

Corresp - Bruininks



UNIVERSITY OF MINNESOTA
TWIN CITIES

Division of Epidemiology
School of Public Health
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April 17, 1989

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4/18/89

Professor Robert Bruininks
Chair, Senate Research Committee
144 Burton Hall
CAMPUS MAIL

Dear Professor Bruininks:

I know that you are considering governance of allocations of Indirect Cost Recovery funds. I would like to present testimony or evidence about the outcomes of innovative uses of portions of Indirect Cost Recovery that are returned to the Schools and departments creating the funds. They are only recently available, but have been used very effectively to stimulate the research environment and produce substantial new research and training enterprise. We have effectively used funds to develop two new essential programs in the Epidemiology and Prevention of Cancer and of Infectious Diseases in the School of Public Health. These have already brought in substantial new research activity and support to the institution and the State. This development would not have happened without intelligent use of available ICR funds.

We have been distressed to hear of the idea that maybe this small fraction of the Indirect Costs earned by the research enterprise in our Division, in our School and in Health Sciences might no longer be allocated, in any part, back to the source.

I very much hope that we will be allowed to participate in an open discussion before governance of these allocations is written in concrete and I would be grateful for your indication that we may have this opportunity. I am not sure whether you have had the chance to see the memo that Dean Kane put together some time ago for our internal use which is obviously very public information, but nevertheless is not widely known. I am hoping to stay in touch with you on this issue.

Sincerely,

Henry Blackburn (mf)

Henry Blackburn, MD
Professor and Director

/nmf
Attachment

(dictated but not read)

4/24

bpc: Executive Faculty

November 3, 1988

12/12/88
Vp. Ex fac

Memorandum

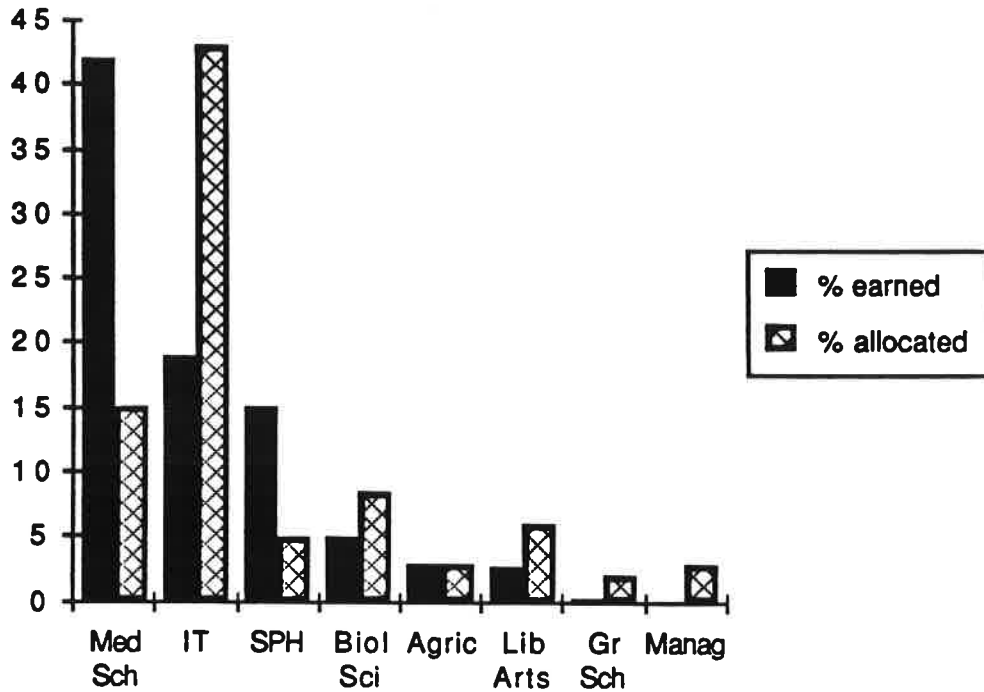
To: Neal A. Vanselow, M.D., Vice President, Health Sciences
From: Robert L. Kane, M.D., Dean
Subject: Thoughts on the use of ICR funds

While I very much appreciate the recognition of the School of Public Health's needs and potential shown by the University in its recent planning process, a careful review of the current use of indirect cost recovery ICR funds suggests that a still stronger case can be made for the contributions of the School to the University.

In 1987-88 the School generated about \$4.2 million in ICR funds (15% of the total earned by the all units). This amount closely approximates the monies we received from the state to support our entire enterprise (\$5.0 million)

As part of the ICR recovery that year, we received about \$587,000. This sum represents less than 5% of the sum distributed among the various collegiate units after the state offset and the university system-wide retentions. We, one of the poorest funded units in the University, are, in effect, subsidizing other units.

The direction of the reallocation is no mystery. We have known for some time that the Health Sciences is subsidizing IT, but the magnitude and extent of the full cross-subsidy is worth broader attention. Below I have graphed the contrast in proportions earned and received for the units receiving 2% or more of ICR funds. Basically, the Medical School and the School of Public Health earn proportionately three times the share they get back, whereas IT gets over twice as large a share back as it earns.



I believe we ought to make this discrepancy more widely known, at least within the University and perhaps with the HS Advisory Council. If we are going to subsidize others, we might as well get more credit for it. Certainly, when we examine the plight of the School of Public Health, we should take greater pains to point to this anomaly. Simply as an investment, the School serves the University. Leaving aside all the benefits that come from the research support it generates, in terms of knowledge and faculty support, just the ICR income almost displaces the state's funding.

RLK:me:hs

cc: Administrative Council
Dean Brown