

ABSTRACT: 2018 ELAM Institutional Action Project

Project Title: Development of financial model(s) to return research dollars to faculty.

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Topic Category (choose 1): Research

Background, Significance of project: The current research climate of decreased funding results in decreased research dollars to faculty. Bridge funding and pilot projects to generate preliminary data for new competitive grant submissions are declining at the University and College level. These challenges put the research-focused faculty (PI) in a precarious position of choosing between training students and our next generation of researchers or the generation of new data to keep their research program viable.

Purpose/Objectives: Develop financial model(s) to reward and incentivize research excellence with an overall goal of increasing our college research productivity, promoting a culture of behavioral change, and enabling research sustainability with the ability to train the next generation.

Methods/Approach/Evaluation strategy: The first step was to learn and understand the flow of research-generated dollars [salary offset and indirect cost (aka F&A or ICR)] through the University back to the individual Colleges. The next step was to learn and understand the flow of these research dollars and how they are utilized within the College to promote and sustain the research mission. This includes dollars back to the University through “cost pool” expenses, to the Departments, and to individual faculty members. The majority of these processes occurs as “percentages” or is based upon “formulas.” Using the data for fiscal years (FY) 2016 and 2017 to calculate the actual impact associated with these percentages and formulas, as well as the variabilities associated with these types of funding streams, resulted in the identification of the “cost of doing business” and the recognition of actual dollar amounts generated through the research mission needed to sustain the costs of doing research. Based upon these data, I developed a financial model based upon a paradigm that a minimum requirement needed to be achieved before the dollar reward aspect would take effect. In a second model, I compared the current model in place to the first model I generated and determined where a point was achieved when the benefits of the first model would outweigh the incentives offered in the current model. Three to five years would be required to measure the outcome and to see if research productivity, based upon research-generated dollars (salary offset and indirect costs) is increased in our COP. Immediate short-term behavioral changes (to see if faculty view the policy change as an “incentive” or “disincentive”) could be evaluated when a grant is initially submitted and the percent effort (associated with salary offset recovery), direct costs, and indirect costs are requested to support the research proposal. An additional measure is the number of applications submitted. Changes would be measured/benchmarked against the FY the policy is implemented.

Outcomes/Results: This process resulted in the generation of two financial models presented to the COP leadership on April 2, 2018. Lessons Learned: The conversion of percentages to dollar amounts and aligning these data with the “financial impact” helped me realize a financial model could be developed to not have any “perceived disadvantaged” faculty. However, one must decide whether “perceived disadvantages” can be used to motivate behavioral change towards enhancing research excellence and productivity. Models can be developed from multiple frameworks and one must understand the tradeoffs (incentives vs. disincentives) that may occur within a given program and organization.