

Minutes*

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

Present: Steven Ruggles (chair), Dianne Bartels, Kathy Bowlin, Dan Dahlberg, Sharon Danes, Genevieve Escure, Steven Gantt, Jacob Granholm, Paul Johnson, Timothy Mulcahy, Charles Spetland, George Trachte, Jean Witson

Absent: Mark Ascerno, Linda Bearinger, Richard Bianco, Arlene Carney, James Cotter, Christopher Cramer, Robin Dittman, Penny Edgell, James Klaas, James Luby, Mark Paller, Brian Reilly, Thomas Schumacher, Maria Sera, Virginia Seybold, Barbara VanDrasek, Michael Volna

Guests: Ed Wink (Sponsored Projects Administration)

Other: none

[In these minutes: (1) issues affecting research (for next year): in particular, the budget model and the strategic positioning task force recommendations, and research administration issues; (2) representative to the Senate Library Committee]

1. Major Issues Affecting Research (for next year's agendas)

Professor Ruggles convened the meeting at 1:20 and noted that the purpose of the meeting was to have a general discussion about what the Committee should do next and the items it should deal with next year. He drew the attention of Committee members to the suggested list of items:

- budget model concerns
- implications of task force reports
 - institutional/administrative changes
 - targeted investment in specific research areas
- research administration issues
- research infrastructure issues

Ms. Witson inquired, apropos budget model concerns, if there is a way for the Committee to monitor the impact of the budget model on issues brought up by the Research Infrastructure and Collaborative Research task forces. The impact, that is, on research infrastructure in general.

Professor Gantt asked about the grant-in-aid program through the Graduate School. Professor Ruggles reported that it came up in the discussions of the collaborative research task force, which said that they should be a high priority.

* These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represents the views of, nor are they binding on, the Senate, the Administration, or the Board of Regents.

Professor Johnson related that he did not have a good understanding of how the budget model would work, especially for funding new initiatives. Can someone explain that? How will colleges fund initiatives? Will there be some new money, some reallocated funds? Will the decisions be made at the deans' level? Professor Ruggles queried whether, with respect to strategic investments, the decision will be made by the central administration and the Vice President for Research. Professor Johnson asked about initiatives that arise from evaluation of the various task force reports; will there be an all-University committee to rethink revenues, or how to reallocate, or if there will be new revenues to support initiatives?

Vice President Mulcahy responded that there will likely be a combination of several things. Even with the new budget model, there will still be allocation of central funds at the President's discretion. Colleges will receive tuition, indirect cost funds, etc., and will then be charged for facilities and central services and so on. In addition, there will be central funds to help colleges as well as central funds for strategic priorities. There should also be cost savings from the reorganizations that are taking place that can be used for reinvestment or new activities. The administration is in the process of reviewing how all this will be decided. The final task force reports have been issued; Provost Sullivan's office is working on setting priorities and identifying ways to finance initiatives.

One consequence of the new budget model, Professor Ruggles maintained, is that there will be more control over funding by central administration. The model is supposed to decentralize decisions, but colleges will be charged for expenses and will need central dollars to help them. They will also obtain funding from central administration through the compact process. Colleges feel they are losing control over funding, but there should be a larger pool of central funds for strategic initiatives. Dr. Mulcahy said he did not know if the pool would be bigger than in the past but there will be much more transparency in the budget: people will know what they are paying for and there will be more accountability. The budget model is not a way for the central administration to gain more control over resources; the idea was to get away from the various taxes that have built up over the years.

Was there ever an assumption that the colleges could pay their own expenses, Professor Johnson asked? It appears that they never will be able to do so; with the charges to be imposed, they will need additional funds. The budget model is not intended to be a financial gain/loss proposition, Dr. Mulcahy said, but some colleges do have more access to indirect cost funds and other sources of revenue, to meet expenses. Those that do not have those resources will need more central funding. He said he did not believe any college would make a lot of money under the new budget model. Who sets the cost of the services, Professor Johnson asked? The budget committee met with the support units, Dr. Mulcahy said; some costs are billed on usage, some on surrogate, and some are funded as a common good. They, for example, had to make the case for research services and the associated budgets; the colleges are then assessed by formula to cover those costs. Each college has seen a draft of the charges and the projected sources of income, including central funds. The first year of the budget model will be revenue-neutral for the colleges.

Is this a "best practice" approach that other universities are using and find works very well, or is the University venturing into new territory with its budget model, Professor Johnson asked? Some are using a similar system and like it, Dr. Mulcahy said, and some have used it but backed off. The University is not breaking ground, although the charges to colleges vary across institutions. Differentiated utility rates by building are new ground, Professor Ruggles commented. Even if Michigan,

for example, does not charge colleges by usage, they certainly know building utility costs because they need them for the purpose of negotiating indirect cost rates, Mr. Wink added.

Professor Ruggles suggested that perhaps it would be helpful to ask Vice President Pfutzenreuter to make a presentation to the Committee so that all can understand the budget model and its implications. Professor Dahlberg said that Mr. Pfutzenreuter should be alerted to the questions that this Committee is specifically interested in, although, Professor Ruggles pointed out, Mr. Pfutzenreuter may not at this point know the implications of the system for charging cross-college research. The Committee may have questions that he cannot answer. With respect to the example, Dr. Mulcahy said that he had repeatedly voiced concern that the budget model not create disincentives for interdisciplinary and cross-college research. The budget model committee tried to address the concern, and there will be a pool of central funds available for cross-disciplinary work. Indirect costs will also be distributed to the participants. To a certain extent the budget model needs to be viewed as an experiment, Dr. Mulcahy said, and it will not be 100% successful in its first implementation. This Committee should identify areas that it wants a report on, and it might also provide an opportunity for researchers to provide feedback to the Committee on issues they see as presenting challenges. But at this point things are speculative; the questions have been asked, but the system can only be fine-tuned with practice.

Professor Johnson speculated that the system will be run by a lot more rules, with more approvals (or not). One needs to apply someplace to do interdisciplinary research and then a decision will be made about whether funds can be allocated. The need for many more rules could be so constricting that people will throw up their hands and give up. Dr. Mulcahy agreed it could be seen that way, but it would make more sense to approach the system by asking what must be done to make research succeed. Rather than say something is against the rules, they need to identify what must be done to make the research possible. If there are so many rules that they impede research, then the experiment is a failure and the new model should be scrapped or changed.

Is there a mechanism to get feedback about the new budget model generally, Ms. Witson asked? Dr. Mulcahy said he has not seen one articulated; one assumes that the deans, in any event, will make known any problems they encounter.

Professor Ruggles said that there are two parts of the new budget model that don't seem to be all that transparent. One is the specific metrics used to allocate costs. In the case of the libraries, for example, the metric used seemed pretty arbitrary to this Committee. The Committee could look at some of the other big metrics that use proxies for costs. The other side of the new model is what incentives will be created. The idea is that it will be more like the real world for units, not protected by a parent organization, where they must sink or swim. But should the Committee give more thought to what is desirable, not just the costs of things?

If he could ask just one question, Professor Dahlberg said, it would be "what was wrong with what the University was doing before?" If the University is to be among the top three, there must be programs that will need additional money; will the new budget model provide it? If the system wasn't broken, why fix it? His question assumes there is a relationship between the budget model and strategic positioning, Professor Ruggles said; the budget model, however, is not part of strategic positioning, and may actually be at odds with it. Then something else must have been broken, Professor Dahlberg commented. He said he wanted to know who would be getting more money with the new model.

There were a lot of questions about the old system, Dr. Mulcahy said. One objective of the new budget model is keep things as simple as possible. Doing that, of course, means that the system loses granularity, so some units might pay slightly more for something than it would with a more detailed system of counting. For example, some colleges do little human subjects research, so they should not pay as much of the cost for administering human subjects protection programs; it would be so complex to identify the extent to which colleges do and do not use human subjects, however, that the time and accounting that would be required are not worth it. None of this, he assured the Committee, means that it should not raise questions about the assumptions in the new model; he agreed that the report used to develop library funding was an old one. Professor Ruggles commented that the report used to justify the library funding formula is only rumored to exist; no one can cite an actual report. It is legitimate to ask if better metrics can be used, Dr. Mulcahy agreed. Professor Ruggles said he was persuaded by Ms. Lougee's argument that the libraries should be treated as a public good. He further suggested that this goal could best be achieved by funding the libraries as a percentage of revenue rather than through a head-count mechanism.

Professor Escure asked if the budget model would change Graduate School grant-in-aid funds. Dr. Mulcahy said it should not affect them. Professor Ruggles said that it could, however, affect the way the Graduate School budget is negotiated. Most awards have endowments, Dr. Mulcahy pointed out, so will be outside the budget model. Professor Escure observed that most humanities research support comes from the Graduate School, and if its budget is remodeled, the result could adversely affect the humanities. Dr. Mulcahy said that many people are sensitive to that issue—that the system must acknowledge the lack of indirect cost and other funds in certain fields, and that there must be funds provided in order to maintain a strong CLA. He said he did not want to see support for the arts and social sciences eroded, and in fact wants to see it strengthened.

Ms. Witson said she agreed with Dr. Mulcahy that seeking answers at this point may be premature, but said that in order to monitor the new budget model to see its impact, there needs to be a mechanism for feedback. This Committee cannot establish that mechanism but it can recommend that such a mechanism be set up in order to assess how units are affected. Professor Johnson said he would like to imagine that there was a central planning office that had some ideas about what "success" would be with the new budget model, or if it will depend on feedback (which is a more just-in-time approach, which is more worrisome). But he has not heard that there is a model in mind for why the new system worked or did not work at peer institutions so that Minnesota could use their experience. Is this something Mr. Pfutzenreuter has looked at and could talk with the Committee about? Dr. Mulcahy said his assumption is that those responsible did due diligence and could answer questions.

Professor Ruggles said he thought it was a good idea to hear about the experiences of other institutions as well as what is being done at the schools the University wishes to emulate. He has not seen any report on this subject. There was agreement that it would help to educate the Committee so it could in turn explain to others and that Mr. Pfutzenreuter should be invited to join the Committee at its first meeting in September. Professor Johnson asked that he be requested to focus attention on things like the Graduate School, the libraries, and items the Committee is particularly interested in. Dr. Mulcahy reiterated his point that it is not unreasonable for the Committee to ask that certain effects of the new system be monitored; there should also, Professor Ruggles added, be a point in the future when there will be a formal evaluation of the new budget model.

Professor Ruggles moved on to the second item on the list, "implications of task force reports--institutional/administrative changes." Dr. Mulcahy said the task force reports have just been made final so that he did not have anything to report at this time. He agreed that it would be appropriate to do so early in the fall. Both research task forces made positive recommendations that should be implemented: they called for a more strategic role for the Office of the Vice President for Research and ways his office could enhance the research environment. In that more strategic role, his office would support ALL research, not just that funded by grants. One recommendation also called for more administrative support for large research projects and for interdisciplinary research so it is easier for faculty to participate.

The next item on the agenda was "implications of task force reports—targeted investment in specific research areas." Professor Ruggles recalled that both research task forces were charged to identify strategic areas for investment; one of them refused to do so but identified a mechanism for faculty to participate in deciding what those areas would be while the other task force identified fields for investment. The University already makes these kinds of decisions, sometimes with large sums of money (e.g., buildings are built). He wondered how the University should make these kinds of decisions; at present it is primarily a central administrative decision. But the faculty might have some useful ideas, he said.

Dr. Mulcahy agreed that ideas that work their way up through the faculty are more likely to succeed than those imposed from the top. He said he disagreed that most decisions are made by central administration; some said that the presidential initiatives were top-down, but they were driven by faculty proposals. He may decide to put money into an initiative, but every time he does so it is because a group of faculty made a compelling case. In the future, it is likely there will be more comparison between proposals, so some may receive preferential treatment as better for the University. There are also lingering costs from some research centers, and they will need to say their time is done. They will also include sunset clauses in projects and centers in order to evaluate whether they have delivered on what was expected.

The central administration will not decide, but there will be decisions about where to decrease funding in areas that are not productive and to increase funding where there is an advantage for the University. Professor Ruggles said his question was about the extent to which faculty will be involved. There are always many more ideas that could receive investments than there are funds to invest; the question is evaluating the long-term benefit to the University. Is the administration best equipped to make that decision? When the University gives out small amounts of money, there are faculty committees; when there are large amounts to be distributed, there are not. Perhaps there should be a sunset committee that decides when things should be shut down. There will be general criteria about when areas should receive more money, and about when to shut something down, Dr. Mulcahy said, and they will not need a committee in every case. But it will be important that the faculty help develop the guidelines. Grant proposals are peer-reviewed, Professor Dahlberg observed, and at some point a decision is made, but the peer review is the acid test.

Professor Johnson said that in terms of other task force issues, it is important to understand how decisions are made; the committees and the faculty at large need to understand what is done. In the case of both task forces, decisions should be made after that understanding exists so that there is buy-in. Dr. Mulcahy agreed that it would be important to have effective communication so people can understand the process and that there was consultation. Will this be done by fall, Professor Johnson asked? There will be a set of priorities, Dr. Mulcahy said; some can be taken up now, some later, some are great but they

will have to wait, and some the University will not ever do. In the last category: the University will NEVER have as many vice presidents as the task forces recommended.

Professor Johnson said one thing that has struck him is the question of how, when a goal such as reaching the top three is set, it affects decision-making. The top-three goal clearly set a destination, Dr. Mulcahy said; in theory, each decision made should move the University toward that goal. The University wants to be a top-three research university, but there is a word there, "university," which means that there are a lot of other things it does in addition to research. The metrics and measurement task force is trying to identify an array of measures that will indicate when the University has reached the top three. Professor Johnson is correct, he said: The question to be asked about any decision is whether it will move the University in the direction of being in the top three. Professor Ruggles agreed; he said that he thought the goal of being in the top three was ridiculous when it was first announced, but he has since concluded it helps the University get its priorities right and it was a very smart decision. Professor Johnson said there is a difference between saying the University wants to be better and saying it wants to be in the top three; the latter is hard and it is not clear what that will be.

Professor Dahlberg said that if one can put anything on the table for an agenda for the Committee, he would add something that has come up in previous meetings. One cannot imagine the University being a top-three research university without research being in the top three. The Committee has discussed how, given that, the Vice President for Research should be among the top three administrators, equivalent to the Senior Vice President for Academic Affairs and the Senior Vice President for the Health Sciences. If he is not, it is not likely the University will be among the top three research universities. He said he would like the question asked and like to hear an answer.

What is the structure at the best research universities, Ms. Witson asked? There are different labels and titles used, Dr. Mulcahy said. At some, the research vice president is equivalent to the provost, but there are a lot of mixes, and no one organizational structure has proven more effective than another. Most of the metrics used to measure universities rely on the research engine, Professor Dahlberg maintained—funds coming in and the output of the research. An administrative change has been supported by the task forces. Dr. Mulcahy observed that three task forces used different languages but all suggested a greater role for him; he said he wanted to be very clear, however, that he is not leading a mutiny. The fact that the issue came up in several task forces is enough to warrant an invitation to the President to talk about it, Professor Johnson said. He suggested the Committee invite the President to consider a realignment of roles. Even without the task force reports, Professor Danes commented, the logic of aligning the structure with the vision of strategic positioning is compelling.

The Committee agreed it would like to have a discussion with the President.

Professor Ruggles turned now to the third item on the agenda, research administration issues. He noted that Professor Balas has continued to raise questions about the refusal of the University to allow reimbursement for internet charges at hotels when one is traveling on business for the University. One can make a call home but not charge internet charges on a sponsored account, although this is not a major issue. It IS annoying, Professor Dahlberg commented. Dr. Mulcahy said there are ways to cover the cost; it just can't be charged to a sponsored account. He said he would like to see colleges or departments establish a non-sponsored account to cover such costs. Professor Dahlberg, however, concluded it was not worth the effort and paying the hotel internet charges is just a cost of doing business.

But the point Professor Balas makes is important: it reflects a very conservative interpretation of the A21 circular, Dr. Mulcahy said. That approach may be understandable, given the University's history, but it may make things difficult in some ways. The broader issue is whether the University is too conservative in its interpretation of rules and regulations. Dr. Mulcahy said he agreed that in general Minnesota is more regulated than its peer institutions, and its history contributed to that situation. The federal government took the University off exceptional status because it believed what the University was doing; Minnesota could be held more accountable than Michigan, for example, even if the two institutions were doing the same thing. Even given that, he said he believes there are ways the University can relax its stance; with the systems now in place, it can take more modest risks than it has in the past without risking a major disaster. There are things coming down the pike that should make life easier for researchers. Sometimes, he cautioned, it is campus players themselves who oppose making life easier; he recalled one proposal to reduce the number of signatures required on a form—and those whose signatures would have been eliminated insisted they not be. He said he has attended many meetings devoted to streamlining and he has always told groups that they should not be satisfied with the answer "because that is the way we must do it." He said he does not want simply criticism, but everything is on the table for questioning. He said his goal is to relax the regulatory burden where possible, on a risk-assessment basis.

Dr. Mulcahy said that by fall he should have a reasonable array of changes implemented across the board that can be reported to the Committee. He said he would also like to know if there are issues the Committee feels strongly about that he can bring to the appropriate committee. He emphasized that his office exists to serve the scholarly community, not hinder it.

Professor Johnson suggested it would be useful for the Committee also to hear a status report on the conversion of task force recommendations into action in the University. Who should be asked? It was agreed that Provost Sullivan should be invited to join the Committee in the fall.

On the fourth agenda item, research infrastructure issues, Professor Ruggles reported that the Faculty Consultative Committee had held a free-ranging discussion on how the University sets priorities for buildings. There is, for example, the idea that it needs a new biomedical science building every other year for the next ten years; no one knows who determined that or how the decision was made. The task forces were already underway but the discussion was about Minnesota's competitive position in the biomedical sciences vis-à-vis other states and that its needs in the area were greater than what can be obtained in the regular capital request cycle, Dr. Mulcahy said. "Biomedical sciences" should be viewed broadly, but on the other hand these will not just be five new campus buildings. The task forces did not spawn the idea but they agreed that more needed to be invested in such facilities. If one looks at where federal funds are going, this will be a high priority. The proposal frees up bonding authority for other campus priorities.

Did anyone ask if this is the best strategy the University could have used, Professor Ruggles inquired? The question is the same as how to decide what fields will receive investments: the Committee should ask how decisions get made. It could be a very good idea. Dr. Mulcahy said that other academic priorities were involved and that this might be a question that Provost Sullivan could address.

2. Representative to the Senate Library Committee

Professor Ruggles noted that the Senate Library Committee has asked that it have an ex officio representative from this Committee. He solicited nominations.

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Professor Ruggles thanked everyone for their work and adjourned the Committee until next fall.

-- Gary Engstrand

University of Minnesota