Research and Innovation Committee testimony

Thomas Apple <tapple@hawaii.edu>
To: Board of Regents <bor@hawaii.edu>

Please distribute to the Board for the R&I meeting.

Tom Apple PhD
Chair & Professor,
Department of Chemistry
Univ. of Hawaii-Manoa
Honolulu, HI 96822
(808)956-8038

Faculty salaries.docx
20K
MEMORANDUM

To: The Board of Regents, Committee on Research and Innovation

From: Tom Apple, Professor & Chair of the Chemistry Department

Subject: Research faculty salaries

I have a great deal of experience as a successful Federally-funded researcher, an administrator at every level, and an advisor and panelist to Federal funding agencies including the NSF, DOE(nergy), and NIH. I have been a researcher, faculty member, and administrator at five Research I universities, the other four all highly ranked, and I was tenured at an AAU university. I bring my credentials up, because I don’t believe there are any administrators above the dean level at Manoa or System who have ever been faculty or administrators at a Research I university other than UH, although we are blessed with a very good VPR.

As a Provost, Dean, Chair, and Professor I routinely either set, or had to meet, faculty-salary benchmarks. It is established and standard practice that faculty in the sciences, engineering, and applied mathematics are expected to bring in a portion of their academic year salary from grants, in addition to their summer salary.

Now, in most STEM disciplines, the faculty member is guaranteed her/his 9-mo. salary, whether they successfully garner their academic year salary or not. The unit to which they belong must typically garner in toto a certain percentage of their faculty salaries – the benchmark - or be forced to cut other expenditures, such as travel, new instrumentation etc. Again, this is common practice at nearly every Research I university. [I have intimate knowledge of no less than eighteen RI university policies due either to my affiliation, the review I have done for accrediting bodies and funding agencies, or from being interviewed for high-level positions at those universities.] Faculty who are unsuccessful in these units typically are assigned higher teaching loads. The academic year salary garnered on grants is commonly called buy-out or charge-out.

In Medical Schools the situation is different and stricter to faculty. At most Medical Schools, the faculty are only paid a small fraction of their salary by the school. They are required to bring in most of their salary through either grants or clinical work.

I would not propose requiring faculty to bring in their salary in order to be paid. But I would strongly recommend setting benchmarks for faculty salaries on a unit-by-unit basis.

Setting faculty salary benchmarks for ORUs and reallocating the G+S funds that are saved to the academic units would immediately result in a stronger university. Why? The current allocation of funds has left the academic units critically ill. Despite the fact that more than half of the University’s revenue is now derived from tuition, (since the replacement of $65M in G-funds by tuition at Mānoa during the 2009-2011 downturn) the ORU’s prosper while the academic units struggle. No change in allocation to units occurred after the dramatic change in the make-up of university funding. Are you aware that some academic departments had to remove the phones from faculty offices, because they couldn’t pay
their bills? Others like my own department have 50-60% of the tenure-track faculty they once had. Parttimers with lesser skills and lower long-term commitment have had to be enlisted to teach key courses. Recruitment into these departments has been stopped due to the contrived budget deficits that they have – which are really misallocations of resources which preference ORUs vis academic units. Retention of the current faculty is difficult. Keep in mind that some of these academic units are very successful in garnering research funds themselves, although, of course, the faculty spend much more of their workload on teaching than in the ORUs.

The University is fortunate to have our ORUs. They have excellent faculty. They were a brilliant idea to create and the funding model worked well when the legislature was paying virtually all of the bills. But now a change in funding is needed.

Consider the model for SOEST. According to data provided by the Dean of SOEST, the roughly 150 SOEST faculty [slightly more than half are R-type faculty] have salaries which sum to $18M of which approximately $2M (11% according to the VCAFO’s data) derives from external funds and the remaining $16M comes from allocation of tuition and G funds. These faculty support an additional $22M in salaries for researchers who work under RCUH.

If SOEST were given a modest benchmark of 1/3 of their faculty salaries ($6M/$18M) then Mānoa would save $4M compared to the current allocation out to SOEST. That $4M could be invested in those units which currently have 30/1 or more student/faculty or taught-student/faculty ratios. Alternatively of course this money might also be returned to the students to keep tuition down. When you include the other ORUs and JABSOM this number would of course be higher still.

Where would the $4M (in this example) come from? Faculty would budget part of their own salary in their grants instead of the salary of an RCUH researcher. So the $22M expenditure for RCUH workers would go to $18M. But research would suffer you say? Well, perhaps a bit, but remember a number of factors that mediate this drop: a) there is a greater incentive to write more proposals, b) the faculty hired instead of the researchers at RCUH, if in science or engineering academic units, will write proposals and garner research dollars.

Also remember that half of the money being paid for these faculty salaries comes from students. Doesn’t it make sense to replace full-time researchers with faculty who both teach students and do research?

Returns on investment:

Arguments are often made that the ORUs return $4 per 1$ invested in them through their total research dollars. This is a good return for the state’s G fund investment. However it is a horrible investment of the students’ S funds. A vanishingly small amount (25% of the RTRF) of the research dollars are actually invested into student-related parts of the university. Remember also that the ORUs operate primarily with professional researchers. The number of GR and UG students engaged in research in the ORUs, while not negligible, is small compared to the number in the academic units.
The table compares the ROI for expenditures from (allocation) and to (RTRF and S) UH-Mānoa.

<table>
<thead>
<tr>
<th></th>
<th>G + S Alloc. (expenses)</th>
<th>SSH taught</th>
<th>Overhead Revenue returned to Mānoa</th>
<th>Tuition Revenue from SSH</th>
<th>Net $ to/from Mānoa</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOEST</td>
<td>$20.8M</td>
<td>7800</td>
<td>$2.3M</td>
<td>$3M</td>
<td>-$15.5M</td>
</tr>
<tr>
<td>Natural Sciences</td>
<td>$19.3M</td>
<td>77,000</td>
<td>$0.8M</td>
<td>$30M</td>
<td>+$11.5M</td>
</tr>
</tbody>
</table>

Two common myths heard from those with no outside experience:

1. **The funding agencies won’t pay for faculty salaries.** This is completely false from my own personal experience. As a funded faculty member I always brought in a significant amount of my academic year salary as well as my summer salary, despite having a considerable teaching load. The agencies expect to see a salary in the grant that is consist with the Effort Reporting on the grant.

2. **Good faculty will leave UH if we enact benchmarks.** False. The climate for a researcher here, even with the benchmark, is better than virtually any other university. In fact, at some universities and most medical schools faculty must bring in their salary or they won’t get paid. All R faculty would have to teach, and teach far more, than they do now at UH. Other universities do not have this type of faculty member on hard-money lines.