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MEMORANDUM

Date: October 1, 2004
To: Faculty Senate Rules Committee
From: John V. Lombardi, Chancellor
Re: Comments on the Reports of the Research Council 2003-2004

The Research Council reports prepared during the 2003-2004 academic year provide a range of useful recommendations and analysis in support of research on the Amherst Campus. While many of the recommendations may require further analysis and response from the Provost, the Vice Provost for Research, Deans, and others on campus whose work connects to or supports research, I am pleased to provide the Rules Committee some preliminary observations.

In the memo of March 5, 2004, the Council recommends no change to the Direct Research Cost Recovery Policy. While the campus would be delighted to control the rules that govern direct and indirect cost recovery, most of the rules the institution must follow come from granting agencies and vary by agency. In addition, the mechanism for recovering research costs vary between corporate and government sponsors as well as between these two and private philanthropic sponsors. The campus' goal should be to recover as much of the appropriate direct and indirect cost as possible from externally funded activities. The more costs the campus recovers, the more money it can spend in support of research including start up costs for new faculty, facilities renovations, grant matching requirements, and equipment purchases.

The key indicator of research productivity in the externally funded areas of research on campus is research expenditures. As is obvious, campus research expenditures reflect both the productivity of the faculty and the number of productive faculty. For this reason, the campus focuses on both increasing the number of research productive faculty and on enhancing the individual productivity of each faculty member. As the reports indicate, the institution has much to do on this dimension. A further issue is that funded research growth in the sciences is often a function of the availability of adequate research space. Consequently, one of the critical issues for the campus is the design of funding strategies to support the expansion of the research space required for successful grant activity. The campus has continued to spend a substantial portion of its revenue on laboratory renovations and other capital issues associated with grant activity, but it must do more.

In the memo of June 4, 2004, the Council recommends that the campus administer research through a Vice Chancellor for Research reporting directly to the chancellor, and proposed a variety of funding mechanisms to support such a position. While this is a model used at many research universities, it depends for its success on the ability to recruit an outstanding individual to head the operation and a mechanism for funding programs such as those described in the memo. For example, in many universities such an office receives the funds from the commercialization of intellectual property and reinvests them back into the research enterprise.

The Amherst campus has had a mixed experience with this office. In recent years the position of Vice Chancellor for Research was, in my view, exceptionally well filled. At the same time, the campus research community allowed the incumbent to serve in an interim status for over a decade in spite of impressive performance. When the incumbent retired, and the campus sought to identify someone of equivalent stature to carry on the full range of activities, it learned that the financial commitment required to support a full scale office of this type exceeded the campus' capabilities, especially given the budget reductions experienced at that time. Given the massive reductions suffered in all areas not directly related to teaching and research, and given the high priority on replacing faculty lost through the retirement process, no unit on campus could reallocate the funds needed to sustain a major, full service, office for a Vice Chancellor for Research.

Consequently, the campus reconfigured the office to support the research enterprise administratively through a Vice Provost for Research. Absent a major change in the appropriation of state dollars, or a redistribution of campus research funding primarily from college and department management to central management, a Vice Chancellor's office with effective authority and responsibility is not possible.

While the June 4th memo also recommends various redistributions of the indirect costs recovered on grants, those funds would also have to be reallocated from some other academic use. Suggestions for such a reallocation would help clarify the tradeoffs required to implement this suggestion.

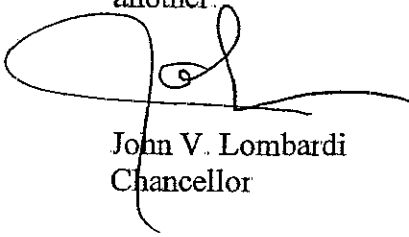
Finally, let me turn to the Council's memo of May 5, 2004. The Council recommends that the campus should increase its indirect cost rate on state sponsored research. The campus is usually in favor of increases in the rate of indirect cost recovery, but of course, the campus does not control the rate state agencies will pay. The Council did not recommend that the campus prohibit researchers from accepting grants that pay less than an appropriate indirect cost, a remedy proposed in other universities, but the UMass System will undoubtedly continue to work with its colleagues in state government to achieve reasonable indirect cost returns on work performed for the state. Experience suggests, however, that this effort has only a limited chance of success.

The Council recommendation for a variety of entitlements for administrative offices related to research may not ensure effective administration. If the service requires a lower investment, it should receive less. If the service requires a higher investment, it should receive more. The university has not proposed changing the current distribution

of university funds indexed to indirect cost recovery, although it may be useful for the Council to explore how effectively those reallocated campus funds are used by deans, departments, and researchers to support the programs it believes desirable.

The recommendation for various internal research programs is admirable, but difficult to achieve without reallocating funds from current uses to these new uses. Nothing prevents the campus from making such a reallocation, but the Council's memo is unclear about its recommendations on how to distribute to the colleges the reductions in funding required.

In any event, the discussions have surely clarified the concerns and desires of many colleagues, and the campus benefits from the careful exploration of alternatives and a clear recognition of the impact of reallocating scarce dollars from one function to another.



John V. Lombardi
Chancellor

cc: Research Council, Faculty Senate
Provost Charlena Seymour
Vice Provost Paul Kostecki