

Start-up Funds

Charge: Present practice for start up funds? Sharing between the department, College, VPR, and Provost. Other possibilities? Hiring of senior faculty, with a promise of returning all indirect costs generated in the first three years as a startup package is a very effective way of enhancing research – it provides an incentive for a fast start to the research program.

Team: Andrew Barth, Pam Crowell

Current status: Most surveyed schools provide some start-up support for new faculty, in a variety of forms which includes summer salary, support for graduate students or post-doctoral scholars, and cash funds for equipment and supplies. Provision of start-up funds is currently a significant limitation on new faculty recruitment in Engineering, Dentistry, Medicine, Nursing and Science, and may become so in Informatics in the near future.

Action Item Recommendations:

- Guaranteed ICR return is a potential incentive for senior faculty recruitment
- Cost sharing between schools and campus administration may be viable using ICR funds in block grant form

Implementation Strategy:

- ✓ Make guaranteed ICR return available to schools as a recruitment incentive for attracting senior faculty hires
- ✓ Create a model ICR block grant program to present to Academic Deans as a means to provide cost sharing in start-up funds

Objective

The committee's charge was to review start-up funding as a part of Goal 2 of the Academic Plan - Excellence in Research, Scholarship, and Creative Activity. The committee was asked to review the present practice for start-up funds, and to consider alternative funding scenarios, such as cost sharing between departments, schools, and campus administration, and guaranteed return of indirect costs to new faculty hires in lieu of cash start-up funds.

Assessment of the Current Start-Up Funding Situation at IUPUI

The committee gathered information from schools regarding current start-up funding practices and perceptions through an electronic survey, followed by interviews with key Deans, Associate Deans, and department chairpersons. The survey and interviews focused on learning how start-up funds are currently applied, and to what extent start-up funding limits faculty hiring decisions.

Results of Survey of Start-up Funding

- Sources for provision of start-up funds to new faculty
 - No funding – Art, Journalism, Law, Social Work
 - Conversion of cash funds – Business, Dentistry, Engineering, Liberal Arts, Medicine, Nursing, Physical Education, Public and Environmental Affairs
 - Savings from unfilled salary lines – Science
- Start-up funding models
 - Nursing - \$5K for two summers
 - Business – 20% of base salary for three summers
 - Public and Environmental Affairs – 20 to 32.5% of base salary, 1 or 2 summers, plus M.S. research/teaching assistant until time of tenure decision
 - Dentistry, Engineering, Liberal Arts, Medicine, Science – negotiated with individuals, funding ranges from \$5K upwards to \$998K per faculty hire

Assessment of the Current Needs

The survey and interviews yielded a picture of the current needs for start-up fund generation:

- Is availability of funds a limitation in new faculty recruitment?
 - Yes – Dentistry, Engineering, Medicine, Nursing, Science
 - Rarely – Liberal Arts
 - Not at this time, but likely in the future – Informatics
 - No limitations – Art, Business, Journalism, Law, Social Work, Physical Education, Public and Environmental Affairs
- Are schools seeking others sources of funds?
 - Informatics, Science – exploring partnerships with internal and/or external research centers and with other academic units
 - Liberal Arts, Nursing – no, but interested in ideas for the future

Alternative Approaches to Start-up Funding

The committee considered the extent of support for other possible start-up funding models, with particular attention to schools where availability of funds is a serious limitation in new faculty recruitment decisions:

- **Cost Sharing** between schools and campus administration – what would be the costs to campus administration if it shared start-up funding investments with schools?
 - Representative current start-up investments
 - Science \$150K to \$450K for new or senior faculty hire, relevant only in some departments

- Engineering \$100K to \$300K, relevant at this time only for new faculty hire in biomedical engineering
 - Medicine \$490K for junior faculty hire, \$998K for senior faculty hire
- Assuming 50-50 cost sharing between schools and campus administration, estimated cost to campus administrations would be \$50-75K per new faculty member per year for hires at the high end of these ranges of start-up investments.
- **Block grants** from ICR – what would be the benefits, and costs to campus administration, if campus proportion of ICR was used for block grants to schools for recruiting new faculty?
 - Approximate 2006-2007 ICR in representative schools
 - Dentistry - \$0.6M
 - Engineering - \$1.4M
 - Medicine - \$38.4M
 - Nursing - \$1.0M
 - Science – \$0.9M
 - Assuming 20% campus proportion of ICR, block grants to schools from ICR income could support half funding of 1-3 junior faculty hires with start-up packages at the high end of the present ranges in Dentistry, Engineering, and Science, and proportionally more junior faculty hires in Nursing and Medicine.
 - Cost to campus administration would be the same as option one above, estimated to be \$50-75K per new faculty member per year, for hires at the high end of these ranges of start-up investments.

- **Guaranteed return** of indirect costs (ICR) to principal investigator – what would be the benefits, and costs to campus administration if 100% of ICR were returned to new faculty principal investigators?
 - Representative current ICR generation
 - Science , a typical well-funded investigator generates \$50 - \$100K per year ICR
 - Medicine, a typical well-funded investigator generates \$100 - \$150K per year ICR
 - On average, such an investigator could generate more funds than typical startup in five years
 - Estimated cost to campus administration (assuming 20% campus proportion of ICR) would be \$10 - \$30K per year per faculty member per year
 - Although Deans in Dentistry, Engineering, Medicine and Science are open to having this as a negotiating tool, they believe it would be rarely used, but may be useful for cases of senior faculty candidates with well-funded laboratories, and so it would be beneficial to have this available as an option.

Recommendation

The committee recommends that both guaranteed return of ICR and creation of start-up block grants be discussed with the Academic Deans and implemented as soon as practicable. The committee believes Deans will support guaranteed return as a viable model for senior faculty hires, and may support block grants, depending on how they are implemented, especially how the proposal process is structured and how funds are divided among schools.