

Minutes
Senate Budget Policies Committee
Friday, February 15, 2019, 2–4 p.m.
CL 1817

Members in attendance: Tyler Bickford (secretary), Panos Chrysanthis, Yolanda Covington-Ward, Mackey Friedman, Jennifer Lee, John Mendeloff, Emily Murphy, Wesley Rohrer (chair), Adriana Maguina-Ugarte (SC), John Baker, Beverly Gaddy, David DeJong, Richard Henderson, Thurman Wingrove, Frank Wilson, Donovan Harrell (UTimes), Amanda Brodish, Brian Smith (SC), Jennifer Woodward (OR)

Absent: Elias Beniash, Cory Stillman (SGB), Shreyas Vamburkar, Phil Wion, Chris Bonneau

Meeting called to order at 2:01pm by Chair Rohrer

1. December minutes

- Titusville update mentioned in December will come later in the term.
- Minutes approved.

2. Matters arising

- Rohrer: Calendar revised after January meeting canceled.
 - Cheryl Johnson presentation rescheduled for March 22
 - Tuition Incentive Program updates rescheduled for March 22
 - Titusville update rescheduled for April 19
 - Nomination of officers for AY20 scheduled for April 19
 - Election of officers for AY20 scheduled for May 17 (after new members are seated)
- Introductions

3. Sponsored research funding, Jennifer Woodward, Office of Research (presentation available to BPC members in shared Box folder)

- Office of Research (OR) manages pre-award side. Post-award activities are done through CFO area.
- OR reviews, negotiated, endorses, provides admin support and oversight
- Review
 - Grants
 - Federal contracts
 - Clinical Research Agreements
 - Corporate research agreements
 - nonfinancial agreements (non-disclosure agreements, data use, material transfer)
- Rohrer: How many staff?
 - Woodward: 47-50
- FY18
 - proposals submitted: 4462

- awards received: 1462
- active awards in FY18: 2700
- non-financial agreements executed: ~1700
- transactions processed: ~17,000
- Factbook
 - 35% of total revenue is grants and contracts
 - 87% of sponsored research is federal
 - 7% companies and foundations
 - 4% state and local
- Bickford: Can you share this presentation with the committee after the meeting?
 - Woodruff: Yes but there are caveats that numbers from different sources don't always match. Sometimes combining numbers from different sources together creates inaccurate results.
- FY18 top 10 institutions receiving NIH funding
 - Pitt is #4, \$536 million
 - Following JHU \$674M, UCSF \$647M, UMich \$552M
 - Pitt is regularly in the top 5
 - Need big grants to get to next level
- NIH success rates
 - From 1997 the total number of applications increases but the number of awards remains flat
 - It's becoming more difficult because more applications are coming in but the number being funded is not increasing
 - FY18 success rate was 22%, down from above 30% in 1997
- NIH average funding is flat when adjusted for inflation
- Pitt research expenditures since FY10
 - ARRA funding created spike in FY11
 - Decreased through FY15, increased again since FY15 to about \$807M in FY18
 - We look at actual dollars spent (not future dollars in approved grants)
- FY19 expenditures to date: \$486,226,836, about halfway through the year. On pace to exceed \$800M this year.
- FY18 top sponsors:
 - NIH: \$417M
 - Commonwealth of Pennsylvania: \$42M
 - US Army: \$31M
 - NSF: \$25M
 - Magee-Women's Research Institute: \$10M
 - UPMC: \$8M
 - US Dept of Education: \$8M
 - Health Resources & Services Administration: \$7M
 - U.S. Navy: \$7M
 - Patient-Centered Outcomes Research Institute: \$6M
 - CDC: \$6M
 - U.S. Department of Energy: \$5M
 - VA: \$5M
 - Administration for Community Living: \$4M
 - Administration for Children & Families: \$4M
 - NRG Oncology Foundation: \$4M

- NSF Higher Ed Research and Development (HERD) Survey
 - Includes universities that spend \$150,000 or more in research and development
 - FY18 data submitted January 2019, results don't come until November
- FY17 HERD data (Oct 16 to Sept 17)
 - All institutions: \$75B spent on R&D
 - Pitt #16, \$939M
 - Wingrove: Our last submission was over \$1B
 - Mendeloff: We are especially heavily dependent on NIH compared to peers
 - Wingrove: Yes
 - Chrysanthis: If we took out NIH funding what would we look like?
 - Wingrove: we'd drop dramatically compared to peers
 - Woodward: according to factbook NIH is 87% of our sponsored funding
 - Bickford: What are the other major sources funding other institutions that are less reliant on NIH?
 - Wingrove: NSF, DOD
- FY8 to FY17 HERD trend for Pitt, slow increase from 600M to 900M
- Challenges
 - Federal landscape
 - Diversifying our funding is important but given our concentration of federal funding it would take a lot of diversification to change our reliance on federal funding.
 - Differences between government, foundation, and corporate sponsors.
 - Administrative and regulatory burden—federal regulations and reporting requirements.
 - Smith: For example NIH reports are annual, but DOD reports are quarterly.
 - Decentralization of information, data, and resources
 - We don't have systems where everything is in one location. We are moving everything into one system (funding, compliance, training), but now when you need information we have to go to new system, old system, departments, etc.
 - Smith: Is there any talk about bringing the post-award side into a system for the whole university?
 - Woodward: Wingrove can talk about this. We have a single system for the pre-award side that are working well. People are asking for something similar on post-award side.
 - Wingrove: Nothing to report. That is the goal.
 - Big proposals
 - Increase the size of grants. If you are receiving \$2000 grants, how can you ask for \$20,000? Or if you are receiving \$20M, what would you need to do to ask for \$200M?
- Discussion:
- Mendeloff: Are units being evaluated based on these numbers, trends?
 - Woodward: That is not my role. Possibly at dean level.
- Mendeloff: Are there other ways of slicing the data that would be useful? Are our younger faculty more successful than young faculty at other institutions, etc?
- Friedman: OR is involved in negotiation with funders. Can you say more about that function?

- Woodward: With federal awards there aren't a lot of negotiations. When you work with foundations or companies, goals are different. We often have to negotiate language in agreements. A company might want to own everything, or say you can't publish, which goes against core tenants of a university. Who is paying if something goes wrong? Indemnification, liabilities, publication restrictions, IP. Companies want to own everything—what they are contributing and what we are contributing.
- Bickford: Indirects vs directs?
 - Wingrove: of \$800M about \$600M direct and \$200M indirect
 - Bickford: Formula for distributing indirects?
 - Wingrove: The School of Medicine keeps its indirects, about 2/3 of total. There is a university policy governing distribution of indirect support funds for non-School of Medicine units: some money returned to PI, some to department, almost one-half kept centrally to reimburse expenses related to research.
 - DeJong: We have in the past pruned back the amount of money we pushed back to the units because of financial challenges, capturing a larger percentage of overheads to truly cover our cost. The overhead we collect is not enough to totally cover our actual expenses.
 - Wingrove: 95% of total indirects are subject to the university policy.
 - DeJong: 5% withheld to support total costs.
 - Wingrove: Ultimately the pool that is distributed to the departments follows the policy.
 - Friedman: You mentioned that fully funded grants don't fully support their related expenses?
 - DeJong: We routinely lobby the feds to increase our overhead rate to capture our full costs, but they are not willing to go all the way.
 - Wingrove: We just submitted the most recent F&A proposal (Facilities and Administrative). We calculate we would need 65%-66% to cover our full costs, but we won't get that. We are capped at 26% administrative, but we calculate over 30%, so we are losing there.
 - Our NIH indirect costs rate is 56.5%
 - Wingrove: Statement that grants don't cover total cost is in the aggregate.
 - Friedman: Is the assumption that there is variance, some grants overcover, some grants undercover their costs? Or is it even?
 - Wingrove: We don't have any grants with higher indirect rates
 - Friedman: Could we have more granular information?
 - Wingrove: That may be possible in the future.

Closed session to discuss issue related to indirect cost recovery rates.

Closed session to discuss Attribution Study, presented by Thurman Wingrove, Controller. (Will be made available to committee for further review through Box.)

Meeting adjourned.

Next meeting March 22, 2–4pm, CL1817