Strategies for Encouraging Research Faculty to Secure External Funding

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I. Research Parameters and Methodology

Project Challenge:

A member institution approached the Council with the following question about methods of increasing external funding through incentive programs for research faculty.

- How do institutions incentivize faculty to generate more research funding in disciplines that do not have built-in incentives?
- How do other institutions reward faculty for exceptional productivity in research? Do they offer bonuses for faculty who produce an exceptional amount of external research funding? How are cost savings used if faculty do cover a portion of their salaries with research release funds? Do other institutions permit faculty to divert salary savings to other projects of interest?

Sources:

- Final Report prepared for the Senior Vice President of the University of Florida-Institute of Food and Agricultural Sciences: Strategies for Increasing External Funding in IFAS and Increasing the Amount of Salaries Paid from External Funds (2005)

Research Parameters

The Council interviewed vice presidents of research at large four-year public research institutions.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Geographic Location</th>
<th>Carnegie Classification</th>
<th>Approximate Enrollment (Total/Undergraduate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University B</td>
<td>West</td>
<td>Research Universities (very high research activity)</td>
<td>29,000/22,000</td>
</tr>
<tr>
<td>University C</td>
<td>West</td>
<td>Research Universities (very high research activity)</td>
<td>22,000/18,000</td>
</tr>
<tr>
<td>University D</td>
<td>South</td>
<td>Research Universities (very high research activity)</td>
<td>51,000/34,000</td>
</tr>
<tr>
<td>University E</td>
<td>South</td>
<td>Research Universities (very high research activity)</td>
<td>26,000/19,000</td>
</tr>
<tr>
<td>University A</td>
<td>Midwest</td>
<td>Research Universities (very high research activity)</td>
<td>32,000/21,000</td>
</tr>
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</table>
II. Executive Summary

Key Observations

- Most institutions have a long-standing practice of returning overhead or indirect cost recovery funds and salary savings to departments. However, these institutions do not have policies that explicitly outline how or if these funds should be re-distributed to individual faculty members.

- In addition to traditional faculty research incentive programs, institutions also employ other incentives:
  
  o Offering one-time bonuses to high-performing research faculty on top of base salaries: these bonuses are typically awarded after ensuring that faculty members’ other duties are not suffering as a result of increased grant productivity.

  o Increasing base pay: some institutions’ hiring contacts state that faculty members must cover a percentage of their salary with grant funding. Other institutions plan to allow faculty to maintain joint appointments: one in their tenure home and another in the center or institution out of which they research. The two positions would receive separate salaries, and the second appointment would be externally-funded. Contacts agree that increasing salary helps recruit and retain top faculty.

  o Providing supplemental funds for research expenses and non-monetary incentives: indirect costs or salary savings from grant write-offs are passed along to faculty through a discretionary account that can be used for support personnel, travel, equipment, and supplies. Some institutions also provide young researchers with mentors.

- Many incentives and rewards for high performing research faculty are instituted at the college level. University-wide policies can be too cumbersome because some departments more easily obtain external funds than others. For the same reason, expectations and requirements for external funding are determined by each college.

- Contacts encourage administrators to be mindful of tension that may emerge from faculty that are ineligible for research incentives (due to area of research or teaching expectations).
III. Procedure for Returning Overhead Funds to Generating Researcher

All contact institutions have an informal means of returning overhead or indirect cost funds to the generating faculty member. Formal policies define how institutions pass savings to the generating college, the Vice President for Research, centrally to the university, and at some institutions, to core and specialized resources. The percentage of funds each branch receives varies according to institution. Funding breakdowns at the college level are more nebulous: faculty members might make arrangements independently with department heads or deans; colleges might adhere to their individual informal policies of allocating savings to specific faculty members. Some institutions, including University A, stipulate the percentage of funds that the individual PI receives.
## IV. Strategies for Encouraging External Funding

<table>
<thead>
<tr>
<th>Institution</th>
<th>Incentive</th>
<th>Status</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>University B</td>
<td>Altering months of university-funded salary</td>
<td>In place and active</td>
<td>University-wide</td>
</tr>
<tr>
<td>University C</td>
<td>New hiring paradigm with 0.75 FTE funded by university and 0.25 through grants</td>
<td>In place and active</td>
<td>Currently unit-specific; plans to expand</td>
</tr>
<tr>
<td>University C</td>
<td>Increasing base pay through multiple appointments</td>
<td>Proposed but facing difficulties from academic units</td>
<td>University-wide</td>
</tr>
<tr>
<td>University D</td>
<td>Increasing base pay by writing funding expectations into contracts</td>
<td>Draft stage; likely be implemented</td>
<td>Unit-specific</td>
</tr>
<tr>
<td>University A</td>
<td>Returning portion of salary savings and providing extra percentage of overhead according to college-specific baselines</td>
<td>Proposed</td>
<td>University-wide but details are college-specific</td>
</tr>
<tr>
<td>University B</td>
<td>University covering summer salary/providing extra salary</td>
<td>Proposed but ultimately not implemented</td>
<td>College-specific; may use on an ad hoc basis university-wide to recruit and retain</td>
</tr>
<tr>
<td>University D</td>
<td>Faculty incentive compensation plan</td>
<td>In place and active</td>
<td>Unit-specific</td>
</tr>
<tr>
<td>University E</td>
<td>Awarding once-per-year bonus payment</td>
<td>In place and active</td>
<td>University-wide but details are college-specific</td>
</tr>
<tr>
<td>University B</td>
<td>Increasing state-matched funds</td>
<td>In place and active</td>
<td>Program-specific</td>
</tr>
<tr>
<td>University B</td>
<td>Academic enrichment program: discretionary fund for research expenses</td>
<td>In place; on hold the past few years</td>
<td>Specific units working in strategic areas</td>
</tr>
<tr>
<td>University B</td>
<td>Providing experienced mentors</td>
<td>In place and active</td>
<td>University-wide</td>
</tr>
<tr>
<td>University E</td>
<td>Recognizing high performers</td>
<td>In place and active</td>
<td>University-wide</td>
</tr>
<tr>
<td>University A</td>
<td>Funding graduate assistants</td>
<td>Proposed</td>
<td>University-wide</td>
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IV. Strategies for Encouraging External Funding

Incentives that Modify Base Pay

Several contacts incent research faculty by increasing base pay in accordance with performance; however, the actual execution of these practices varies from institution to institution.

Altering Months of University-Funded Salary at University B

At University B, research faculty positions are funded for nine months and faculty are responsible for funding the remaining three months of the year. Each faculty member negotiates his or her workload distribution (e.g., teaching, research, extension) with the department head.

For promising new hires, less than nine months can be funded by the University, providing the faculty member more time for proposal writing and research. This strategy provides additional grant-funded salary for the faculty member as well as more overhead funding for the University. This incentive is offered selectively to promising new hires with a history of high performance; the actual annual term of university-funded salary is negotiated on a case-by-case basis and the salary either stays the same or is greater regardless of the shorter term over which it is distributed. Current faculty are not eligible to change the number of funded months, though their base salaries may be adjusted so that they can increase their salary through grant funding.

New Hiring Paradigm at University C and University D

University C is experimenting with a new hiring paradigm within its agriculture and forestry unit. Within this unit, all new faculty hires are on 12-month appointments but are paid 0.75 FTE and must raise 0.25 through grants. The base rate is higher than it is for the current faculty (contacts explain that individuals on 0.75 FTE receive roughly 0.85 of what their 1.0 FTE colleagues receive). Those who fail to cover 0.25 FTE with grant money make only 0.75 FTE, which sets them below their colleagues on the traditional scheme. If faculty manage to cover one quarter of their salary with grant money, they make considerably more than their colleagues at 1.0 FTE. The administration at University C explored ways of allowing faculty not on the new paradigm to convert, but encountered legal issues when trying to account for tenured faculty. This paradigm continues as an option for new hires only.

University D has drafted a similar policy: new faculty would be hired at a higher salary rate, but they would have to generate approximately 25 percent of it from external grants. If faculty fail to acquire any external funding, then they would receive 75 percent of their contract salary. The portion of the remaining 25 percent would be dependent upon the amount of external funding they obtain. Contacts admit that this structure is an “administrative nightmare.” Existing faculty who think they can generate sufficient grant funding can renegotiate to a higher salary with the stipulation that a certain percentage of their salary will be funded through grant sources. The higher salary would then be included in all future contracts and grants. Contacts explain that, if the proposal underwriting a grant describes the previous lower salary, the grant cannot be used to fund the higher salary—only new grants with the higher salary included in the proposal are eligible. The former, contacts stress, would break NSF and NIH rules. While this practice is not yet in place at University D, contacts report that it has the approval of the vice presidents, deans, and auditors.
IV. Strategies for Encouraging External Funding

Multiple Appointments at University C

University C also considered allowing research faculty to increase their pay by awarding them joint appointments. Faculty would have an academic, tenure-based appointment at one pay rate and a position through a different chain of command within a research center or institute at another rate. At the latter, salary would be completely grant-funded. As such, it could be adjusted independently of the academic appointment. This approach has not yet been implemented and is facing pushback from academic units.

Incentives Added to Base Pay

Several institutions use rewards on top of base pay as a means of incenting research faculty. In most cases, these rewards are one-time bonuses, although certain institutions prefer not to use that term.

One-Time Bonus at University B and University E

Faculty Incentive Compensation Plan at University D

A dean of one of the colleges at University B attempted to build a stronger research program by offering high achieving researchers funding for summer salary as well as a raise. Although the plan was ultimately not adopted, the institution plans to use the summer salary/bonus on an ad hoc basis as a recruitment and retention tool. University E currently offers a once-per-year bonus to researchers who cover 20 percent of their salary with grant funding. The broad policy is determined at the university level but the details – specifically the means of determining the bonus and any other criteria – are set at the college level. The program, which has been in place for over ten years, allows faculty to profit from their productivity.

University D maintains a similar program called the Faculty Incentive Compensation Plan. Faculty must first get initial approval from university administrators to put their salary on an eligible state-funded grant. After a year, faculty are assessed for quality of performance to ensure that other responsibilities at the university (i.e., teaching and extension) are still being met. If they pass the assessment, researchers receive a percentage of their salary savings as a non-reoccurring payment in addition to their base salary. Contacts hesitate to describe this payment as a bonus because it can connote payment that may be undeserved.
IV. Strategies for Encouraging External Funding

Indirect and Non-Monetary Compensation Incentives

Contacts from University E report that not all research faculty respond to bonuses or increased pay. As such, several contacts report using non-monetary means of rewarding prolific research faculty.

“Because budgets are so tight, let’s face it, things just are not as much fun...Any sort of resource—even if it is not directly related to their research—will allow [researchers] to free up some times and relieve some stress”.

--Associate Vice President for Research, University E

University B: Academic Enrichment Programs

Though it has been inactive for the past few years, the Academic Enrichment Program at University B provided strategic areas with central funding for recruiting faculty, purchasing/leasing of equipment, and hiring graduate students. The strategic areas were defined by faculty, were multi-disciplinary, and involved multiple colleges. The expectation was that after several years of central funding, base funding would be available for the program as it grew and earned grant support. This strategy was used to grow University B’s infectious disease and bioinformatics programs. In the recent past, the University made a strong commitment to three super-clusters, which included a sizeable amount of seed grant funding. The Academic Enrichment Program has been temporarily placed on hold in favor of these super-cluster development efforts.

University A is considering a similar initiative of paying tuition for graduate assistants who are on grants.

University B: Increasing State-Matched Funds

University B has worked with the state on a number of programs to secure more state-matched funds. For example, matching funds have been secured for proof-of-concept research that allows investigators to move closer to commercial projects. Matching funds have also been isolated for large proposals that the University put forth to the NSF and DOE for science and technology research centers. Contacts add that large grant-awarding agencies appreciate state matching and might be more likely to fund a proposal that is simultaneously state-supported.

University B: Providing Experienced Mentors

Contacts observe that lack of experience is an obstacle to research success for young faculty. University B has established a mentoring program in which experienced research faculty are paired with young faculty to help guide them through the grant-writing process.
IV. Strategies for Encouraging External Funding

_University E: Recognition_

Contacts at University E note that research is characterized by delayed recognition and oftentimes sparse acknowledgement. As such, the University E recognizes faculty in university publications and reports. A publication released by a task force at University D observed that acknowledgement of successful researchers in general communication can help establish a supportive and encouraging culture.

<table>
<thead>
<tr>
<th>College v. University-wide Efforts</th>
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<tr>
<td>While several contacts report university-wide efforts to encourage research faculty, all contacts stress that institution-wide programs are difficult to implement and administer. Certain colleges and units are much more research-intensive than others, making it difficult to set parameters for incentive programs that are appropriate across all units. Many institutions, including University E and University A, have established or are considering university-wide incentive programs with details established at the college level. Contacts from all institutions add that policies or practices that create a strong expectation that faculty generate a minimum level of grant funding are developed and instituted at the college level or below.</td>
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V. Creating a Research-Promoting Culture

While creating an environment that encourages research is advantageous for both the university and individual research faculty, the undertaking can present significant obstacles and potential pitfalls. Contacts explain that administrators should adopt a unified message and tread carefully to avoid creating discontent among the broader faculty community.

<table>
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<tr>
<th>The Importance of Institutional Culture</th>
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<tr>
<td>In 2005, a committee was empanelled by the Senior Vice President of University D and charged with exploring strategies for increasing external funding and generating salary savings. One aspect of the multi-faceted approach outlined in the resulting publication was to focus resources on changing institutional culture such that the activities involved in acquiring external funding are expected, supported, communicated, and rewarded. Committee members were adamant that establishing a strong institutional culture was the most crucial of all the recommended strategies. The report recommends that administrators establish targets, performance indicators, and small-scale unit-level reward systems as well as provide researchers with skilled support staff and infrastructure. Contacts at University B suggest the same, explaining that pre and post-award support are critical for sustained success. Contacts from University D also emphasize the importance of including talented faculty on incentive and reward planning committees.</td>
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</table>

Communicating the Message

University D experienced a marked under-utilization of many incentive programs because, as contacts concluded, the programs were not well-communicated. Department heads were informed, but no measures were taken to ensure that the information was passed on to individual faculty members. As a result, administrators at University D plan to reinvigorate communication for all incentive and reward programs with the launch of their newest program. Faculty will likely be informed via email blasts, notices from department heads, and other avenues of communication.

Contacts note, however, that messages concerning the importance of external grant funding can be over-communicated. For example, faculty at University D are now offering some resistance against over-saturation of that message. That being said, contacts from University E maintain that creating a nurturing research environment by praising and spotlighting successful faculty can be quite effective.

Avoiding Pushback from Non-Research Faculty

Providing incentives, both monetary and non-monetary, to successful research faculty is likely to result in some discontent among certain university communities, contacts explain. Researchers in departments that do not receive significant amounts of grant funding cannot take advantage of incentive or reward programs; computer science, for example, does not historically receive as much grant funding as biology. In addition, certain faculty members may dedicate more time to teaching and/or extension than research. While contacts agree that faculty members who do not benefit from incentive programs may feel undervalued, contacts disagree about the gravity of the problem.

Contacts at University D, who view such issues as unavoidable, suggest affirming job security for faculty members that are doing the job for which they were hired in order to mitigate tension.

To complement research incentives, University B is developing an incentive for successful teaching faculty. Administrators are considering implementing a tuition differential for high-demand upper
division programs. The University will then return some of the revenues from the differential to the program’s host college. Contacts explain that high-demand programs often require greater resources to avoid being capped. Funds from the tuition differential can be used to hire new faculty and to retain current faculty, especially very popular faculty members who anchor the programs. The practice would help ensure the longevity of high-interest programs. Contacts are confident that the initiative will launch university-wide in the near future.
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