

Minutes of Research and Scholarship Committee Meeting, February 21, 2014

Indirect Cost Policy: Dr. Harold gave a brief overview on the flow of Indirect Costs (IDC). Drs. Sharma, Jacobson and Fletcher serve on Dr. Carlucci's IDC task force. Dr. Harold would like for the committee to give suggestions to Drs. Sharma, Jacobson and Fletcher. Dr. Harold encouraged everyone to visit the IDC website which gives background information: <http://www.uh.edu/af/committees/idc.htm>.

The on-campus IDC rate is currently 50.5% of total indirect costs which usually excludes equipment. The off-campus rate is 26%. Some sponsors will not allow, per agreement, the full IDC rate. The state of Texas, for example, maxes out at 15%. Others, such as some companies, will not support research unless the IDC rate is reduced or zero in some cases, but it has to be negotiated.

In order to provide an overview of how IDC is distributed, Dr. Harold showed an IDC Flow chart from FY 2010 as an example of how the funds were distributed during that fiscal year. Once funds end up at a department level, the department chair can determine distribution to the faculty members. Dr. Harold said the committee voted (checked with Dr. Lee) around 2010 to recommend that 5% of total IDC generated go back to the PI. Unless the committee feels differently about what was voted on several years ago, it's on the record that the committee recommends 5%.

The IDC Distribution Policy Committee has been considering these issues and the RSC has four members on the committee (for minutes of meetings, see http://www.uh.edu/af/committees/idc_meeting.htm). Dr. Harold raised the issue of the IDC return to the colleges and if the RSC wishes to provide input. He pointed out that there are two extremes to consider:

- Reduced IDC return to colleges centralization of resources
- Increased IDC return to colleges/centers – decentralization of sources

Dr. Harold pointed out several viewpoints about IDC:

- PI's accumulate IDC return to create "rainy day fund"
- Dept. Chairs use IDC returns as investment to grow research & scholarship
- PI's are entitled to increased share because they did the work
- Administration needs the resources because the research enterprise is expensive (start-up funds, etc.)

Dr. Bose responded to Dr. Harold's report by saying he captured a lot of things correctly but some items need clarification. In general, with a Department of Education grant, it's very difficult to get more than 8% in IDC. The salaries and benefits for DOR employees

largely come from IDC. Dr. Bose went on to clarify several items on the flow chart and mentioned that last year he had made some progress. We gained some, although total research external funding did not increase. Dr. Bose stopped making exceptions for IDC rate unless it was needed. So they gained an additional \$2 million in IDC. There is a policy, \$1.238 million (Institutional General Support on flow chart), that goes to facilities (Dr. Carlucci's office). He negotiated with Dr. Carlucci for a fixed amount from the IDC. So even with total IDC going from \$12.5 million to \$16 million, Dr. Carlucci will have \$1.238 million. The \$861,480 for Core Facilities was reduced in 2013 by about \$500,000. Dr. Bose is trying to return more money to colleges. However, it does not solve the question that Dr. Harold raised, which is whether PIs should have a portion of IDC. Dr. Bose said they have given Dr. Carlucci information from 94 institutions (University of Chicago, Stanford, etc). There is no systematic formula, and there are institutions that do not give anything to faculty. The institution Dr. Harold mentioned (Georgia Tech) and the University of Chicago are examples. However, there are many institutions where the VPR office, facilities, department chairs, and faculty receive a portion. Dr. Bose told the RSC that the concern he hears is the lack of a uniform approach within the college and departments. Dr. Bose stated that there needs to be a uniform policy by the University.

Minutes of the RSC Meeting: November 15, 2013

IDC Distribution: Dr. Bose gave an update on IDC distribution. He said that when he first arrived at the University of Houston the IDC policy was very confusing. Currently 52.5% of IDC is sent back to colleges, and 26-28% goes to the Division of Research. He stated that every Center and Institute is unique and believes we need to have a transparent formula.

Dr. Fletcher pointed out that there is no standard transparent policy in place and it differs from college to college.

Dr. Harold suggested that RSC representatives give recommendations to the IDC Distribution Policy Committee.

IDC expenditures can be viewed on the web at:
http://www.uh.edu/af/committees/idc_uhdata.htm

Minutes of the RSC Meeting: September 14, 2012

Rework IDC Distribution Policy: The Subcommittee on Resources and Core Facilities will look at this policy. It was acknowledged that colleges and departments all have different policies. Dr. Sharma pointed out that a Tier One university should be returning some IDC to the PIs. Dr. Dryer said that this would diffuse the frustration among faculty. The concept of "hoarding the funds by the PIs" was brought up by Dr. Long. He believes that there should be some way to make the PIs use the funds rather than hoarding them.

Dr. Dryer said that there is no "bridge funding" available, and that is why the PIs hoard the funds. The Subcommittee will look at all of the issues and draft a policy. It was agreed that not everyone would be happy with the policy

Minutes of IDC Task Force Meeting: November 7, 2013

The committee discussed the colleges and departments IDC distribution policies. A preliminary attempt to compile such policies from publicly available materials produced only a list of cited examples of IDC use, not real policy statements. There appears to be no standard distribution or rules of use.

After a discussion of what elements should be in an IDC policy it was agreed that while there should be a set of guidelines or principles regarding IDC distribution policies and policies on allowable use of IDC, the actual policies need to be specific to the needs and characteristic of the colleges and departments.

The committee felt that there should be a clear statement of such college and department IDC policies available to faculty.

Action Items

It was suggested and agreed that we should conduct a survey of college policies. At the same time we would ask if departments are receiving distributions and if they have their own policies.