USF has established the goal of being designated as a preeminent Florida research university and continuing to build and foster the research enterprise as a distinguishing characteristic of the institution.

**Current State Strengths**

- The broader community concurred that USF's research enterprise is what distinguishes USF from other regional and state of Florida schools and all expressed a desire to foster this reputation.

- Consistent with the USF strategic plan and objective of achieving status as a Florida preeminent university, USF's research expenditures, as reported via the NSF HERD survey, continue to increase and grow towards the target $500M, despite the challenges faced in the current funding landscape.

- USF has a diversified sponsor mix, and though Federal and State/Local predominates the funding landscape, several new and alternative funding paths have been pursued in recent years.

- USF has made concerted efforts to increase the effective F&A rate in recent years and has seen this metric grow from 16% in 2010 to 19% in more recent years.

- Despite the young age of the institution, USF has promoted its rank for Issued Patents nationally and globally, providing USF standing among an elite group of institutions and elevating the institution's commercialization profile.
The following themes emerged as opportunities to further USF’s progress towards its research goals.

<table>
<thead>
<tr>
<th>Current State Opportunity Themes</th>
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<tr>
<td><strong>Strategic Alignment of Priorities:</strong> USF has an overall Strategic Plan (two of the four major goals focus on furthering USF’s research enterprise,) but no research-specific strategic plan exists that establishes a manageable number of high priorities that USF ‘wishes to be known for.’</td>
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<td><strong>Shared Governance:</strong> School/college leadership state that their perspective is not considered in financial and non-financial decision-making and that a Research Advisory Committee would be useful in advising strategic decisions and holding parties accountable for meeting commitments.</td>
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<td><strong>Transparency:</strong> USF stakeholders express dissatisfaction with a lack of transparency, and though they do understand that IDC funds are re-invested, they do not understand the benefit to the broader USF research enterprise.</td>
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<tr>
<td><strong>Investigator Context:</strong> Investigators expressed the same lack of understanding and transparency in how their Colleges spend indirect cost returns as how indirect cost returns are spent centrally.</td>
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<td><strong>USFRI Operations:</strong> Processes and policies can be streamlined to improve efficiencies within USFRI and eliminate duplicative efforts. Further, there are conflicting perceptions of the customer service mindset of USFRI.</td>
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In line with these themes, Huron’s recommendation for USF’s optimal research administration organizational and funding model incorporates characteristics that balance a strategic focus with shared governance and accountability.

**Recommended: Streamlined, Strategically Focused Research Enterprise**

- Clarified scope of responsibility of the Senior Vice-President for Research, focusing on managing operations and compliance and coordinating strategic investments, as driven by University-aligned strategic priorities.

- Reliance on shared governance, collegiality and research community input to determine USF-wide research enterprise strategy and hold stakeholders accountable for making decisions in line with these goals.

- Streamlined USFRI operational and staffing structure providing fundamental service and support functions to the university community, achieving possible efficiencies while improving service and compliance.

- Increased portion of indirect cost recovery, as well as responsibility to pay for other costs, allocated back to the research community consistent with clarified policy and the broader USF Budget Model.
Executive Summary

RECOMMENDED ORGANIZATIONAL AND FUNDING MODEL

• Huron’s recommended model centers on a defined percentage of indirect costs returns allocated to fund an USFRI Annual Budget, consisting of two components:
  1. Operating budget to fund specific USFRI service divisions (35-40%*) and
  2. USFRI Strategic Investment Pool to fund additional research objectives (10%).

• The remainder of funds are returned to the generating units (50-55%), along with responsibility to pay for distributed costs.

Note: Other Central Research Costs include General Counsel, Institutional Compliance Program (UAC), USF Research High Performance Computing and Non-Research Costs include Library General Support, etc.

*The 35-40% range is suggested because USFRI operations represent some level of fixed costs. In years when the institutional IDC is at a lower level, the USFRI portion would likely be to the top of the range in order to avoid any staffing reductions that would negatively impact operations and need to be restored in subsequent years.
Key Components: USFRI Operating Divisions

- Realign responsibility of USFRI Service and Support Units:
  - Establish a plan for Colleges/Departments/Centers (with the justifying research volume) to form robust research administration service centers and grant institutional authority to directly submit low-risk proposals, as long as the proper structure and expertise is in place.
  - Return to the previously established plan for a self-supporting, operationally independent Office of Clinical Research under the College of Medicine utilizing Huron’s 2009-2010 implementation and financial plan.
    - Assign responsibility and staff OCR to prepare and execute all Clinical Trial Agreements, as well as prepare and issue invoices directly within OCR.
    - Note: Since 2009-2010, the volume of clinical research at USF has declined and has not met the projected volumes. With this context in mind, USF must determine if they intend to focus on the continued growth of clinical research justifying a stand-alone office based on Huron’s model. If the volume does not increase or drops, USF may elect not to pursue an independent OCR.
  - Reaffirm and focus Technology Transfer priorities on those services necessary for award compliance, foundational investigator service and technology commercialization consistent with shared governance priorities.
Key Components: USFRI Operating Divisions

• Develop and implement plans for transformational changes within USFRI to enable efficiencies and control costs by:
  
  o Clarifying the roles and responsibilities of central USFRI versus those of units
  
  o Maximizing process efficiencies, eliminating/minimizing process hand-offs, adopting a risk-balanced approach to business processes
  
  o Conducting a full staffing analysis to determine the appropriate staffing levels of the USFRI service functions based on transactional volume
  
  o Re-evaluating the space and facilities needs of the USFRI operating divisions

• Work towards an increase in USFRI revenues, focusing on specific strategies, such as:
  
  o Updated agreements resulting in increased fees for review board-related services
  
  o Focused negotiation and inclusion of terms to recover legal fees within license agreements
  
  o Coordination with the USF Research Foundation to increase royalty returns to the University
Key Components: USFRI Operating Divisions

- Re-evaluate the scope of non-Service and Support Units within USFRI:
  - Conduct an analysis and determine which non-service functions of USFRI can achieve self-supporting status
  - Re-evaluate the non-service functions of USFRI that cannot achieve self-supporting financial status to determine the best course of action, including transitioning funding for these functions to the Strategic Investment Pool
  - Distribute the costs (i.e. discontinue or decrease the USFRI subsidy) for the Comparative Medicine facility (providing services for animal procurement, husbandry, health surveillance, and quality control to a self-supporting centralized facility) to users by increasing recharge fees/rates and/or transition funding for the facility to the Strategic Investment Pool
  - Transition all expenses for the Research Foundation, including funding for USF Connect, to be borne by the Research Foundation which retains the revenue associated with incubator and other activities
### Executive Summary

**Recommended Organizational and Funding Model**

<table>
<thead>
<tr>
<th>Key Components: Strategic Investment Pool</th>
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<td>• Establish an annual budget for the USRFI Strategic Investment Pool, coordinating with a Research Advisory Committee (RAC) to focus the use of these funds on a pre-defined set of objectives critical to USF’s Research Strategic Plan:</td>
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### Key Components: Distribution to Units

- **Return the remaining indirect recovery funds (50-55%)** to the earning unit as a percentage of total indirect cost funds earned by the unit
  - **For Discussion:** Return funds directly to the Colleges to be allocated to Departments/PIs at the Deans discretion or establish USF-wide policy to return a predefined percentage directly to Department and PIs
  - Return funds to Campus leadership for USF Sarasota, St. Petersburg and other campuses
  - Return funds directly to confirmed interdisciplinary and strategic stand-alone Research Centers
  - Provide 75% of returns directly to the Office of Clinical Research based on Huron's 2009-2010 implementation and financial plan

- **Allocate all other costs associated with USF’s research enterprise** to the benefitting/utilizing College/Center to be paid with unit funds in line with the institution’s overall budget model:
  - Debt service/lease commitments for the IDR Building, Pediatrics Epidemiology Center, Shriner’s, and Auditory Group to those Colleges/Centers using the space
  - Critical/essential Other Central Research Costs (Institutional Compliance Program, Research High Performance Computing) and Non-Research Costs (Physical Plant, Library)
Executive Summary

FINANCIAL IMPACT MODEL: OVERALL IMPACT

Huron’s recommended distribution model still supports the research enterprise in a variety of ways, with a larger portion returned to units:

- 35% is retained by central administration, specifically to cover costs of USFRI Operating Divisions and some General Administration
- 55% is returned directly to units to allocate at their discretion, but units are also responsible for funding newly distributed costs, such as rent
- 10% is used to support the shared, strategic investments of the University

**FY 13-14 Model**

- Central, $18.0M, 49%
- Direct Return, $6.7M, 18%
- Indirect Return, $12.2M, 33%

**Recommended Model**

- Central, $12.7M, 35%
- Direct Return (Oblig), $7.2M, 19%
- Indirect Return, $3.7M, 10%
- Direct Return (Unoblig), $13.3M, 36%
Executive Summary

NEXT STEPS FOR IMPLEMENTATION

Huron has outlined an approach for immediate next steps that will allow USF to transition towards the selected future state organizational and funding model.

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<th>Next Steps</th>
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<td><strong>Determine and finalize the institutional model</strong> by considering the recommendations and options outlined in the report.</td>
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<tr>
<td>• These recommendations were developed and discussed as part of a carefully constructed process that allowed for multiple points of transparent input by USF leadership, including College Deans, institutional leaders and investigators.</td>
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<td><strong>Mobilize the Research Advisory Committee</strong> and develop a committee Charter document outlining the objectives and role of the group.</td>
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<tr>
<td><strong>Build the Research Strategic Plan</strong> by defining an aspirational vision that is aligned with the overall mission (education, clinical care, service) and vision of USF and focused on well-defined areas of distinction that characterize USF.</td>
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<td><strong>Develop a Transition Plan</strong> to move towards the new model over time, in line with the institution’s implementation of an overall RCM budgeting model, incorporating critical dependencies to ensure a balanced transition.</td>
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