

ATTENDANCE:

Abbas, Agud, Ahmadian, Allnutt, Anderson, Bairaktarova, Balci, Barney, Bush, Campbell, Corl, Dalloul, Etzkorn, Gaskill, Geyer, Hicok, Hosig, Kaufman (alternate), Leon, Mackey, Noiro, Olson, Puckett, Robinson, Salom, Schenk, Shadle, Sirgy, Smith, Spotila (alternate), Sultan, Tegarden, Vogelaar, Young, Watson, Young.

= 36 senators

1. Approval of agenda

2. Presentation + Q&A by Theresa Mayer, Vice President for Research and Innovation

The presentation was intentionally focused on financials today and the VP expressed a desire to be transparent with data. Multiple visits will be required to tackle all relevant issues. Here is a summary of the slideshow presented – VP Mayer took questions as she went:

A. INDUSTRY ENGAGEMENT (See presentation on BEC two weeks ago)

Partnerships are one of the Presidents' top 4 priorities. This includes Industry relationships. 250 companies or so are involved at this point. The newly-created BEC will act as a "relationship manager," an interface between University and Industry. One key goal is to increase the depth of relationships with a smaller number of companies. VT's strategic alliances are growing (e.g., Proctor & Gamble).

B. RESEARCH EXPENDITURE TRENDS

Metrics and impact matter more and more and the "discovery to commercialization" process is emphasized. "Extramural" funding from Federal agencies is a bit less than Institution funds (40%). Since competition is steep for private funds, VT needs to make investments, lower the barriers, make agreements simpler, make connections, and find the synergies.

Institution funds add up to about 43% of expenditures, out of about \$500M/year in total expenditures.

C. HIGH F&A* RATE

*facilities & administrative costs

Senate concerns regarding VT's high F&A rate had been forwarded to VP Mayer. In response, she underscored that indirect rates are auditors' determinations; rate determination is not a negotiation process. ONR is VT's cognizant Federal agency.

Formula: $\text{F\&A rate} = \text{allocated facilities \& administrative costs} / \text{modified total direct costs (MTDC)}$
Our ONR F&A rate ("indirect rate") is 61% right now, and VT has been relatively stable. The administrative rate is capped at 26% by law; it is not responsible for the overhead hike. Facilities, rather, explain the hike; much building has been going on at VT. The MTDC are adjusted every 3 years. VT currently carries the highest overhead/internal expenditures among SCHEV peers (43.2% currently). Benchmarking should help move that. Two solutions (to increase MTDC):

1) Use the space efficiently. The space is currently being used quite efficiently, very efficiently in the Institutes. Contrary to perception, thematic Institutes are actually driving our indirect rate down, not up.

2) Grow extramural research.

3. Breakout sessions (6:20 pm):

Conveners gathered their respective taskforce volunteers to begin work in the 4 key areas delineated by President Abbas:

Research taskforce

P&T taskforce

Education taskforce

Scholarship taskforce

Attention all taskforces: please forward the name of your chosen Chairperson to Secretary Noirot.

4. Meeting adjourned past 7 pm. (Secretary had to leave then.)