To:

Chancellor Agrawal

Office of the Chancellor

301 Administrative Center

5115 Oak Street

Kansas City, MO 64112

October 6th 2018

Dear Chancellor Agrawal,

As chair of the Research Advisory Council, and on behalf of the Council, I am writing to you to convey our concern regarding how the faculty research incentive funds (RIF), which are the investigator’s portion of the indirect costs recovered from research grants, will be handled under the new Resource Investment Model (RIM). This was discussed at our Council meeting on September 10, 2018.

At our Council meeting, Dr. Dreyfus noted that the 50/50 split of indirect grant costs (F&A) between the central administration and Units will continue and that the Office of Research Services is no longer supported exclusively from F&A, but from funds in the general revenue accounts. This was viewed as a significant improvement and satisfies one of the recommendations of the Task Force that evaluated the Office of Research Support in 2017.

However, under the new RIM model, our research faculty are concerned that in some Units they are being asked to predict in advance what funds they plan to spend from their individual RIF accounts in order to allow their Units to balance their budgets. Since this was done in Spring of FY2018, largely without faculty input, many researchers are now finding out that moneys they hoped to spend in FY19 are unavailable to them. The reason for this is that the funds allocated to faculty members’ RIF accounts are being incorporated into the operating fund for the Unit. Therefore, faculty spending from their RIF funds counts against the yearly budgeted amount for the Unit. The implications of this are that an unplanned charge against the faculty members’ RIF account may drive the Unit’s budget into a deficit, if it is not compensated by reduced spending in another category. On the other hand, if a Unit budgets for a RIF expenditure that does not occur, the Unit may end up with a surplus that year and could technically be penalized by having a portion of the unspent RIF taken back by the central administration under the RIM. This would be contrary to the initial allocation of those funds. In some Units, this has meant that faculty who did not submit a budget predicting what they would spend from their RIF accounts have been told that their RIF accounts are frozen and they cannot spend their funds until the next fiscal year.

After extensive discussion, our Council felt that this situation is untenable. Firstly, it places tremendous strain on the Deans of the Units to try to balance their budgets, taking into account predicted RIF spending. Secondly, it places additional burden on the faculty members in making predictions about how much of their RIF funds they are likely to spend. If the faculty member underestimates the amount, s/he will be penalized by not being able to spend additional funds if they are needed. If the faculty member overestimates the amount, s/he will have the burden of losing a percentage of the surplus under the RIM. These are unintended consequences that need to be considered and should be adjusted in the RIM going forward.

Most research faculty conserve their RIF funds while actively externally funded and use them to maintain their research activity when grants expire or are awaiting renewal. As a research faculty continually funded by NIH for the past 17 years, I can attest to the fact that it is very difficult to predict exactly when I will need to dip into my RIF funds to support my research program. Most research faculty members have several grant applications pending throughout the year. If the grants are funded, we may not need to use RIF to support salaries of research personnel. If grants are not funded, we may need to use the RIF funds to support salaries and research supplies to maintain our research programs while we continue to apply for new funding. It is therefore virtually impossible for investigators to predict how much of their RIF funds would be spent in a given year. Apparently, some Deans are making these predictions based on prior spending from RIF accounts, but this is also flawed because faculty members may need to spend heavily in a year when grants are expired and new funding is pending, but may have much lower RIF expenditures in years where they have sufficient external grant funds.

In many Units, the RIF funds serve as an essential resource to be used for expensive and unanticipated repairs to key research equipment. Again, it is impossible to predict when such equipment failures will occur. The concern of our Council members was that the system of including the RIF allocations within the general revenue allocation will lead to unnecessary restrictions and delays on faculty and Units spending from their RIF accounts to support their research programs. This could negatively affect research productivity at the University, reduce our competitiveness in obtaining extramural funding, and potentially could lead to research labs having to lose highly trained key personnel because RIF funds that are needed to keep them in place while waiting for funding have been made unavailable. The consensus was that for UMKC to support research, there is a need to provide more resources, not take away funds from the investigators.

The unanimous view of the Research Advisory Council members was that the faculty RIF accounts, as well as UMRB awards and FFE grants, should be kept in a restricted account that is completely separate from the Unit operating fund. This matter was similarly discussed at the Faculty Senate Budget Committee meeting on September 10th, 2018 and identical conversations and conclusions were reported to me by Dr. Mark L. Johnson, Chair of the FSBC. The separation of RIF monies out of the general operating fund into a separate restricted account would solve this problem. The FSBC stressed the point during its conversations that indirect costs are only generated when a faculty member is awarded a grant that includes indirects. While the intent of indirects is recognized to cover costs associated with having research activities at the institution, the portion that is returned to PIs is crucial for many investigators to sustain their productivity over the long-term. The FSBC unanimously supports the recommendation that these funds should be managed in a manner that does not put unnecessary restrictions on faculty spending from their RIF accounts and has the fluidity to allow for unanticipated expenditures to be covered when needed. Our understanding is that this has been proposed in other campus forums, but has not yet been implemented. It is also our understanding that the RIM document is a living document that can be revised on a yearly basis. Our Council and the FSBC are ready and willing to work together with you and other officials responsible for the RIM to ensure that it is crafted appropriately to support and enhance research on the UMKC campus.

Sincerely,

**Dr. Sarah L. Dallas, Ph.D**., **Dr. Mark L. Johnson, Ph.D**.

**(Chair, Research Advisory Council) (Chair, Faculty Senate Budget Committee)**

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