Minutes[*]

Senate Research Committee
Monday, September 11, 2006
1:15 - 3:00
238A Morrill Hall

Present: Steven Ruggles (chair), Dan Dahlberg, Sharon Danes, Donald Dengel, Stephen Ekker, Steven Gantt, Paul Johnson, James Luby, Ellen McKinney, Timothy Mulcahy, Mark Paller, Federico Ponce de Leon, Selam Rodriguez, Thomas Schumacher, Virginia Seybold, Charles Spetland, George Trachte, Barbara VanDrasek, Sanford Weisberg, Jean Witson

Absent: Linda Bearinger, Richard Bianco, Arlene Carney, James Cotter, Robin Dittman, Genevieve Escure, Michael Volna

Guests: Winifred Schumi (Office of the Vice President for Research)

Other: Jason Myers (Office of the Vice President for Research)

[In these minutes: (1) impact of the new budget model and questions for the ad hoc subcommittee on the new budget model; (2) update on grants.gov; (3) issues pending before the committee]

1.   Budget Model

Professor Ruggles convened the meeting at 1:20, called for a round of introductions, and reported that Vice President Pfutzenreuter, scheduled to join the meeting for a discussion of the budget model, had been called to another meeting. He said it would likely be useful to have an internal Committee discussion of the budget model in any event before they meet with Mr. Pfutzenreuter. He also reported that this Committee, along with the Committee on Finance and Planning, has set up an ad hoc subcommittee to look at the budget model and its implementation.

At the FCC retreat there was discussion about what the budget model subcommittee should do. Professor Ruggles said he thought it would be valuable for this Committee also to amplify on or add issues for the budget subcommittee. He reviewed for the Committee what he had said at the FCC retreat.

In his view, the budget subcommittee should address two kinds of questions, Professor Ruggles said: (1) those dealing with the rationale and impact of the budget model and (2) those narrower ones dealing with implementation and unforeseen consequences. In terms of (1), questions might include the experience of other universities. He understands that practices elsewhere were examined; the subcommittee might look into them, and especially Michigan, which implemented a "strong" version of the same kind of budget model and then retreated—why did it retreat? Also in (1), what will be the impact of the new budget model on the distribution of resources? Which colleges will have more money and which will have less? Does the model make sense in terms of improving the University's status and getting to the top three—does it create the kind of incentives to improve the quality of the University?

What will be the impact of the new budget model on administrative costs in colleges and departments—will there be increased monitoring expenses? Is one result of the new model to shift dollars from units that lose money to units that make money, and if so, is that what the University wants to do? For example, a college may require enrollment increases before it will replace or increase the number of faculty positions in a department, or it may cancel smaller sections because they do not produce sufficient revenue, even though pedagogically smaller sections are better, offering them used to be a goal of planning, and they are attractive to students. Is this a way to create a top-three university or a way to become more like the University of Phoenix?

In terms of (2), one question is the metric used to implement the new budget model. For example, the library formula, based on a 1995 U of M study that cited a 1978 U of M study that referred to a 1963 Stanford study. The citation does not comfort him, Professor Ruggles said, because the University will be allocating millions of dollars based on a mysterious study in 1963. The libraries may be a special case, but other formulas also don't make sense on their face (e.g., why are IT and the AHC paying the same costs for animal and human subjects protection administrative costs?). The subcommittee should look at the specifics of the implementation where it is problematic.

Professor Weisberg said that as a new member he would find it helpful if someone could define the new budget model. Professor Ruggles explained that in the old days, all tuition, indirect cost funds, and state funds went to the administration, which allocated them to the colleges based on need, influence, the old-boy system, etc. Much of the funding was institutionalized and the fights were over increments. In two stages, the University has shifted so that tuition and indirect cost funds are now retained by the units that generate them and the central administration distributes the state funds. More and more, funding for colleges is based on what they bring in, on the theory that how much money a unit brings in is correlated with quality and it is a reasonable basis on which to allocate resources (or at least more reasonable than the previous system). But all colleges are in deficit and all need state support, so to some extent it is the same as it was before: to run the University, the central administration doles out money.

Vice President Mulcahy said he had a slightly different take on the situation. The return of indirect cost funds to the units does not reflect quality at all and no one is saying that any of the formulae reflect quality. Units cost X amount to operate and they are charged for services based on formulae related to use. The system avoids "insider trading"; units receive revenues and theoretically the system is far more transparent and simpler. The more granularity there is in terms of allocating costs and revenue, the more expensive and complicated the system becomes; in the case of IT and the AHC and human subjects protection costs, IT pays a little more but the difference is very small and it would be more expensive to sort out the difference than to pay it, and IT receives small increases in revenue in other places where the formulae were simplified. It is important to acknowledge that those who developed the new budget model were not engaged in a sinister plot, they were trying to do something beneficial for the University. But vigilance is important, he agreed.

What they hear about most is the impact of the new budget model in interdisciplinary work, Dr. Mulcahy said. The deans will receive the money and there could be disinvestment in interdisciplinary research that involves faculty outside their college. He said he was glad to see the Senate has a group tracking this kind of issue. He commented that he has become more comfortable with the new budget model the longer he has been here and said that Senior Vice President Cerra and Vice President Pfutzenreuter are sensitive to the concerns, but there is a need to watch for unintended consequences. The

intention is good, there is a clear vision, and the proof of the pudding will be in the eating. He agreed that it would useful to know why Michigan backed off its budget model.

Ms. Witson said she believed the subcommittee should monitor issues that come up and not go back over what has already been decided. Take a broader look at the disincentives. If the library revenue is acceptable, don't bother with the formula. It is not a matter of library income, Professor Ruggles responded, it is the consequences for the colleges.

Professor Dahlberg said that Ms. Witson's point was well-taken. At the FCC retreat Ms. Tonneson said that the University was avant-guard in its new budget model and other universities are calling to find out what it is doing. His view is that this is not a place where the University should be in the forefront; it should use something that is tried and true. The upshot is that the subcommittee has to look at EVERYTHING because it is all new. The FCC retreat discussion focused all on interdisciplinary research and there were no deans or departments heads to make statements. He said he was concerned that the University's budget process is avant-guard; he does not want to be that avant-guard in how the University functions.

Professor Seybold inquired about the Graduate School and the continued development of interdisciplinary programs. How is the Graduate School doing in building relationships with the Vice President for Research?

Professor Seybold said she is now paying for use of lab space and is nervous because more costs are being passed to the PI but the cut offs for some NIH institutes for funding research grants are at the 7-8th percentiles. One worries about faculty mental health with more expenses and less revenue. It is important to keep discussion of the budget model within the national context of decreasing external funding for research.

The role of the Senate is to provide faculty and other voices to the administration, Dr. Van Drasek commented. If the way to get voices about negative consequences of the budget model to the administration is through the Committee, the subcommittee could gather the information. There is need for good education on the model first, however.

Professor Johnson said that when Ms. Tonneson from the Office of Budget and Finance spoke at the FCC retreat, he was struck by her comment that they were expecting everyone will help make the budget model work. He said he would have wanted it all ready to go and is disappointed that they seem to be figuring it out as they go along. The administration should not be experimenting with the University's budget. It is hard to know what the subcommittee should do—help make the model work? The presentations do not inspire confidence, Professor Dahlberg agreed; they have not dotted the "i's" and crossed the "t's" and give the impression they know what is going on. He had the opposite impression.

Professor Ruggles asked that the subcommittee keep the Committee informed as it does its work.

2.   Grants.gov

Professor Ruggles next turned to Ms. Schumi to provide an update on Grants.gov.

Grants.gov has been in the works for more than a year, Ms. Schumi reported, and Sponsored

Projects Administration (SPA) has processed more than 150 proposals through it. Things have gone fairly well, with only a few hiccups. Grants.gov generates a lot of email traffic (in the case of one proposal, 13 messages), but as they gain experience, the number decreases.

The biggest deadline they faced was June 1 for R01 and R03 submissions to NIH; SPA did 40 Grants.gov submissions of the 150 submitted to all agencies for that deadline. The next big deadline will be October, for R03 and R21 proposals. Other agencies are gradually adopting Grants.gov; some of the smaller agencies are requiring that all proposals come through Grants.gov. Other agencies are transitioning into its use, so faculty must read grant instructions carefully because they can change from one time to the next.

If a researcher uses Grants.gov, SPA does not need a paper copy; everything can be done electronically. Ms. Schumi said she did not believe that all submissions to every sponsoring agency would be electronic, at least not in her lifetime, but most will be in the near future.

At present, proposal forms are using free software, PureEdge, available at Grants.gov; it must be downloaded to use. People must allow plenty of time, Ms. Schumi warned; if they need to make changes to a proposal, most of them need to be done by the faculty member. So don't wait to the last-minute. SPA is enforcing the 24-hour deadline.

Are electronic signatures required on all PRFs, Professor Seybold asked? Ms. Schumi said she would like to be able to say "yes" but she can't. They are trying to streamline the PRF process so that parallel processing of the PRF can occur when there are multiple PIs, departments and colleges that need to sign the form.

 OVPR is working to make EGMS the mechanism for submitting all proposals to federal agencies. That would mean that investigators can do their proposal forms in EGMS and then EGMS would deliver it in XML data streams to Grants.gov. This would not require a lot of emails across campus. This method is called system to system or S2S. They are programming enhancements to EGMS forms for S2S transmission for the February 1, 2007 NIH deadline and are focused on getting EGMS ready for that deadline. They expect that researchers will be able to use EGMS for Grants.gov submissions by mid-November. With Grants.gov, federal agencies are standardizing major forms and eventually all of them will be available through EGMS.

Professor Danes asked if NSF would move from Fastlane to Grants.gov. Fastlane is also NSF's back-office system, Ms. Schumi said; it will remain, but NSF will eventually require submissions through Grants.gov.

Professor Ekker asked why it was necessary to do EGMS and Grants.gov. The change to modular budgeting created more work; he fears that they will make EGMS and Grants.gov more work, which means more work for faculty. When NIH adopted modular budgets, the University was still under exceptional status, which is why detailed budgets were required. They are not now. Professor Ekker maintained that they are still required. Vice President Mulcahy said that was a surprise to him. Ms. Schumi said detailed budgets are not necessary at time of submission. New systems are never less work, Professor Ekker averred; each stage is more work.

Dr. Mulcahy said he did not disagree but that they are making honest efforts. The University did

not impose Grants.gov and Ms. Schumi is describing how the University is trying to make it easy. People are accustomed to EGMS and they would like to let them continue using it; the translation will be behind the scenes. He said he shared Professor Ekker's skepticism; his question is whether Grants.gov will make things easier. He has been told it will and they have learned a lot with the first 150 proposals. The system will not be perfect but they want to make it as easy as possible. He said he did not like the process the government has chosen. Ms. Schumi said she has stressed that if someone must do a proposal today, using Grants.gov, they need to use the interim software PureEdge. If they can wait, they will be able to use EGMS.

Vice President Mulcahy said he wanted to emphasize that there must be a partnership at the University. Faculty must pressure departments and colleges to be prepared to help them and to have staff who know what to do. A lot of the forms and attachments must be PDF and people assume that since they have Adobe Reader they also have the Writer, which they may not. He has asked Mr. Cawley (the University's Chief Information Officer) to get a site license so Adobe Writer is available to faculty and administrators who must have it loaded on their computer. He asked that faculty do all they can to make colleagues aware of what is coming and what they must have in place. (The University currently makes it available free to teaching faculty through the Faculty Toolkit; it needs to be broadened to administrators and non-teaching researchers. Administrators and researchers who need a copy to prepare a proposal for Grants.gov can get a copy free by contacting the EGMS helpline. The University has a volume discount but not a site license.)

Is SPA keeping a log of problems so all can know about them, Professor Seybold asked? There are Tips and Tools in each Research News Online, Ms. Schumi said, and the website is continually updated. There is a document reporting errors they saw in the 6/1/06 proposals; with each deadline, they learn more and can answer questions.

Ms. Schumi said she has been beating the bushes on this topic: they have made a lot of presentations to colleges and administrative groups, they have training sessions and labs, they will help with proposals, and will come to a department to provide hands-on help or presentations. There are also EGMS and Grants.gov helplines. She stressed that people cannot wait until the last minute.

Professor Ekker said that steps to stop MP3 file-sharing means they must use email attachments, which generates error messages that the transmission exceeds system capacity. These are huge files and this will continue to happen.

Professor Ruggles thanked Ms. Schumi for joining the meeting.

3.   Issues Pending

Professor Ruggles asked Committee members to review the list of issues pending before the Committee to identify those that should be a priority and any that might have been missed.

--   It was agreed that the Committee should reschedule Vice President Pfutzenreuter to discuss the budget model.

--   At the FCC retreat, much time was spent on interdisciplinary work and nothing was said about the Office of the Vice President for Research, Professor Johnson commented. There must be some

involvement of that office; it would be good for the Committee to hear from Vice President Mulcahy about the role of his office. The relationship between his office and the Graduate School is evolving, Dr. Mulcahy; this will be part of the discussion at a later meeting of the Committee. Professor Johnson said he was also interested in hearing what the Vice President sees as strategic initiatives, where the resources will come from, and if there will be enough resources.

--   There should be an update on the Openness in Research policy.

--   The Committee should hear from Senior Vice President Cerra and Vice President Pfutzenreuter on cross-college collaboration (the role of the central administration, the role of the colleges, the impact of the new budget model); these discussions should be coordinated with the budget model subcommittee.

--   The Committee should hear about the decline in sponsored research funding. Dr. Mulcahy said he prepares an annual report for the Board of Regents on research performance for their December meeting; he said he would be glad to provide a synopsis in late November. The larger issue, Professor Ruggles said, is identifying something the University can do if it is in trouble. The Regents are also interested, Dr. Mulcahy said, and will want to identify what can be done. They will need to drill down to see where the University is and is not competing effectively and, where it is not, ask why. Is it because of inadequate research support? People are not interested in seeking funds? They do not at this point have data relative to the University's peers; it is one thing if all the institutions are down but quite another if only Minnesota has seen a decline in funding.

Professor Ruggles thanked everyone and adjourned the meeting at 2:50.

-- Gary Engstrand

University of Minnesota