

UCSF Faculty Association

An Independent Membership Organization of Faculty at the University of California, San Francisco

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July 22, 2013

Dear Chancellor Desmond-Hellmann,

I write on behalf of the UCSF Faculty Association about the proposal to prohibit submission of grant applications to organizations that pay indirect costs of less than 10 percent unless the PI, division, department, school, organized research units, the EVCP, or Chancellor agrees to pay the difference between the organization's indirect cost rate and 10 percent, even if administrative expenses are included in direct costs.

As you no doubt know, many junior faculty begin their faculty careers by obtaining funding from foundations which do not pay at least 10 percent in indirect costs. These grants come in the form of early career development awards which bridge the time until an individual may compete for NIH or AHRQ K-awards or small grant programs or other similar programs run by other agencies, including voluntary health organizations and other foundations. It is simply not possible for junior faculty to cobble together their salaries in the first several years of their careers without access to foundation funding.

For example, in my own primary academic unit, the Division of Rheumatology, we have what is generally acknowledged to be the finest roster of junior faculty in the country. Each has won the American College of Rheumatology's Outstanding Research Fellowship Award, given to one or at most two among two hundred fellows a year in North America. Each has then received funding from the Arthritis Foundation or American College of Rheumatology's Rheumatology Research Foundation through either or both an early career award or small research grant. Each has then gone on to secure federal K-funding (or in one case, to have gotten a very good score on an initial application which is highly likely to be funded upon resubmission). Each, I might add, is being actively recruited by multiple competing medical schools. We can ill afford to squander the considerable investment UCSF has made in these talented individuals or implement this policy, which will make it more difficult to get them off the ground.

Moreover, the effects of the proposed plan would not be limited to junior faculty. For senior faculty, access to foundation grant mechanisms permits us to compete more effectively for NIH, AHRQ, and NSF grants by providing the missing funds (often costs not allowed under Federal rules) to keep research operations whole. Some sponsors of these mechanisms are extremely influential, bringing prestige to UCSF and allowing faculty to garner more funding from NIH and other sources. Moreover, by depleting the ranks of junior faculty who often increase the productivity of R01 and NIH Center grants by completing their own first-authored publications, we will adversely affect the ability of senior faculty to continue to secure NIH funding, even as we limit the junior faculty members' ability to segue from K-awards to R-awards since the senior faculty members' R-awards often provide data and staff which facilitate junior faculty progression to R-series grants.

We know of no mechanism readily available to provide the funds to make up the difference between the 10 percent level and what foundation grants actually pay in indirect costs. Certainly, most departments do not presently have the resources available for that, particularly at this time when more and more costs are passed on to departments while fewer indirect costs are returned to them. At the very least, we need greater transparency in the efficiency with which our campus uses indirect costs retained at the campus. Moreover, the size of foundation grants is often such that it is infeasible to include administrative expenses in the direct costs; for early career development awards, salary and a small research budget are often the only direct cost items permitted.

The proposed plan would have a chilling effect on the nature of research and academic freedom, too. Foundations are often able to fund controversial research when the Federal government cannot do so. This was most evident when stem cell research (except extant lines) was banned. In social sciences and humanities, investigations involving controversial populations are often impossible given restrictions on Federal research. Thus, this policy would quite likely affect scientific and academic freedom.

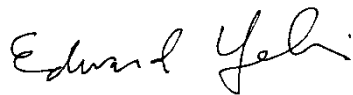
The proposed change in policy comes at a time when faculty have had to deal with many issues which limit their ability to cover salary and fringe benefits. For example, senior faculty have faced a \$20,000 decrease in the maximum amount of salary that can be charged to Federal grants. Even for those with ample NIH funding, the fact that fringe benefit rates have increased far in excess of the amounts we were told to plan for when grant applications were filed means that grant monies are stretched. For those with state funded FTEs, the amount of the FTEs have been reduced.

To paraphrase UC Vice President for Research and Graduate Studies Steven Beckwith: the goal of a business is to turn ideas into money, while the goal of a university is to turn money into ideas. We worry that this policy will further erode the basic function of the University which is to generate new knowledge.

In summary, the proposed plan will jeopardize recruitment and retention of talented junior faculty, limit the ability of highly productive senior faculty to continue to secure Federal grants, and undermine productive research programs on important, albeit controversial issues.

We look forward to discussing the potential effects of the proposal at greater length.

Sincerely,

A handwritten signature in cursive script that reads "Edward Yelin".

Edward Yelin, PhD
Professor (In Residence) of Medicine and Health Policy
Chair, UCSF Faculty Association