July 11, 2013

To: George Breslauer, Executive Vice Chancellor and Provost

From: Janet Broughton, Vice Provost for the Faculty

I am writing to expand upon a recommendation made in the June third report submitted to you by the working group on indirect cost recovery. [1] The recommendation was that the campus provide ladder faculty members with $4,000 each year in order to support their research activities. Below we suggest general guidelines for this program, and we make recommendations about its funding model and funding sources. For ease of reference, we will refer to this support as BEAR support (Berkeley Excellence Accounts for Research). You may prefer a different name.

General guidelines

The key to a successful program will be flexibility. Faculty members in different disciplines and at different career stages may have very different needs, and any given faculty member will probably have different needs in different years. The guidelines below are intended to make the extent of this flexibility clear. (We include here the eligibility and carry-forward guidelines recommended in the later sections of this memorandum.)

1. BEAR support should be used to enhance faculty members' ability to advance their research.

2. Faculty members are eligible for BEAR support if they are (acting) assistant professors, (acting) associate professors, or (acting) professors.

3. For full-time faculty members who were on active status during the entire preceding year, full support ($4,000) will be provided. For those on unpaid leave for part or all of the preceding year, the provision will be reduced proportionately. For those few faculty members whose appointment is less than 100%, the provision will be proportioned to the percentage of their appointment.

4. BEAR support should be used by faculty only for expenses that they incur while they are on active service.

[1] The members of the working group, which unanimously supports the present set of recommendations, are Senate Vice Chair Elizabeth Deakin, Executive Associate Dean Fiona Doyle, Dean Steven Martin, Associate Vice Chancellor Robert Price, Professor George Roderick (Chair of the Senate's Committee on Research), and Laurent Heller (Executive Director of the Budget Office).

5. BEAR support must be used in accordance with University policies.

6. Because it is intended to help faculty members advance their research in ways that would otherwise be impossible, BEAR support may not be used by faculty members to pay themselves summer salary or other compensation.

7. Groups of faculty members may pool BEAR funding for a common research good.

8. Carry-forward of unused support is permitted up to a cap of $8,000; thus the maximum that could be available to a faculty member at any one time would be $12,000 ($8,000 carried forward plus a new provision of $4,000).

9. Examples of uses for BEAR support include, but are not limited to, the following: computers; research-related travel; items for the University's library collections or for a personal research library; graduate or undergraduate research assistants.

Funding model

Credit line. There are several ways in which this program could be structured. One is to create accounts for each faculty member and transfer funds from the central campus into those accounts each year. Then expenditures would be charged against the balance available in each account. While perhaps this will prove to be the only feasible option, we note that it is likely to increase the amount of unspent funds across the campus.

Our recommendation is for a different model. We recommend that this program be structured behind the scenes as a credit line. From the point of view of the faculty member, there would be no difference between a credit line and an annual transfer of funds into a faculty account. From a budgetary point of view, however, funds would be provided only when they were needed to cover actual expenses. This is preferable to tying up unspent funds in faculty accounts.[2]

Whether the BEAR provisions are structured as accounts or as credit lines, we recommend that they be administered in ways that minimize burdens on departmental staff and maximize faculty members' access to information about their expenditures and their current balances.

Carry-forward. We recommend allowing carry-forward of unused credit up to a cap of $8,000. Combined with the next year's allocation of (generally) $4,000, this would make $12,000 the maximum total BEAR credit available to any faculty member in any one year. Thus, for

[2] One unit on campus has provided its faculty with funding on a credit-line model similar to the one proposed here. That unit's experience suggests that each year, about 55% of total credit available is used, which is about 75% to 85% of each year's annual allocation of new credit. It is impossible to know whether that would hold true for the campus, but in time the campus should be able to predict what the annual steady-state total of actual expenditures would be.

example, a faculty member with a June 30th unspent credit balance of $9,000 would carry forward $8,000, losing $1,000 in carry-forward, but would then receive $4,000 in additional credit for a total available credit balance of $12,000 in the following year. A faculty member with a June 30th unspent credit balance of $7,000 would carry forward the entire $7,000 and would then receive an additional $4,000 in credit, for a total available balance of $11,000 in the following year.[3]

Eligibility and timing. We recommend that credit be provided to faculty members each July, immediately after the end of the academic year, in proportion to their active service status[4] during the immediately previous academic year. For example, funds provided in July of 2015 would be provided proportioned to active service status during the 2014-15 academic year.

For full-time faculty members who were on active-service status during the entire year, the full $4,000 in credit would be provided. For those who were on unpaid leave for part or all of the year, the provision would be reduced proportionately. In addition, for those few faculty members whose appointment is less than 100%, the provision would be proportioned to the percentage of their appointment.[5]

Newly hired faculty members are provided with start-up funds, and so although they would not receive BEAR support on the effective date of their appointments, they would have other resources upon which to draw until they become eligible for BEAR support.

Funding sources

The current ladder-faculty headcount is approximately 1,510. Thus if $4,000 were provided in a single year to all 1,510 individuals, the total cost to the campus would be **$6,040,000**.

We have recommended that the campus set aside 2.6% of each year's indirect cost recovery (ICR) toward funding this program. In 2012, that would have meant a provision of **~$3,038,000**.

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[3] We note that if there are faculty members who accumulate substantial carry-forward in the BEAR funds, the per-capita cost of the program to the campus could go down at the three-year mark. With experience gained over time, the campus will be better able to predict what the steady-state annual cost of the program would be.

[4] Faculty members on Active Service/Modified Duties would be regarded as being on active-service status. Faculty members serving as investigators for the Howard Hughes Medical Institute are on leave without salary and thus are not on active-service status. Faculty members who are full-time academic administrators are not regarded as being on active-service status as faculty members. (Please note that department chairs are not full-time academic administrators.) Faculty members are regarded as being on active-service status when they are on leaves funded by the University; these include sabbatical leaves, paid leaves in lieu of sabbatical, Humanities Research Fellowships, and paid medical leaves.

[5] For these purposes, faculty members in the College of Natural Resources whose appointments combine professorial titles with complementary titles in the Agricultural Experiment Station will be counted as 100% if their total percentage in both titles is 100%.

(On a cautionary note, it is of course possible that ICR recovery in current and future years may be significantly reduced.)

Each year, you provide the Academic Senate with funds for programs that provide modest grants to faculty applicants.[6] The Senate representatives who are members of the working group believe that if BEAR funding included the carry-forward provision we have recommended, BEAR support would be significantly more beneficial to the faculty than its grant programs. For that reason, we anticipate that the Senate would enthusiastically forego your annual provision of **~$1,570,000** if you were to redirect that funding to the BEAR program, provided that up to $12,000 in unused credit could be made available, as described above.

Newly tenured faculty members are provided with a one-time research grant of $10,000. The working group recommends redirecting those funds to the BEAR program; the amount per year from this source would be **~300,000**.

The total from these three sources would be **~$4,908,000**, leaving a potential funding gap of up to **$1,132,000**. The working group believes that providing this amount toward the BEAR program each year would be an excellent campus investment in faculty research, although given the funding model and the eligibility criteria that we have recommended, we believe that unless ICR declines significantly, the actual annual investment needed would be considerably less.

[6] In 2011-12, the Committee on Research made the following awards: $414,137 for 297 Research Enabling Grants; $605,669 for 115 Faculty Research Grants, $175,000 for 45 Research Assistance in the Humanities awards, $70,000 for 4 Bridging Grants, and $308,750 for 440 travel grants. The Senate notes that the staff-work required to administer these programs is considerable and that the average amount of the grants awarded is modest.