Dear Colleagues,

The Stewarding Excellence @ Illinois Project Team charged with reviewing the Office of the Vice Chancellor for Research (OVCR) recognized the complex and wide-ranging functions carried out by the OVCR and its reporting units. We thank its members for their careful evaluation and clear and detailed recommendations. We appreciate the feedback provided by the OVCR and are also grateful for the thoughtful analyses provided by the Campus Advisory Committee, the campus community and the general public.

In their report, the Project Team identified organizational structure and budgetary transparency as two core issues facing the OVCR. Primary among the Team’s recommendations is their conclusion that the Vice Chancellor for Research (VCR) position should not continue to be filled on an interim basis and that the complex operations overseen by the OVCR require permanent leadership. We agree and have begun the process to form a search committee to conduct a national search for a permanent Vice Chancellor for Research.

It is incumbent upon OVCR leadership to ensure that the office has the optimal organizational structure and processes necessary to fulfill its service missions and to serve as an engine for campus research and innovation. Some of the Project Team’s recommendations will be addressed by the new permanent leadership of the office. Other issues, however, require immediate attention. We stress the following priorities.

**Office Structure and Support of Researchers**

The Project Team made several recommendations regarding the structure of the OVCR and how it delivers its service functions.

**Team Recommendation:** Improve services and processes within the Office of Sponsored Programs and Research Administration (OSPRA) and give additional consideration to the possible re-unification of pre- and post-award functions.

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1 The campus research enterprise is supported by its collaborative and evolving relationship with the Office of the Vice President for Research (OVPR). The OVPR provides a unified voice for Illinois research at the university-level, including overseeing the enterprise-wide system of technology and economic development, facilitating collaborative research opportunities, streamlining related policies and procedures, and helping communicate the university’s research vision to internal and external constituencies. The OVCR is responsible for advancing research on the Urbana campus and for overseeing all campus research administrative units and initiatives. The two offices have distinct but complementary functions and work in close cooperation to serve their joint mission of maximizing the excellence of our research enterprise.
As a world-class Tier I research university, our research infrastructure and administrative offices must facilitate and support the exciting array of research that is occurring across campus. We are troubled by reports of researchers facing undue delays and negative repercussions from external funding agencies, including the threat of funding loss. We must respond to complaints by our faculty and staff and move to remove barriers expeditiously as well as to create new systems that will protect and grow our research enterprise.

Clear guidance regarding pre- and post-award processes and compliance processes must be readily available to faculty and staff researchers and these processes should be as streamlined, efficient, and interconnected as possible. It is imperative that we make improvements to the electronic resources currently available to campus researchers and staff, including the need for a comprehensive and dynamic electronic web portal. Development of electronic resources that allow faculty and unit business personnel to easily access the information and materials needed to submit and track their proposals and grants must be a priority. Similarly, the various offices engaged in research administration should have a shared database that allows access to information that is necessary to ensure coordinated and expedient business and compliance processing of grants, contracts, and purchases. We agree with the Project Team that establishing an online interface should be a budgetary priority. The university has software that was intended to provide an electronic portal for managing sponsored projects on the three campuses. The InfoEd software and University of Illinois Electronic Research Administration Project (UleRA) is currently overseen by the Office of Administrative Information Technology Services (AITS). There are efforts underway to evaluate this software and to improve the current electronic tracking systems. The UleRA Business Process Analysis (BPA) project has just been launched, with Huron Consulting Group working with the University to analyze, document, and recommend enhancements to the current research administration processes across the University. Huron’s efforts will be guided by a Steering Team directed by the Offices of the Vice Chancellor for Research for Chicago and Urbana, the Office of the Provost on the Springfield campus, the Executive Chief Information Officer, and the Office of Business and Financial Services.

Participants in the BPA project will include faculty and unit business managers as well as other stakeholders, including central office research administrators. The project is scheduled to be finalized by July 7. Outcomes will include a determination of what system(s) the University needs to purchase and/or build to meet the needs of our research faculty and administrators and will consider best practices and creative new solutions.

The Project Team recommended that the OVCR expand its efforts to increase support for research and scholarship in units that are traditionally not supported by extensive external funding. The College of Liberal Arts and Sciences (LAS), with support pledged by the OVCR, has begun to create a shared business office to provide central college-level support for sponsored research for units that do not have sufficient volume to provide such services locally. LAS is well-situated to provide this resource, as it is home to a large number of units that typically do not have a high volume of externally funded research but have a need for grant and contract administrative support. It may be appropriate to consider whether this office should be developed over time into a shared service center for units outside of LAS as well.
Larger structural questions such as the possible re-unification of pre- and post-award offices may be considered in the recommendations of the Huron Consulting Group at the conclusion of the BPA project and likely will need further evaluation by the permanent VCR.

**Team Recommendation:** Further delineate the responsibilities within the OVCR and improve processes within the administration of compliance units, including implementation of the changes recommended by the OVCR Compliance Advisory Committee in its May 2010 report.

As reported by the OVCR Compliance Advisory Committee, the number of different compliance units and varied processes of these units introduces a great deal of complexity, often creates confusion for researchers, and results in delays. It is critical that we create an infrastructure that provides greater coordination and oversight of the broad spectrum of compliance efforts mandated by federal and state law. By necessity, our compliance offices need to be integrated with one another and with sponsored research administration. It is common to have a sponsored project require multiple compliance reviews in addition to review and implementation of funding agreements. Strong central oversight of compliance is necessary to ensure proper coordination, efficient and streamlined processing, and appropriate researcher resources and training. This must be a priority for immediate attention and for the permanent OVCR leadership. VCR Ravi Iyer has recently appointed an Associate Vice Chancellor for Research for Compliance. We believe that the addition of this part-time position is an important first step in improving oversight of compliance functions.

Improved technology can help streamline compliance processes but it must be accompanied by clear and consistent guidance to researchers. The OVCR must provide training and easily accessible guidelines that delineate the functions of the various compliance offices and the responsibilities of researchers. Particular attention should be paid to how the Institutional Review Board (IRB) can reduce the time associated with its reviews, including considering whether low-risk protocols should be subjected to a different review process. The recent creation of a separate IRB panel to review biomedical research protocols is appropriate.

VCR Iyer has also appointed an Associate Vice Chancellor for Research for New Initiatives. This position will spearhead campus responses to significant federal funding opportunities and address the issue of how best to support the preparation of multidisciplinary proposals from large collaborative teams. The Project Team advocated a greater role for the OVCR in interacting with research foundations and recommended that the OVCR de-emphasize some existing initiatives. Specifically, the Team recommended phasing out involvement in international research endeavors. We disagree with this recommendation. Faculty members have research interests and projects that involve international partners and research foundations, and the OVCR appropriately assists and supports faculty in pursuing such projects. Currently, one of the larger campus international research endeavors is a joint-educational and research project in Singapore. As this project has continued to evolve and mature, other campus and university offices have appropriately joined with the OVCR to manage and oversee its operations. Because of the broad expertise and responsibilities related to the campus research mission, the OVCR will always play a role in the campus efforts in these areas. It is
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essential to the success of these efforts that there be proper communication and well-defined working relationships between the OVCR and other campus and university offices, including the Office of International Programs and Studies and the University of Illinois Foundation.

Team Recommendation: Review the impact of moving the Office of Technology Management (OTM) from campus to University Administration.

In 2004, then-President James Stukel consolidated the management of the university’s intellectual property within the Office of Technology Management (OTM) housed at the University Administration level under the former Office of the Vice President for Technology and Economic Development. Given that this administrative structure for intellectual property management has been in place for over six years, the Project Team’s recommendation that we review our efforts in this area is appropriate. We will make a recommendation to Interim Vice President for Research Larry Schook that such a review be conducted. The OTM has a campus Board of Advisors that is comprised of faculty researchers and administrators from the Urbana campus and provides advice and feedback to the OTM. It will be important to consult with this board and seek its participation in any review process. Additionally, the results of a campus stakeholder survey conducted by the OTM in July 2010 should be considered and, to the extent deemed appropriate, further investigated. Significantly, 76% of respondents to that survey indicated that the OTM met or exceeded their expectations and that response increased to 90% for respondents who last disclosed an invention to OTM in 2009 or 2010. As we indicated in our response to the Stewarding Excellence Revenue Generation Report, successful transition of intellectual property into commercial and other applied use is an important component of the university’s public engagement mission. The OTM is undertaking various efforts, as well as assisting campus efforts, to support researchers in the critical “proof-of-concept” development stage and other aspects of commercialization. A review of our administrative structure should include evaluation of our successes in these technology transfer endeavors and an assessment of where our efforts may be enhanced.

Faculty Advisory Committee

A theme that runs throughout the Project Team’s report is the need for greater responsiveness from the OVCR and its constituent units. The Team identified a faculty advisory committee as an important component of an improved organizational structure of the OVCR. Interim VCR Lyer endorsed this and other recommendations made by the Team in his response. The Team recommended that a faculty advisory board should provide advice to the VCR on campus research priorities and feedback on the office’s service functions and research support. We agree with this recommendation. The VCR should determine the appropriate size and composition of the faculty advisory board, in consultation with and including nominations from the campus deans, institute and center directors and other interested campus units. The VCR may wish to consider consolidating the functions of various current committees into the new advisory committee, if doing so serves efficiency and administrative goals.

Institutes and Budgetary Recommendations

We disagree with the Project Team’s recommendation to move reporting lines for institutes out of the OVCR and into the Provost’s Office. Over the past year we have strengthened the reporting relationships of the institutes to the OVCR, as we believe this is the appropriate oversight structure
for these research entities. Contrary to the Team’s report, the Institutes’ budgets (with the exception of the Beckman Institute) are contained within the OVCR budget and the OVCR has significant oversight for all the institutes’ budgets. Like all campus units, the process for creating the OVCR budget includes robust input from the OVCR and the Campus Budget Oversight Committee. Additionally, line items for important functions and reporting units are included within the OVCR budget, but the OVCR has discretion to make adjustments where necessary.

The Project Team noted the misperception that the OVCR is responsible for Indirect Cost Recovery (ICR) distribution and called for the implementation of a new transparent ICR distribution model. The College of Engineering has developed a college ICR distribution model that provides a standard formula for distributing ICR across the relevant college, department, institute or center, and principal investigators. The Council of Deans is reviewing this model and considering implementation of a new ICR distribution model for the campus.

**Risk Assessment and Compliance**

Both the Stewarding Excellence report and the Administrative Review and Restructuring report conclude that improvements must be made in how we balance risk assessment and compliance obligations. In discussing these issues with the offices and individuals engaged in those areas, we are persuaded that with respect to grants and contracts negotiations unacceptable delays are created by the absence of clear guidelines that outline what and when risk can be assumed. This lack of guidance is perceived incorrectly as an unwillingness to accept risk. Notably, the Office of University Counsel has taken a number of steps to address these issues, including the following:

- identifying a small number of contract terms that are often the subject of lengthy negotiations (indemnification, liability, arbitration, choice of law and intellectual property) and are advocating that a “decision tree” be created that allows negotiators to more quickly resolve or elevate questions to the appropriate campus or university office for resolution;
- advocating an approach to contract negotiations that is focused on quickly identifying and serving the researcher’s objectives and appropriate university interests so that extended negotiations over non-controversial and non-essential contract terms can be avoided; and
- providing negotiations training through a short course for contract negotiators to help them better understand contract concepts and draft plain language that accomplishes the university’s goals.

In addition to the training being provided by University Counsel, we must implement regular and ongoing training for all contracting staff. Similar training opportunities for faculty and administrators on campus compliance, sponsored research and contracting processes must be provided.

We support these efforts and direct the OVCR to fully partner with University Counsel and other relevant university administrative offices to provide the campus with necessary guidance and to create improved and streamlined negotiation processes.

With respect to compliance, as we indicate above, it is essential that our campus create an infrastructure and culture of coordinated compliance oversight. This centralized and enhanced
infrastructure will not only facilitate systematic and refined risk assessment, it will result in more efficient and integrated compliance processes. Ultimately, a coordinated compliance infrastructure will improve our compliance efforts and thereby result in a corresponding decrease in exposure to adverse regulatory findings and negative impact on external funding. We note that with any new compliance structure, our campus will need to invest in export control compliance to ensure that robust and appropriate oversight is in place.

**Regulatory Relief**

Finally, it is clear that recent legislative amendments to the state procurement law are impacting dramatically how the university can conduct its work. As recently noted by President Hogan, the university, led by the Office of Governmental Relations, is working with our legislators to advocate for appropriate relief from provisions that are counterproductive and harmful to the state’s and the university’s best interests. We will continue to support these crucial efforts to advance the need for legislative relief.

**Conclusion**

We have outlined some of the areas that demand sustained attention but on which immediate work can begin or should be continued. The breadth, depth and quality of our campus research efforts are extraordinary. The Office of the Vice Chancellor for Research oversees the offices and functions that are essential to our success as a Tier I research institute and we commend the faculty and staff who contribute their talents and hard work to ensure that success.

Sincerely,

Robert A. Easter
Interim Vice President, University of Illinois
Interim Chancellor, University of Illinois at Urbana-Champaign

Richard P. Wheeler
Interim Vice Chancellor for Academic Affairs and Provost