

**Faculty Senate Minutes**  
**February 12<sup>th</sup>, 2013**  
**350 Lavery Hall**

Attendees: M. Abbas, N. Arav, G. Back, O. Balci, J. Bassett, V. Centeno, C. Bryan Cloyd, L. Cooper, A. Ellis, C. Eska, R. Goss, B. Hausman, K. Hosig, B. Jones, S. Karpanty, B. Klein, I. Lazar, G. Luttrell, M. Marchant, M. Maycock, N. McGehee, J. Merola, M. Moehler, K. Niewolny, C. Noirot, M. Patil, B. Pencek, A. Puckett, H. Quesada Pineda, W. Reed, D. Smith, E. Vance, J. Wilkins, A. Zajac, B. Zhao

Absent with prior notice: D. Agud, R. Broadwater, M. Cassera, J.Lo, C. Stovall

The President of Faculty Senate, Karpanty, called the meeting to order at 5:15pm.

I. *Introductions*

II. *Approval of Agenda and Minutes from January 2013*

Approved.

III. *Question and Answer Session on Research, Overhead/Indirect, and Policy 1300 on Intellectual Property*

Possible topics as raised at our last meeting:

- How are overhead rates set? How is the distribution of overhead rates set? How is the current distribution of overhead different from historically within VT? Compared to other peer institutions?
- How do current actual and effective rates compare to historical rates?
- A discussion about the perceived challenges by faculty of these overhead rates. For example, some feel that we are pricing ourselves out of the competition. Another topic—can some overhead be directed straight to growing the grad program?
- What is driving the ever-changing deadline system in OSP? Perceived problems by faculty, from faculty by OSP
- Revised Intellectual Property Policy. Policy 1300 is attached to this email and posted in the resources folder on scholar for your review.

We were joined by

- Dr. Robert Walters, VP for Research
- Dr. Bill Knocke, Associate VP for Research and W.C. English Professor of Civil and Environmental Engineering
- Mr. John Rudd, Assistant VP for Sponsored Programs
- Mr. Ken Miller, Assistant VP for Finance and University Controller

The meeting started with Bob Walters indicating that he wants to give sincere answers to FS questions and have healthy conversations.

Ken Miller started by showing a pie chart of where the overhead collected goes:

- 30% E&G
- 11% + 10% CC1 and CCII for capital construction including debt service, leases
- 9% VP for Research
- 40% Colleges and Departments

Bill Knocke mentioned that based on survey of peer institutions - at 27 universities – the average overhead return to college/departments is only 11%. But it is possible that central university administration helps a bit more in startup package for example.

Ken indicated that we have invested heavily on research intensive buildings in the past decade, including VBI I and II, Latham Hall, Life Sciences bldg, ICTAS I and II, CRC in Roanoke, Vet Med bldg.

Ken indicated that we are required by law to collect the correct amount of overhead. Overhead rates come from administration + facilities. Office of Naval Research does an audit and then determines the rates based on research related expenses and the base research expenditures. The administrative costs are capped so the increase in rates come from the increase in cost of running our facilities. Overhead rates are high because of current smaller research base and high facilities growth (with excess capacity). Once all the facilities are fully used and research expenditure increases, the rates will go down. Virginia Tech has made a strategic decision to grow as a research university. This required a strategic investment in growth of research facilities. As faculty in these new facilities become productive and start bring in more grants and overhead, the rates should go down.

The faculty were concerned that the grants are being charged higher overhead but we are getting lower service, especially from OSP. Furthermore, many funding agencies have a cap on the grant amount, thus higher overhead rates decrease funds for science. John Rudd indicated that they are working on the service aspect and are planning to put into place better systems, especially related to proposal and budget submission. Bob Walters agreed that OSP should be service oriented. It was also pointed out that we are presently sending most of the money from overhead to colleges/departments so we should expect some service from the colleges/departments. That seems to be what some departments are doing. When the overhead distribution was last changed, there was talk about retaining more at the VP research level for more central services but

departments need the money to balance budgets. The VP for research has to also now deal with more work related to ITAR and EAR, conflict of interest, and other federal requirements.

Bill Knocke then presented the revised IP policy which was last revised 1991. The policy does not reflect current practice, for example, the most of the work of the IP Committee is now handled by VTIP. Also with the recent lawsuit and ruling in Stanford vs Roche, there is a need to strengthen IP policy to protect the faculty/university.

The policy is being voted on by CoR but they are trying to get feedback/support from 4 commissions and 2 senates. The wording is still not final. IP Committee will interpret the policy when not clear.

IV. *Open discussion of any items related to Commissions and Committees*

- Please see the Forum on our Scholar page. I will ask that Commission and Committee Chairs, or Faculty representatives, provide updates either directly to this Forum or through me to this Forum

V. *New Business*

The meeting was adjourned at 7:00pm.