



UNTHSC

*Annual Budget Development Proposal
Fiscal Year 2018*

Division of Research and Innovation

Annual Budget Plan Overview: Division of Research and Innovation

INTRODUCTION:

The budgeting process used at the University of North Texas Health Science Center (UNTHSC) was followed in accordance with the guidelines provided by the budget office and a practical fiscal plan was developed for the operation of the Division of Research and Innovation (referred to as the 'Research Division' hereafter).

- Research Division's role in UNTHSC strategic plan – The Research Division has historically been responsible for Research Administration at UNTHSC along with components of research development. In the prior model of Departments in schools or Institute/Center Model over the past two years, Research Division did not play a significant role in the Research Strategic Direction of UNTHSC.

It is the responsibility of the Research Division to implement all aspects of Research Administration and going forward evolve into harboring the Research Institutes in the near future. This will be instrumental in our ability to meet our strategic goal of \$55M total in research expenditures as outlined in SEE_2020. For FY 18, our goal is to have total expenditures of \$46.8M. The Research Division will also play a key role in meeting our goal to serve as a research partner for health systems in Tarrant County, provide extraordinary research service experience for our customers within and outside UNTHSC. Being a Division that is primarily based on staff support, our role in the 'Best Place for All' initiative, is critical. Last, but not the least, the Research Division exemplifies living by all our values as we build Trust, the cornerstone, with:

- Serving others first-in our research and admin support,
 - Respect-all researchers and research subjects including animals and human subjects,
 - Foster integrity-through compliance with research guidelines and regulations,
 - Be Visionary as we develop novel approaches to research development and
 - Collaborate-through all research and support activities.
- Strategic Priorities for the Research Division – Since starting in the position of Interim VP for Research, Dr. Anuja Ghorpade first began by implementing the Design Thinking process principles and evaluated the current issues facing the Division as an independent unit and then in the context of its role in UNTHSC's strategic research mission. In aligning with the UNTHSC Strategic Plan for FY18 and SEE_2020, the Division plays a critical role in several key items including:
 - Establish a proactive research risk management program
 - Implement Research Development Initiatives for a versatile and competitive 'Funding Presence'
 - Enhance Translational Research, Innovation and Research Commercialization
 - Competing needs – The Research Division has five independently functioning, interlinked units. Namely:
 - Office of Grants and Contracts (OGCM),
 - Office of Research Compliance (ORC),
 - Dept of Lab Animal Medicine (DLAM) and
 - Research Development & Commercialization (RD&C)
 - Office of the Vice President for Research

Clearly, these are competing needs within the Division. While all units are strategically important to UNTHSC and mission-critical for individual parts, requests that were gathered from all units were compiled, reviewed and prioritized for the entire Division as a whole.

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COMPATIBILITY WITH GOALS OF BUDGET PROCESS: THE RESEARCH DIVISION

The process that was used closely follows the budget process goals in order to promote optimal utilization of limited financial resources.

- Identify the link between budgeting decisions and the institution's strategic plan. – For each of the budget request forms, a clear link with the strategic priorities of the Research Division, in line with the UNTHSC strategic plan is established and clearly outlined in the documents enclosed.
- Prioritize new initiatives. – While several budget request forms are submitted, a unified table is enclosed below with references to strategic priorities. A comprehensive overview of the entire Research Division Budget is also presented (enclosure).
- Introduce performance analytics to measure outcomes resulting from strategic investments in order to substantiate the additional funding. – Each of the budget request forms has outlined specific measures to evaluate return on investments. In fact, at the Research Executive Team Retreat in March 2017, which was kindly facilitated by Jeanie Foster, the first question that was presented to all members was to define 'what success looks like'.
- Promote "growth by substitution" – the reallocation of prior year's funding – whenever possible. – There were three positions that showed up in the 'unfunded' column. We have proposed to redistribute those to other positions of key value. Also, Dr. Allred is going to retire at the end of May (2017), instead of advertising his position as the Associate VP for Commercialization, we have proposed to instead put 'more boots on the ground' to promote a culture of innovation, translational work and commercialization

The table below (Table 1) provides an overview of the new initiatives/projects proposed Research Division Budget and Table 2 (later on in the document) provides an overall view of all budget items.

Table 1: New initiatives for FY 2018 Budget from the Research Division

	Overall top priority - Request redistribution of research-driven F&A revenue to support & reinvest in UNTHSC Research Priorities (From current 15% to revised 60% - Swap the figures for Research Division versus Institution F&A return)	1,930,640.00
	For Strategic Priority: Establish a proactive research-risk management program	473,520.00
	Funds needed to support existing positions in FY18 (F&A funded personnel): Vacant Financial Analyst - \$78,000; Vacant additional compliance admin-\$71,500; New Employee - post award analyst-\$45000 state available need remaining 25% FTE+Benefits = \$19,500; Salary adjustments for reclassifications, merit increases and/or banding adjustments- Positions current F&A funds needed for FY18 coverage = \$48,000	
A-G	A: NCURA external assessment of OGCM functioning (\$33,000); B: REQUESTED NEW POSITION - Post award analyst (\$78,000); C: Training & certification of OGCM Staff (4,000); D: Continue 1 existing FTE (\$31,000); E: NorTex Regional IRB Initiative (0.25 FTE + M&O = \$37,500); F: IACUC coordinator salary deficits (\$13,000); G: Stipend Support for Compliance Committee Chairs (IACUC, IRB, IBC, RCOIC = \$60,000)	
H	For Strategic Priority: Research Development, Translation & Innovation Commercialization (Including Clinical Trials)	900,000.00
	Pilot funding for translational/innovation projects (\$200,000), Research Development Initiatives (Grant training for PIs, workshops, outside speakers, seminar series and others) (\$100,000), CTSA Matching Funds (Committed in President Williams' support letter to UTSW) \$100,000, Health Disparities U54 (Committed up to \$100,00/year), UTA-UNTHSC Genome Center (Multiyear funding, enclosure) Per President Williams discussion with President Karbhari for FY18 (\$400,000)	
I	Overall Fiscal Efficiency in the era of limited resources:	296,808.00
	Budget analyst / Accountant for entire division (\$78,000), Outreach and Training Coordinator - For Central Coordination (\$77,904), IT management and security for Research and Innovation Division (Research Data Excluding PeopleSoft) (\$63,000), Office Manager - VP Research (\$77,904)	
J	Growth by Substitution	-
	IP Compliance & Contract Analyst (\$49404), Strategic Research Development Manager (\$77904), Supplement reclassified position for R&D manager (\$14500)	
K&L	Capital and continuation for 'unfunded' dollars	260,312.00
	K: Capital - Replacement Animal Cage Washer for the DLAM Facility (\$140,000); L: Funds to be repurposed from the 'unfunded' column (\$120,312)	
	Budget for existing core facilities to be reorganized with the Research Division (Funds available in IMM budget - no new funds requested)	-

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Phase I: Budget Planning

Base budgets and proposed budget adjustments are developed by each organizational unit in the spring for the upcoming fiscal year. It is the responsibility of each Division leader to incorporate the direction provided through the institution's strategic plan in the budget planning process. Divisional leaders should be mindful of the assessment questions that will need to be answered for each new funding request presented. These assessment questions may include:

- What was the assessment measure, instrument, or strategy that helped identify this need?
 - As described briefly above, the Research Division has been working toward an overhaul for the FY18 budget in lieu of the 'ideal' Division structure. The efforts began last July 2017, once I was appointed as the Interim VPR and had the opportunity to conduct Design Thinking Strategy by interviewing each individual member of the Division for about 45 min to an hour. After spending several months on addressing the problem of the Research Division lacking a unified presence within the Division, the next steps were towards establishing Strategic Priorities for in line with UNTHSC FY18 strategic plan and the SEE_2020 goals. Once this was completed, we next held an all-day executive team retreat to outline our ideal Division structure-function-budget trio. The day-long retreat was later followed by additional meetings. Earlier in Spring 2017, all units were asked to review their historical budgets and juxtapose it in lieu of this ideal structure. The budget proposed herewith is a culmination of these months-long efforts.
- Are there any anticipated major repairs or significant purchases, whether one-time or routine, that could be considered capital? Yes. As described in the DLAM budget request form, a new cage washer is desperately needed to serve the needs of our existing animal facility.
- If funded, what are the expected results to be gained from new funding? What will be the impact of not receiving these budget adjustments? What are some of the performance metrics to show progress toward strategic initiatives?

While each of the budget request forms outlines specific responses to these questions, the upshot is that the proposed budget truly leverages our F&A recovery towards rebuilding our Research Enterprise. The funds will be reinvested strategically to keep UNTHSC research high quality, competitive, innovative, interdisciplinary and translational. No additional E&G funds are requested provided the base budget is reinstated as justified above. F&A distribution to swap the numbers of what was given to the institution (60%) versus what was given back to the research Division (15%) should be reversed. In this scenario, UNTHSC will get 15% of F&A while the Research Division will get the bulk of F&A (60%) to truly build research at UNTHSC. The bottom line is that, Research Division is proposing to channel back the funds generated off of UNTHSC research into further building and strengthening our Research enterprise.

This may change the outcomes for the Centrally Allocated Funds that are currently derived from F&A recovery dollars equal to \$3.4M.

* Centrally Allocated Funds include State Appropriations (including General Revenue, Statutory and Board-Authorized Tuition, Tobacco Funds), Designated Tuition, Investment Income, and Institutional F&A revenues.

Budget Decision Packets:

Each Adjusted Base Budget amount must be properly substantiated in order for that amount to be included as the base budget for the upcoming fiscal year.

A historical review of the Research Division Budget shows that over the past several years, while research funding has increased, the Research Division Support from E&G funds was relatively flat (Data was obtained from the Budget office). The proposed budget includes all the personnel who are currently in the division, who have continued to take more and more responsibility as our research enterprise grew over the past ten years or so. The only major significant increase was a few years ago, when Dr. Cistola finally negotiated a 15% cut for the Research Division. Before that, there was very little F&A being returned to the Division to invest in the UNTHSC Research Enterprise. Furthermore, as the Institute/Center model was implemented two years ago with four institutes starting FY16 and a fifth one starting FY17, the pilot funds were diverted through the Institutes and not through the Research Division for the entire campus, creating lost opportunities for faculty members who did not align with one of the existing Institutes. Even with the current base funding, the Research Division has not been optimally functional, in part, due to lack of efficiency, which has been a priority for the past several months, and in part, due to staff members spread thin with the enhanced compliance requirements.

Budget Presentations:

“The Division leader presents explanations for the budget requests during the formal Budget Review sessions. All requests for new funds are to be based upon strategic goals for the institution and Divisional areas of responsibility.

Using the BRF as a basis, the Division leader is to provide a comprehensive budget proposal for the entire Division. Each budget presentation should identify increases in personnel, capital, and operational funding that is ‘absolutely necessary to continue the operations’ of the Division.”

The phrase ‘absolutely necessary to continue the operation’s of the Research Division is key to this discussion. We as an institution need to make a choice as to whether we want to simply ‘survive’ or ‘thrive’. This budget proposal is intended to have the UNTHSC Research Enterprise thrive! Without requesting any additional state E&G funds, this budget plan proposes to reinvest the research activity-derived F&A funds to further build future research at UNTHSC!

ADDITIONAL CONSIDERATION FOR RESOURCE ALLOCATION:

- Research Core Facilities:

“Fees are to be used in support of the class or the service in the manner for which the fee was approved. A minimum fund balance should be maintained in order to provide for an operating reserve to meet unplanned requirements; however, the accumulation of significant account balances is not in accordance with Texas Statutes.”

While this is likely proposed in lieu of student fees, I would like to propose the following:

- First, centralize our research core services under the research Division umbrella.
- Second, evaluate the fees structure for our core services, to make sure that they are truly competitive in area-wide facilities. If we cannot maintain the service, we should reevaluate our ability to continue and investigate the best use of the core facilities.

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- All equipment (existing centrally and across the institution in individual laboratories) should be evaluated for efficiency, functionality, current condition, age, value and make appropriate long-term replacement plan(s).
- Accordingly, appropriate capital budget should be developed. These requests should be submitted to the HEF dollars allocation committee during FY18, the Built Environment Council, and their overall recommendations should be brought forward for cabinet review. I propose that maintenance of equipment should be given consideration through this process.

Table 2: Research Division Overall Budget

	<u>Total Amount</u>	<u>State Funded</u>	<u>Unfunded/ Repurposed</u>	<u>Other Designated</u>	<u>Fringes</u>	<u>Total Non-State</u>
FY17 Total Salaries and Fringe Benefits (all funding sources)	3,621,344	2,599,004	120,312	693,868	208,160	902,029
Salary Data for individual units						
Grants and Contract Management	1,016,004	963,312	52,692			
Research Compliance	537,233	503,826		25,698	7,709	33,408
Dept of Lab Animal Medicine	811,939	353,062	24,492	334,142	100,243	434,384
Research Development & Commercialization	1,115,193	680,956		334,028	100,209	434,237
Office of VPR	140,976	97,848	43,128			
FY17 Total Non-Salary Funding (All sources)	1,026,564					
FY17 Total Pilot Grant Funds (local funds)	200,000					
TOTAL FY17 BUDGET	4,847,908					
Additional initiatives (see below)	1,930,640					
PROPOSED FY18 BUDGET	6,778,548	2,599,004	4,179,544	693,868		

	FY	Non Salary Funding
	FY 2017	1,026,564
	FY 2016	999,284
	FY 2015	1,139,255
	FY 2014	1,104,439

Proposed source - F&A returns	

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Budget Request Form

Fiscal Year:

School/Division: Dean/VP Priority:

Cabinet Member: Cabinet Priority:

Initiative Title:

Instructions: Please complete this fillable PDF form (typed only) to detail each new funding request to be presented during the budget review sessions. One form should be submitted per initiative (including capital requests). Your response is limited to the space provided on the form. However, supplemental information, such as calculations, may be added on a separate attachment as backup. Please complete all required fields.

1. Funding Request Type

- New funding request
- Expansion/Extension request for current initiative
- Multi-year funding request for years.

2. Will revenue be generated by this initiative?

If yes, what is the estimated annual amount:

Describe the method(s) by which revenue will be generated:

All of these initiatives are regarding either ongoing research projects-related commitments or infuse new dollars for pilot funding. The impact of these dollars is difficult to quantify yet. However, here are the estimates:
The genome initiative will have 1.6M contributions from the UTA as a joint initiative, # The U54 application will bring in about \$1.5M in direct costs per year once funded, # CTSA Matching funds will bring in a 1:1 amount (each dollar will be matched via CTSA grants). # The pilot funds and the research development activities will yield long-term success for grants.

3. Initiative Cost Summary

FTE's needed:

Salaries & other payroll related costs:

M&O costs:

Will there be any capital improvement/acquisition costs? If yes, how much?

4. Description of Initiative:

As described above, these funds enhance the ongoing initiatives for research development activities. A close tie to our strategic goals of research expansion in innovative ways. In the past, we used to have \$500,000 for pilot funds, that were then dropped to \$400,000 and further to \$200,000 last year. The proposal is to at least bring it back to the \$400,000. The UTA-UNTHSC genome center, the U54 funds and the CTSA matching funds are commitments to demonstrate institutional support for respective grants that are currently in process.

While we do not anticipate any capital acquisition in the Year 1 of the funding on these initiatives, if any of the pilot projects need small equipment, this could change, but it is not possible to anticipate exactly how at this point.

UNTHSC

Budget Request Form

5. Describe how this initiative aligns with the UNTHSC strategic plan:

Aligns with our Strategic Plan for research dollars goal. Increasing fiscal health, establishing high performing schools and institutes and by providing additional investment funds, enhance UNTHSC as a great place for opportunities for growth under the Best Place for All initiative.

6. Describe how the Return on Investment (ROI) for this initiative will be measured:

1. Total number of dollars invested compared to grants submitted and then awarded (investment dollars to revenue ratio)
2. Total number of investigators (PIs) funded
3. Under the CTSA - number of clinical scholars enrolled in the program and their productivity
4. The UTA-UNTHSC Genome Center is a great avenue for us to collaborate with our community partners. We do not have significant level of community research partnerships at the institution level and this will truly enhance our visibility in the community. It will also help showcase our strength in the DNA program to the community.

7. Describe how currently available resources may be re-aligned in support of this initiative:

8. Describe the impact to the institution if this initiative is NOT funded:

Consistently reducing the dollars invested in funding pilot programs, clinical scholars program will have both a short-term and more importantly a long-term negative impact on our ability to remain competitive for funding. Lack of high-quality research in the longer run will have a significant negative impact also on our ability to attract outstanding students.

Completed By: Anuja Ghorpade

Completed Date: 5-12-17