

Minutes of the Research and Scholarship Committee:

February 17, 2012

Present: Wynn Chin, Frederick Lopez, Pradeep Sharma, Haluk Ogmen, Michael Harold, Stowe Shoemaker, James Garson, Janok Bhattacharya, Randall Lee, Gemunu Gunaratne, Alan Burns, Vincent Tam, Ray Cline, Coleen Carlson, Stuart Long, Dmitri Litvinov, Rathindra Bose, Anne Sherman and Selesta Hodge.

Absent: Matthew Johnson, Chinhui Juhn, Jack Fletcher, Robert Palmer, and Abdelhak Bensaoula.

Guests: Mark Yzaguirre, Brooke Gowl, Cris Milligan, Maribel Salazar, and Beverly Rymer.

The meeting was called to order by the Chair at 1:33 p.m.

Chair Report: Dr. Bhattacharya reported that there was a quorum present.

Review and approval of minutes from January 20, 2012 meeting. Dr. Shoemaker made a motion to approve the January minutes and Dr. Litvinov seconded. The motion carried.

Dr. Bose Report: Dr. Bose told the committee that he looks forward to these meetings because there is lots of work to do for our university. Decisions made by this committee will affect the university for many years to come.

1. Last night, he met with three members of the RSC about the Graduate Student tuition and fees issue and ensuring that the university captures and reports all of its research expenditures.
2. He is working on the budget presentation. He will share this presentation with the RSC. It will be a realistic and balanced budget for the next two years and include all sources and uses of funds, including funds for core facilities, start up packages, etc.
3. Good news is that we have been blessed with good inventions (especially Diana Chow and Harold Kohn) and we continue to receive revenue from these inventions. Dr. Bose is working hard to talk with investors about other inventions and to increase the amount of revenue over the next few years.
4. Compliance remains a very high priority for Dr. Bose. He wants to ensure that everything we do is ethically and morally correct. There will be no toleration of violations.

MAPP and SAM Changes for FCOI: Mark Yzaguirre, UH legal counsel, reported that because of the new NIH Financial Conflict of Interest regulations, UH needed to revise our MAPP and SAM. The new regulations go into effect on August 24, 2012 and the UH policy must be publicly accessible. It is our desire to run these changes through the normal approval process before the Spring semester is over. Dr. Bose indicated that the changes to the MAPP and SAM are global and that the procedural details will also be drafted and sent through the approval process.

Motion to accept the MAPP and SAM changes, as presented was made by Dr. Lee and seconded by Dr. Litvinov. The motion carried.

Centers and Institutes: Jack Fletcher, Stowe Shoemaker, Haluk Ogmen, Brooke Gowl, Cris Milligan and Anne Sherman. Cris Milligan is working on the policies and procedures. As part of this, she has benchmarked other universities and will present these before the next meeting of the RSC for review and comment. Our current policy and procedures do not adequately address the policy and should also involve the Provost and Faculty Affairs.

Core Facilities: Members are Mike Harold, Randall Lee, Vincent Tam, Bensaoula, Sharma, Long, Cris Milligan and Brooke Gowl. Dr. Bhattacharya presented a motion to the committee to acknowledge the change in name of the Institute for Molecular Design (IMD) to the Institute for Molecular Design and Discovery (IMDD). Dr. Bose has appointed Co Directors: Dr. Scott Gilbertson and Dr. James Briggs. The goal is to turn IMDD into a functional core facility and appoint an Advisory Board from outside and expand the faculty as needed. Dr. Tam indicated that there is only 1 Pharmacy person involved in the former IMD and that efforts should be made for more Pharmacy faculty. Dr. Bose indicated that the Advisory Board will have faculty from many disciplines.

Regarding the call for core facility proposals, Dr. Bose will review the last draft and hopefully, it will come to the March RSC meeting for a vote.

Internal Awards: Dr. Garson announced that we have received over 100 GEAR proposals. The Deans have been requested to rank their proposals. There will be a meeting to decide on the awards to send forward to Dr. Bose in April from those ranked proposals. The subcommittee will be: James Garson, Vincent Tam, Gemunu Gunaratne, Frederick Lopez, Stowe Shoemaker, Jack Fletcher, Mike Harold and Chinhui Juhn. There was a discussion and resulting request that the RSC consider a different review process next year. The consensus was that since this year was an "experiment", we would get feedback from the Deans for this year and discuss next year's process at the May retreat.

Support for Graduate Students: Michael Harold, Randall Lee and Beverly Rymer are members of this subcommittee. Dr. Bose presented Attachment A to the RSC for consideration. This Attachment sets forth the issues and the advantages to charging graduate student tuition to sponsored projects. The Chancellor has instructed the VP for Research to charge tuition to grants. Attachment A illustrates some of the consequences of doing this. The RSC requested that Dr. Bose look into how much money is "being left on the table", as far as reporting research expenditures and also how the University defines "organized research." In addition, Dr. Bose will review all of this with the Chancellor, Provost and Senior VP for Administration and Finance. The subcommittee will continue to work with Dr. Bose to bring a recommendation to the RSC.

New Business: The travel policy is still under review and continues to get input. All agreed that the RSC needs to look at it again and provide input. Dr. Harold indicated that he had heard about an "edict from above" indicating that all accounts must be zeroed out by the end of FY2012 because Austin will take the funds away, if the accounts are not zero. More information is needed.

Motion to adjourn the meeting by Dr. Litvinov and seconded by Dr. Shoemaker. The motion carried.

Meeting adjourned at 3:05 p.m.

ATTACHMENT A:

ISSUES RELATED TO THE DIRECT CHARGE OF GRADUATE TUITION AND FEES TO GRANTS/CONTRACTS

Issue 1: Inconsistent treatment of similar cost: Can we treat grant funded Masters and Ph.D students differently?

We must treat both groups of students in a consistent manner if they are receiving stipends (compensation for similar work) from funded projects. This is clearly stated in *OMB A-21 Circular, Section D*: “Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or F&A costs.”

The Circular (Section J.45.a) further states that “tuition remission and others forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable provided that:

- 1) *The individual is conducting activities necessary to the sponsored agreement;...and*
- 2) *Tuition remission and other support are provided in accordance with established educational institutional policy and consistently provided in a like manner to students in return for similar activities conducted in non-sponsored as well as sponsored activities.”*

For grant (contract) funded students, UH is not currently treating master’s and doctoral students in a consistent manner. For example, beginning in FY2012, funds were available to pay tuition and fees for Ph.D. students, but not for master’s students.

Issue 2: Fear of losing competitive ground

We looked into the tuition waiver issues at eight universities that were suggested by the RSC. Seven out of these eight institutions directly charge tuition and fees to sponsored projects. It appears that most institutions are requesting and charging these costs to sponsors. These benchmarked institutions include:

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|---------------|---------------------------------|
| 1) UT Austin | 5) Wayne State |
| 2) UT Dallas | 6) Univ. of Alabama, Birmingham |
| 3) Texas A&M | 7) Portland State |
| 4) Texas Tech | 8) UCLA |

Issue 3: Direct cost of stipend will encourage faculty not to support grad student but to hire postdoctoral fellows.

See budget examples below comparing a scenario in which a post-doctoral fellow is used instead of a graduate student with tuition and fee applied. The graduate student and the post-doctoral fellow pay employee insurance only. The graduate student tuition is estimated for 3 semesters, 9 credit hours each semester.

SAMPLE BUDGET - GRAD STUDENT & ASSOCIATED TUITION AND FEES	
<i>Budget Categories</i>	<i>Sponsor Cost</i>
Salary and Wages	
PI 1.5 summer mth	18,000
Graduate Student 12 mths	23,400
post doc 12 mths	35,000
Fringe Benefits	
PI 1.5 summer mth	2,817
Graduate Student 12 mth	2,864
post doc 12 mths	10,739
Supplies	
Lab and other Supplies	31,177
Recharge center fees	2,000
Travel	
Domestic	2,200
Tuition Remission	
Tuition	7,445
Fees	900
Total Direct cost	136,542
Modified Total Direct Cost	128,197
IDC on MTDC	63,458
Total Cost	199,999

SAMPLE BUDGET - POST DOC - NO TUITION & FEES REQUIRED	
<i>Budget Categories</i>	<i>Sponsor Cost</i>
Salary and Wages	
PI 1.5 summer mth	18,000
post doc 12 mths	35,000
post doc 12 mths	35,000
Fringe Benefits	
PI 1.5 summer mth	2,817
post doc 12 mths	10,739
post doc 12 mths	10,739
Supplies	
Lab and other Supplies	17,284
Recharge center fees	2,000
Travel	
Domestic	2,200
Tuition Remission	
Tuition	-
Fees	-
Total Direct cost	133,779
Modified Total Direct Cost	133,779
IDC on MTDC	66,221
Total Cost	200,000

SAMPLE BUDGET - GRAD STUDENT WITH OPTION TO COST SHARE PROJECT COST WITH TUITION AND FEES			
<i>Budget Categories</i>	<i>Sponsor Cost</i>	<i>Cost Share</i>	<i>Total Project Cost</i>
Salary and Wages			
PI 1.5 summer mth	18,000	-	18,000
Graduate Student 12 mth	23,400	-	23,400
post doc 12 mths	35,000	-	35,000
Fringe Benefits			
PI 1.5 summer mth	2,817	-	2,817
Graduate Student 12 mth	2,864	-	2,864
post doc 12 mths	10,739	-	10,739
Supplies			
Lab Supplies	31,177	-	31,177
Recharge center	2,000	-	2,000
Travel			
Domestic	2,200	-	2,200
Tuition Remission			
Tuition	-	7,445	7,445
Fees	-	900	900
Total Direct cost	128,197	8,345	136,542
Modified Total Direct Cost	128,197	-	128,197
IDC on MTDC	63,458	-	63,458
Total Cost	191,655	8,345	199,999

BENEFITS OF DIRECT CHARGE OF TUITION/FEEES TO GRANTS/CONTRACTS

Benefit 1: UH will be able to capture all research expenditures

Currently, UH is not capturing all research expenditures.

OMB A-21 Section B1.b states “Organized research means all research and development activities of an institution that are **separately budgeted and accounted for**. It includes:

- 1) *Sponsored research means all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.*
- 2) *University research means all research and development activities that are **separately budgeted and accounted for** by the institution under an internal application of institutional funds. University research, for purposes of this document, shall be combined with sponsored research under the function of organized research.”*

Benefit 2: Graduate Student Enrollment will Increase

If tuition and fees for grant funded students are directly charged to grants and contracts, a significant portion of the tuition fund will be available from the current budget to support additional TAs. Recruitment of additional TAs would not only increase our graduate population but would also reduce teaching load for faculty. In fact, one particular college administration has specifically brought this issue to our attention.