Committee on University IDCR and Faculty Buyout Policies **February 22, 2022**

I. Executive Summary

During Fall Semester 2021, a committee composed of the following members was convened to study existing University of Memphis Policy related to Faculty Buyout as well as IDCR Distribution. The committee members were:

Gary L. Emmert, Committee Chair, Associate Dean of Research & Natural Sciences	Frances Fabian Associate Professor, Department of Management
David Freeman Chair, Department of Biological Sciences	William Alexander Associate Professor, Department of Chemistry
George Ninan Assistant Vice President of Financial Accounting and Reporting & University Controller	Deborah A Becker Executive Director of Financial Planning and Analysis
Eddie Jacobs, Professor of Electrical & Computer Engineering	Andrew Olney Professor, Institute for Intelligent Systems
Hilary DeLuco, Business Officer III, College of Health Sciences	Richard J. Sweigard Dean, Herff College of Engineering
D. Kimbrough Oller Professor, Plough Chair of Excellence, School of Communications Sciences and Disorders	Cody Behles Director, Research Development and Innovation

The Committee met on four occasions to have discussions on our charge, considered the unofficial policies that were in place and their origins. In addition, the committee reviewed summary recommendations that had derived from a subcommittee of the University of Memphis Research Council. We also explored the policies that were in place at peer R1 universities in the region. Based upon these meetings and subsequent reviews of draft recommendations, we are proposing the following recommendations for Faculty Buyout and to IDCR distribution policy.

II. Recommendations for University of Memphis General Faculty Buyout Policy

The recommendations made here are not meant to supersede a current Faculty Workload Policy across the different Colleges. Some Colleges already in place accepted procedures aimed at quantifying Faculty Workload. Instead, they are meant to provide guidance in quantifying Faculty Buyout to Faculty Workload.

In most cases, Faculty Buyout is closely tied to Faculty Workload. The Provost at U of M defines the "normal" Faculty Workload for a faculty member with no research or administrative duties as a "4+4" workload. This means that a typical F9 employee with no research or administrative duties would be expected to teach 4, 3-hour courses in Fall Semester and 4, 3-hour courses in the Spring Semester leading to a total workload of 8, 3-hour courses taught per year. Thus, the full-time workload for a F9 faculty member (100% commitment) divided by 8, 3-hour courses, yields a proportionality that a 1, 3-hour course reduction bears a cost of 12.5% of total salary to effect a buyout. With this is mind, it is not surprising that previous research from a subcommittee of the University of Memphis Research Committee found that some Colleges at U of M as well as other R1 universities already recognize this proportionality.

Our recommendation for a Faculty Buyout Model is as follows:

- A typical Tenure/Tenure Track Faculty member (i.e., F9 employee) would need to cover 12.5% of salary for a one course buyout (3- hour course) of their teaching duties.
- It is recommended that such an employee should be able to use grant funding to buyout their teaching starting with their "normal" teaching load first. Put another way, as an example, if a faculty member normally teaches 2, 3 -hour classes/per semester with additional duties assigned as an equivalent of teaching such as advising or other departmental service, then the teaching duties are given priority in the buyout, but discretion is left to the faculty member as to which specific duties they choose to buyout.
- Faculty members are encouraged to completely buyout teaching and service duties if they choose to do so using external funding. Thus, 100% buyout is acceptable and encouraged.
- For a typical 1, 3-hour or 2, 3-hour course release buyout, a faculty member is required to provide a minimum of six-weeks-notice prior to the semester of the buyout to ensure Department Chairs/Program Directors have sufficient time to secure replacements for the Faculty members teaching duties. For a complete buyout, a faculty member is required to provide 1 semester notice (15 weeks) prior to the semester of the buyout. Funds for the buyout need to be verified with appropriate FOPAL numbers when notice is given. These funds will be encumbered at the time buyout is approved by Department Chair/Program Director and the College Dean.
- If sufficient funds are demonstrated, approval by Department Chair/Program Director and Dean should be made. If approval is not made, Department Chair/Program Director and/or College Dean need to document in writing specific reason for denial of buyout.

III. Recommendations for University of Memphis General Faculty IDCR Distribution Policy

There has been no written general policy on the distribution of IDCR funds, although there have been procedures followed by the University. Apparently, these procedures derive from informal policy in the form of a *memo* that states expected distribution guidelines. The purpose of the following is to provide General Recommendations for IDCR distribution that will be adopted as formal University Policy.

Historically, prior to the implementation of the SRI Budget Model, the aforementioned memo described the following IDCR Allocation. Of the total IDCR cost associated with a typical research grant, 25% of generated IDCR was allocated for the College from where the PI of the proposal is appointed.

- The College retained 5% of IDCR generated by the award.
- The PI's Department retained 10% of IDC generated by the award.
- The PI received 10% of IDCR generated by the award.
- When multiple PIs/Co-PIs and Departments and Colleges are involved, the percentages were divided based on effort contributed to the award.

Since the implementation of SRI Budget Model, Colleges have received all of their generated IDCR after the base cost of the Division of Research and Innovation has been apportioned out. This means that the in the current IDCR Distribution Policy, the Division of Research and Innovation (DIR) is solely supported by IDCR funding and as such, funding levels for research may ebb and flow depending on a "good" year or a "bad" year in terms of external funding. Such a model seems inconsistent with our stature as an emerging R1 University. The committee strongly recommends that as an emergent R1 university, that University of Memphis needs to provide base budget support for DRI as soon as possible

IDCR Recommendation 1: This committee found unanimous agreement that it is essential that DRI be base budgeted as well as a uniform policy be adopted for IDCR distribution and handling of IDCR funds.

Once ICDR funds are allocated to the College, there is some variability on how the funds are distributed. In most cases, the committee found that the traditional practice of the PI receiving 10% of IDCR generated by the grant is typically honored. The Committee strongly recommends that a formal policy be adopted consistent with the SRI Model where the PI receives 10% of generated IDCR and the College is left to determine how to distribute the remaining funds in negotiations between Deans and Department Chairs/Directors.

IDCR Recommendation 2: This committee recommends that an official policy be adopted that allocates 10% of IDCR generated to the PI of the grant or contract and that this amount incontrovertible, should remain sovereign and unchanged. For multiple PI/Co-PI, multi-college awards, these amounts are divided based on percent effort.

The Committee recognizes that the "build-up" of IDCR money in an account presents certain challenges to the university. For example, at the State level, all UofM-IDCR accounts essentially appear as one large University "slush" fund (even though in realty, this is not the case). The optics of this at the State is not good for the University in our quest to become more equitably funded relative to other the University of Tennessee system. This is a situation where our success as a research university may work against us compared to other universities in the state who may not be amassing IDCR money (for example, MTSU, ETSU or TTU) at the level we are.

Further, the Committee recognizes that from the PI Faculty point of view, IDCR money is largely "unrestricted funds", meaning that they can be used by a PI Faculty to enhance their contributions toward research. In this case, the analogy might be that it serves as "petty cash", allowing a PI Faculty to fund research students, purchase consumables, cover publication costs, or invest in other similar needs that are not typically covered by Departments, Colleges or external grant funding.

The committee feels that PI Faculty should maintain some autonomy with respect to IDCR funds, however it would be beneficial each year for the PI Faculty to submit a standardized Spending Plan for their IDCR money. As an example, if a faculty member is saving up to purchase a piece of research equipment, such a plan submitted by the PI Faculty member to the Chair would provide a record that such a plan is in place to purchase such a desired piece of equipment. This would mean that Chair's would have easy access to the needs of their faculty and might be able to help move along the purchases of such devices. This would be especially important in "R1 accounting" years where funds might come available to Deans. With plans in place, Deans and Associate Deans could easily check with Chairs to determine where money could be leveraged for research support in those crucial accounting cycles. The committee all agreed that such a system would be greatly beneficial.

IDCR Recommendation 3: It is important that IDCR funds be appropriately leveraged to increase research efforts at the University. As such, PIs need to adhere to the following standardized planning and reporting guidelines with respect to their IDCR accounts in conjunction with Department Chairs/Program Directors and College Deans.

- ***ICDR accounts with > $10,000 can be maintained 2 years without providing a spending plan. Thereafter, a spending plan will need to be developed and filed with the Department Chair describing how the IDCR money will be used.***
- ***IDCR accounts with < $1500 will need to provide a spending plan every 5 years as described above.***

- ***For IDCR accounts that fall within the mid-range noted above, a short, standardized accounting form describing spending plan and use of funds should be provided annually unless 30% of the funds are expended annually.***

The committee recognizes that there is variability on how IDCR funds are allocated across the University with different Colleges. At least two Colleges (the College of Arts & Sciences and the Herff College of Engineering) have in place two different models of IDCR distribution. These differences arise somewhat from two different tenable models on how to cover new faculty start-up costs. It is not relevant to discuss either system in detail here, sufficient to say that both systems are working well as evidenced from our recent attainment of R1 status. As such, the committee recommends that current IDCR distribution models in practice at Colleges be left in place unless they conflict with IDCR Recommendation 2.

IDCR Recommendation 4: It is recommended that all current IDCR Distribution Models at College level be maintained unless in conflict with IDCR Recommendation 2. Colleges that do not have an established policy should develop and IDCR Policy consistent with Recommendation 2.

Over the course of our discussion, the committee learned of the ambiguity that sometimes arises related to entities that are variously referred to as “Centers”, “Institutes” etc. that may be variously housed at different administrative levels through the University. For example, some are housed at Provost level, some at the College level, and some at Department level. The variability complicates allocation and negotiation strategies. The Committee believed this discussion to be outside of our original charge. As such, we tabled such discussion and recommend that a subsequent committee be formed, with appropriate representation of stakeholders, to better explore how our peer R1 universities are handling these entities. We also felt such a discussion was likely better handled after the new President takes office.

IDCR Recommendation 5: We recommend that a subsequent committee be formed to better evaluate how Centers and Institutes are classified at U of M and along with this, how these entities will be allocated IDCR funding. The result should be a uniform official policy on Center and Institute formation as well as an allocation model for IDCR funds.