

UNIVERSITY COMMITTEE ON RESEARCH POLICY

Minutes of Meeting

December 11, 2006

I. Consent Calendar

ACTION: The minutes of the meeting of November 13, 2006 were approved as amended.

II. Chair's Announcements

Wendy Max, UCORP Chair

The Academic Council Special Committee on the National Labs (ACSCONL)

Several ACSCONL members visited the Los Alamos National Laboratory last week; more on the members' visit will be presented during Item VI.

Academic Council meeting of November 29, 2006

The Council considered at length the impact of the University Committee on Planning and Budget's "Future's Report." This document will be one focus of the Council's upcoming meeting with the Executive Vice Chancellors.

DISCUSSION: Members noted that the crux of the report was the future status of the University as a public institution.

III. California Policy Research Center (CPRC) Review Response

Jose Wudka, UCORP Vice Chair

Roger Ingham, UCSB Representative

ISSUE: Vice Provost for Research Coleman has asked UCORP to respond to the recent review of the CPRC, as the committee would do for an MRU review.

DISCUSSION: Vice Chair Wudka summarized the review, the director's response, and the recommendations suggested by himself and Professor Ingham regarding the future of the CPRC.

ACTION: The UCORP response to the CPRC review was approved for transmittal to Vice Provost Coleman.

IV. "Institutional Review Boards (IRB) at UC: IRB Operations and the Researcher's Experience", UCORP's Report, out for Senate-wide review

Wendy Max, UCORP Chair

ISSUE: Systemwide committees of the Academic Senate have been asked for commentary regarding the report submitted by last year's UCORP. Chair Max drafted a letter for transmittal to Senate Chair Oakley with input from UCLA Representative Mal endorsing the report and noting one example of positive impacts already demonstrable.

DISCUSSION: Members noted that the inclusion of monitoring implementation and funding for the changes would strengthen the letter and reflect more closely previous discussions of the matter.

ACTION: The letter of endorsement was approved as amended for transmittal to the Academic Council.

V. University of California Committee on Latino Research (UCCLR) Review

ISSUE: UCCLR has undergone a periodic performance review, and UCORP is asked to comment on the findings of the review committee and the director's response.

ACTION: UCSF Representative Murphy and UCSC Representative Fisher will review the documents when they are finalized and draft a response on behalf of the committee. The draft response will be considered by the committee as a whole at its next meeting.

VI. Relations with the National Labs

ISSUE: Given the changing nature of UC's relationship with the national labs, UCORP is considering recommendations to guide the faculty senate's interaction with them.

DISCUSSION: Chair Max updated the committee on the recent ACSCONL visit to Los Alamos National Laboratory (LANL), in which she participated. Among the issues brought to ACSCONL's attention during the visit were fiscal difficulties, concerns surrounding employee morale, hiring concerns, and questions concerning the quality of the science and research conducted there and "academic" freedom.

Members asked who UC's representatives on the Los Alamos National Security (LANS), LLC, the new governing body of LANL, were. Further, they wanted to know how the UC representatives to the LANS board were selected. Because two of UC's three representatives are not academics or scientists, members proposed that the next iteration of ACSCONL serve as research and scientific advisors to UC's LANS governors, thereby enhancing the latter's ability to understand the interests and concerns of UC faculty.

Members also suggested the creation of a parallel advisory committee composed of staff from the lab to advise the Bechtel LANS governors in order that they might consider and represent lab employee concerns to the board. Alternatively, the next version of ACSCONL might consider the inclusion of lab staff representatives in its membership to accomplish this goal vis-à-vis the assumed corporate-advocacy position of LANS' other governors. This latter option would have the added benefit of fostering closer relations between UC faculty and lab staff, which would then enable better cooperation and more joint research projects.

Members were unanimous in holding that ACSCONL's successor committee should maintain UCORP representation, both to represent faculty interests and to enable the imprimatur of the Academic Senate when necessary to uphold UC's academic and research interests in the new LLC-governing structure.

ACTION: Chair Max will present these recommendations and concerns to ACSCONL at its next meeting.

VII. Consultation with the Office of the President

Lawrence Coleman, Vice Provost for Research

Ellen Auriti, Director of Research Policy and Legislation

Vice Provost Coleman updated the committee on several on-going items:

- **Gifts v. Grants:** Recently, gift donations have been encumbered with "strings," thereby complicating the ability of researchers to accept them by blurring the distinction between gifts and grants. Communication difficulties between advancement/development offices and research offices have further confused the issue. Representatives from development offices and research offices will meet soon to discuss the matter.

- Tobacco research funding: The Office of Research has drafted a letter, endorsed by Senate Chair Oakley, explicating further the recent Academic Assembly votes and resolutions. This letter will be used to help the Office of Research respond to queries on the matter.
- Lab management fee usage: The Regents have stated their desire that fees garnered through UC's participation in managing the national labs be used for research related to the labs' missions. The Office of the President has convened a committee to advise on the disbursement of these monies.
- Post-doc salaries: UC pay to post-doc scholars has been found to lag the NIH standard. A pay remediation effort will be phased-in over the next three years.
- California Council on Science and Technology (CCST): Governor Schwarzenegger recently charged CCST to write a California-specific response to the issues raised in *The Gathering Storm* and similar reports. CCST has responded to the governor with four suggestions: 1) to initiate a "war for talent"; 2) to leverage his influence with California's entertainment industry to enhance the popularity of science and technology careers and teaching; 3) to create a cabinet level position to advise the governor on a continual basis on matters relating to science and technology; and 4) to make California the best place to conduct research by enacting business-friendly policies and the like.
- National Bio-, Agro-Defense Facility (NBADF): The Department of Homeland Security has requested that UC respond to additional questions, so the process is continuing.
- PetaScale computing facility: UC's bid has been joined by new partners from New York, consisting of both public and private universities.
- Indirect Cost Recovery (ICR): Vice Provost Coleman noted that the concern has been raised that state contributions to UC's general fund could be jeopardized if ICR processes become too public. Members wondered why, since ICR does not fully compensate UC for the actual cost of doing research, would funding be at risk. Further, members observed that since they were required to submit detailed auditing and financial reports for fiscal tracking of the money they received, the administration and disbursement of ICR should not be exempt from the same. Vice Provost Coleman indicated that these concerns should be addressed to Vice President Hershman after UCORP had conducted more research into the matter.

Director Auriti also updated the committee on several items of interest:

- California Public Records Act (CPRA): Some faculty have experienced difficulty securing information through the CPRA as confusing language in the Act indicates that public agencies cannot receive information through it. Nonetheless, individual UC faculty should be considered members of the public at large.
- COLA funding in research grants: The California delegation in Washington, D.C., has written to the Controller General inquiring as to the proper use of research grant money to fund COLA adjustments. It is unclear at present whether this has more to do with political perceptions or compliance concerns.
- A recently issued GAO report on export control issues indicates that agencies "should assess vulnerabilities..." UC shall comply.

VIII. Indirect Cost Recovery – Member Reports

Members from Santa Cruz, Davis (see Distribution 1), and San Francisco (see Distribution 2) presented their findings on ICR distribution at their campuses.

DISCUSSION: Members felt that their exploration of ICR disbursement policies could have many positive impacts, such as securing more of the ICR monies at the departmental and researcher levels, as well as illustrating the fact that conducting research often costs UC money. Particularly, members were concerned about the funneling of ICR monies through 19900 funds, as this may misrepresent and obfuscate not only the true cost of research but also the final disbursement of ICR. On the other hand, the concerns that have been raised about making the process more transparent include the withdrawal of state support for 19900 as ICR contributions to 19900 increase (leaving both the actual cost of research and the diminution of state funding to be made up—through tuition increases?) and potentially the disincentivization of conducting research under UC auspices, since it places financial hardship on the University.

IX. Indirect Cost Recovery – OP Consultation

Jorge Ohy, Financial Management, Costing and Policy Analysis

Mr. Ohy introduced himself and his responsibilities within the Office of the President. Next, he provided a brief summary of indirect cost establishment rates and the distribution of recovered funds (see Distribution 3), noting that debt-financing Garamendi projects may account for some of the variance between campus returns.

DISCUSSION: Members asked how often ICR rates are negotiated. Mr. Ohy responded that they are usually renegotiated every 3-4 years. Members also asked whether the standard 26% recovery rate for administrative costs has been reevaluated. Mr. Ohy indicated that as real administrative costs are nearly 30%, the rate is calculated and presented anew during each negotiation, but that the government continues to negotiate the rate down.

Further, Mr. Ohy indicated that ICR rates are based not on the actual cost of research, but on the modified total direct cost (MTDC), which excludes some expenses which are ineligible for ICR, as well as various exceptions and waivers given to grants which would otherwise generate indirect costs. Other factors which impact the negotiated ICR rate include: 1) statistical obstacles and differences in opinion, which yield imprecision in the cost-estimating process, 2) time lags between data availability and rate negotiation, and 3) rising construction costs and interest payments, which have outpaced the incremental pricing of the estimated rates.

Members wondered how this cost differential is being made up, and how this gap is reflected in state-supplied UC general funds. Members also asked as to the availability of historical data regarding ICR rates and related numbers. Mr. Ohy indicated that VP Hershman would be the most likely source for such information. Finally, members asked Mr. Ohy's advice as to potential next steps in UCORP's investigation of ICR. Mr. Ohy indicated that improving transparency of and familiarity with the ICR rate-negotiation process and increasing education of the fiscal impacts (or lack thereof) to the University would do much to help demystify this subject.

X. Indirect Cost Recovery – Follow-up Discussion

ACTION: Members will continue investigating ICR at their campuses, and those who have not yet presented their findings to the committee will do so at UCORP's next meeting.

XI. Update on OP Research Support and Related Functions Task Force

Note: This item was conducted in Executive Session; no notes were taken.

XII. New Business and Planning

None.

Meeting adjourned at 4:05 p.m.

Distributions:

1. ICR data sheets from UC Davis
2. ICR Relief Model, 2006-07 (UCSF)
3. Indirect Costs – Establishment of Rates and Distribution of Recovery

Attest: Wendy Max, UCORP Chair

Prepared by: Kenneth Feer, Committee Analyst