President Lawrenz commented that the budget model is somewhat similar to an "every boat on its own bottom" approach, so if a grant only allows 8% in indirect costs, rather than the full 52% the University has negotiated with the federal government, the college receives less money. This is not a University-wide issue, she said, it is a college-level problem. The University accepts any grants with formally specified indirect rates—8% is a University accepted rate for training grants. Professor Cohen agreed and repeated that it is driven by the budget model, which provides incentives to seek more overhead and provides that less overhead could be a tax on the college. Dr. Lawrenz observed that the cost pool is based on expenditures, so as a college spends the money from a training grant, its cost-pool charges increase relative to the amount of expenditure independent of the amount of indirect-cost funds that are provided. This may be a more poignant problem for smaller colleges that have less flexibility in their budgets.

Professor Cohen said that the budget model is driving a fairly large number of problems at the University and the issue of training grants must be put in that context. The budget model does not account for the good of the University, even though the deans would like to support training grants—and the same is true for interdisciplinary programs. Professor Bearinger reported that at a recent meeting of senate committee chairs, some of those present asked this Committee to discuss training grants because they are not now valued for merit evaluations, it was said. Professor Cohen asserted that if the University changed the budget model so that training grants were not disadvantaged by it, there is no dean who would say "no" to training grants. The reality is that deans want more overhead dollars and are driven to that goal by the budget model; the entire picture for training grants could be changed so they are more attractive if there were adjustments to the budget model.

Professor Thomas agreed that the budget model is the primary reason for the dislike of training grants; they do require a lot of faculty work, however, so any statement from the Committee should include an incentive for the faculty. Changing the budget model would have effects in many other places in the University, so if it cannot be changed to provide incentives for training grants, it will be difficult to obtain more administrative support for seeking them. She suggested that the University could take a different view of training grants rather than trying to change the entire budget model. Professor Cohen said there is no simple solution; either the entire budget model must be changed or it must be changed in this particular area.

Professor Thomas said that training grants are even more important, now that the Graduate School has been decentralized. One could go to it to obtain funding; now one must go to the colleges, and training grants are an even more important way to fund graduate students. One can also say that the budget model is not as supportive of interdisciplinary work as other types of budget models, Dr. Lawrenz added, and many training grants are interdisciplinary; it would be helpful to identify mechanisms to identify and overcome any potential bias in the budget model.

It was agreed that Professors Bearinger, Cohen, and Thomas would develop a draft for Committee consideration and bring it back in the near future. It was also agreed that the Committee would invite Vice Provost Schroeder to join a meeting to talk about the issue.

Professor Bearinger adjourned the meeting at 3:50.

-- Gary Engstrand

University of Minnesota