

Report of the College of Arts and Sciences Committee on Streamlining Research Administration

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Cornell should not aspire to be number one in compliance.

-- Provost Michael Kotlikoff (paraphrased.)

Executive Summary

Administrative burdens on faculty and staff have grown explosively at Cornell, and they are now a major impediment to the successful functioning of the university. This report identifies two primary forms of this burden:

- (i) **Shadow Work**, the displacement of work from trained staff onto faculty, and
- (ii) **Overzealous Risk Management**, which paralyzes research function.

We propose a five-part solution to address these issues:

- (i) **Recommit to the idea that the highest goal of Cornell is excellence in research and teaching**, and *make all decisions about policy and procedure through this lens.*
- (ii) **Create mechanisms to evaluate all procedures** to be consistent with (i).
- (iii) **Create an anti-red-tape Czar** with power and authority to oversee and implement streamlining efforts and to cut through bureaucratic red tape.
- (iv) **Limit, and in some cases reverse, the centralization of staff.**
- (v) **Align the goals and incentives of central staff to the faculty/staff in the units** and to the larger mission of the university.

Introduction

The fundamental mission of Cornell University is to teach and do research in pursuit of societal goals; performance of this mission is entrusted to the Faculty. Performance of this mission is Cornell University. It is why the university exists. Faculty members are judged by how well they teach and do research. The performance of every other Cornell employee, without exception, must ultimately be judged by whether they enable or hinder the performance of the fundamental university mission.

The central message of this report is that growth in bureaucracy and associated Shadow Work are severely impeding the ability of the Faculty to teach and do research. This is the sense in which we understand President Elizabeth Garrett's very first (20 August 2015, "Streamlining Academic and Other University Processes and Reducing Bureaucracy") directive to the Cornell Community:

Cornell University aspires to be a global center for higher education where the very best researchers, scholars and creative minds interweave liberal arts education and fundamental research with practical endeavors focused on challenges of societal significance. To achieve our aspirations, we must rigorously and regularly review our university processes to ensure that they further our values in the most efficient and least burdensome ways and allow us to be nimble and agile as an institution.

Universities tend to make decisions incrementally, often without scrutinizing the effect of past decisions to ensure that time and energy are directed at current priorities. Overly cumbersome bureaucracy and unnecessarily complicated decision-making processes divert faculty, students and staff from activities vital to pursuing excellence in research, teaching and public engagement.

This report was commissioned by the College of Arts and Sciences to examine research administration inefficiencies in response to President Garrett's August 20, 2015 call. Although our committee is charged by Arts and Sciences, research at Cornell, and especially interdisciplinary research, more often than not involves centers, facilities and colleagues across multiple colleges and administrative units. Hence, our report is focused on the larger picture of research administration as it constrains the ability to meet Cornell's core research and teaching missions. The necessity of looking at conflicting, inefficient or redundant requirements across different colleges and administrative units is clearly what President Garrett had in mind when she stated that "Overly cumbersome bureaucracy and unnecessarily complicated decision-making processes divert faculty, students and staff from activities vital to pursuing excellence in research, teaching and public engagement."

There is strong consensus among faculty and staff that "red tape" at Cornell has grown explosively in recent years, to the point where it is a serious impediment, **perhaps the major impediment**, towards accomplishing Cornell's research and teaching missions. This growth has roots in government mandates, legal fears, financial constraints and community concerns. Growth in bureaucracy is an incremental process, akin to adding bricks to a wall. Each brick is just a tiny increase in the wall and is justified by well-intentioned motivations. The cumulative effect, however, is a daunting obstacle that severely impedes the ability to move forward. The tipping point is achieved when the wall becomes so much of a hindrance that faculty and staff are forced to spend a large fraction of their time negotiating ways to get around the wall, instead of teaching and doing research. Cornell has reached this tipping point.

Nor is Cornell alone – peer universities are complaining about, and buckling under similar pressures. It is a national problem. Consider the first paragraph of the Executive Summary of a recent National Science Board report entitled "Reducing Investigators' Administrative Workload for Federally Funded Research" [Arvizu]:

The past two decades have witnessed increasing recognition that the administrative workload placed on federally funded researchers at U.S. institutions is interfering with the conduct of science in a form and to an extent substantially out of proportion to the well-justified need to ensure accountability, transparency and safety. A 2005 Federal Demonstration Partnership (FDP) survey of investigators found that principal investigators (PIs) of federally sponsored research projects spend, on average, 42 percent of their time on associated administrative tasks. Seven years later, and despite collective Federal reform efforts, a 2012 FDP survey found the average remained at 42 percent.

Think about that, 42%! The ability of PIs to focus their thinking on research, as opposed to administration, is arguably the most important resource the Federal government tries to tap into when sponsoring research in universities. If the 42% were reduced to some much lower number then the number of PI person hours focused on research would expand greatly, even without any increase in overall expenditures.

A precisely identical situation applies to Research Administration at Cornell University: There are enormous gains in the number of hours that faculty and staff would have available to devote to teaching and research if red tape and associated inefficiencies were reduced. The National Science Board paragraph above notes the difficulty in reducing red tape, despite efforts to do so. The reason for this difficulty is simple: Each brick in the wall was put there for a reason, and the stakeholder of each brick

feels the rest of the wall is where the problem needs to be solved. Cornell has limited ability to solve the Federal government's problems. But we can tackle our own problems of red tape, thereby both better serving our core missions and setting an example for peer institutions. **The key is recognizing that to diminish a wall of red tape requires systematically removing most of the bricks, and this only happens if no brick is sacred.**

We could list individual issues and suggest solutions. However, we believe that most issues we might highlight will already have been noted by colleagues in other colleges and units also involved in this streamlining exercise. Hence, this report will not focus on the individual bricks. Rather, we will focus on the structure of the wall: What are root causes that have led Cornell to so fervently pile bricks onto the wall in recent years and what cultural changes are needed to reverse these root causes?

Issues and Possible Solutions

1. Issue: Shadow Work is consuming inordinate faculty and staff time

Description:

Shadow Work [Lambert] is the displacement of work from someone who is paid specifically to do the work onto people who are ostensibly paid to do other types of work. There was a time when faculty and staff research travel was largely handled by a university travel office and when much of the routine burden of writing papers and grants, requesting reimbursements, collecting information for sponsored project progress reports, performing inventories, etc. were handled by secretarial and unit office staff. No longer. Today, faculty and research staff are increasingly required to do these things themselves. In polling colleagues across the College about research inefficiencies we find the growth of Shadow Work – the movement of work that does not require a great deal of training to perform from lower paid staff to more highly trained and paid faculty and staff – to be a serious problem at the root of many complaints pertaining to red tape and work inefficiency. We believe that nothing is more corrosive to academic excellence than squeezing out all time to think. That is exactly what excessive Shadow Work does.

Shadow Work grows because it seems like a simple way to cut personnel costs. Why pay for a staff member to do data entry when the end user faculty or staff member can simply do it on-line themselves? After all, the end user must ultimately provide the information anyway. There are serious flaws with this reasoning:

- A. It is difficult, though feasible, to design an on-line process that really is less work for the end user than one where the same information is transferred by involvement of a knowledgeable assistant. Unfortunately, Shadow Work processes have been too often implemented without an independent validation step whereby a representative and independent cross-section of end users affirms that the on-line process takes less time and effort than the older process it has replaced. This is important because the end user incurs considerable mental overhead in task-switching, especially for tasks that are performed only occasionally. By contrast, a staff member

serving many end users can get very efficient at collecting and entering information simply because they do it more often.

- B. The obvious cost savings of cutting a low-level position are not balanced against hidden costs. We recognize that bills do have to be paid and that up to a point, personnel cost cutting can, in fact, be achieved at reasonable hidden cost. But is important to realize that the hidden costs are real: More expensive and highly trained personnel are being asked to devote time to tasks that can be handled by lower cost personnel. Whether or not this is sustainable is a matter of degree: At some point the volume of Shadow Work becomes so burdensome that it seriously limits the time the highly paid faculty/staff members have left to do the work they were actually hired to do. Methods need to be developed to determine when this point is reached and, thus, when the hidden cost starts to outweigh the more immediate cost savings.

Solution:

Shadow Work presents difficult problems, the solutions of which will require considerable time, thought and effort. Our goal here is to suggest ways to seek solutions that are generally applicable to many of the processes that generate Shadow Work.

The first part of the solution starts with drawing a clear distinction between *centralized staff* versus *staff in the units*. **Too often centralized staff create Shadow Work, while staff in the units reduce it.** While centralization of some functions and procedures can lead to more effective research administration, the reality is that centralization has often resulted in decreased efficiency once Shadow Work is taken into account. **The solution is clear—carefully examine, limit, and in some cases, reverse the trend to centralization that has been undertaken in the last few decades.** It is important to remember that faculty with major research enterprises are in effect the CEOs of small companies and as such need significant support. As outlined in the appendix, many of the faculty complaints concern the lack of staff in the units to help perform basic functions.

The next step is to require rigorous use of a simple validation procedure whenever a new or revised policy, procedure or process is considered: The process goals obviously need to be well-defined so as to clearly identify the work that it is to be improved or substituted for and if, indeed, there truly is a problem that needs a better solution. Next, an independent, unbiased cross-sectional group of faculty or senior research staff end-users needs to be selected to iteratively beta-test the new process. **The understanding must be that, without exception, the new process will not be implemented until the end-user group is of a consensus that the new process is (a) required, and (b) on balance less work than the process being replaced, and (c) not redundant with other processes.** It is essential that the test group of end-users be selected by the college or research centers independently of the central administration. This is because administrators who initially advocate for a new process tend to become vested in its implementation and are, therefore, in a poor position to judge whether or not it is an improvement for the end-users. It is also important that senior administrators not be allowed to intervene in this vetting, since the development of an effective process is costly and time-consuming and there will be pressure to declare the process “an improvement” even when the end-users may disagree. We recognize that beta-testing takes significant time and effort. But this time is miniscule

when compared to the cumulative impact of Shadow Work that is eliminated by an efficient process that is used tens of thousands of times a year. We also understand that many existing processes were beta-tested before release. We believe, however, that few of these were subjected to the bottom-line requirement outlined in bold in this paragraph. Beta-testing is of limited use unless independent end-users, not administrators, ultimately decide if the process is an improvement.

Appendix 1 lists some processes that our colleagues have identified as involving unnecessary Shadow Work requiring immediate re-examination. This list is unquestionably incomplete. Rather, it should be considered to be examples of a living list that must subject to continual updating.

Sustained Shadow Work reduction will be more difficult. It is unrealistic to assume that the Streamlining exercise will identify more than a small fraction of the inefficient processes that produce unnecessary Shadow Work. A sustained, long term solution will require a deep understanding of what Shadow Work is, and the development of ways to quantitatively measure it. One can then examine how Shadow Work has changed over time and the impact it has progressively had on the ability to perform core university teaching and research missions. These can be formulated as questions that have factual, data driven answers. One can then set targets for improvement. Formulating and answering these questions is a research project of its own, but one that is perfectly achievable. Consider the National Science Board study quoted at the beginning of this document: The 42% of time spend doing administrative tasks is a numerical answer to just this sort of specific question.

We should approach the study of Shadow Work as scholars. Cornell is a great research university with excellent departments in sociology, economics, management, etc. Addressing deep questions applicable to society (e.g., defining Shadow Work, developing metrics to quantify it, and studying its history as applied to a given population) is the kind of training we seek to give to students in these departments. If we are able to answer such questions about society at large we should also be able to answer equivalent questions about our own institution. One can imagine enlisting volunteer faculty and students to study Shadow Work in the context of a term research project for, e.g., an advanced undergraduate sociology class or as Masters theses. Using this as a mechanism to understand and then reduce Shadow Work is not a dream. If there is sufficient will on the part of the university administration and faculty this can be done. It would not only be useful, it would be an excellent educational experience for students.

More specifically, we advocate starting with study of Shadow Work as it applies to the faculty. An example of how such a study might go is as follows: Classify the research faculty into broad categories--- physical scientists, life scientists, social scientist and humanists. This categorization is necessary because the nature of Shadow Work as applicable to each category is likely to be different. For example, the burdens of Shadow Work as related to the use of human subjects may be significant for a social scientist, but non-existent for a physical scientist. For each category a cross-section of faculty volunteers should be enlisted to keep a record of administrative tasks they perform over some suitable period, say a month. Students then analyze this information to build a list of administrative tasks that define and comprise the Shadow Work. Cluster these into administrative functions: Travel, purchasing, reimbursement, HR, safety reporting, progress reports to sponsors, progress reports to Cornell administrative units, etc. How many hours a month are typically being spent performing each function?

Once this information is acquired it may then be possible, via interviews and university records, to study how these numbers have changed over the last few decades. This baseline information is then used to understand the progressive impact of Shadow Work on the remaining time faculty have available to perform research and teaching, to begin a process of setting targets of what is desirable, and to develop ideas of how to achieve these targets.

No one ever said that reducing Shadow Work would be simple or quick. But we believe that the two-pronged approach of rigorous validation and sustained scholarly study can result in both short-term and long-term Shadow Work reduction. With sufficient buy-in from university administration and specific departmental faculty, processes can be improved, factual data can be acquired, goals can be quantitatively defined, and progress can be made. Moreover, if Cornell shows that Shadow Work can be reduced, other institutions will follow our example. This is, in essence, a challenge for Cornell to provide national academic leadership.

Validation:

Validation, namely developing an assurance that one has made progress in reducing Shadow Work, must be an integral part of any process that aims to reduce problems of Shadow Work. Implementing steps to cut Shadow Work will entail creating an administrative structure to do so. The metrics that would be developed, as described in the previous few paragraphs, would need to be rigorously tracked to see if Shadow Work burdens are really reduced, administrative function by administrative function, over time. Shadow Work reduction is justified **only** if the end result is greater efficiency and more time available to teach and do research. It is absolutely necessary that the end users have to be of a consensus that Shadow Work has been reduced before one accepts that progress has been made.

2. Issue: Overzealous risk management practices are costly

Description:

Over the past decade federally sponsored research has resulted in a dramatic growth in regulatory requirements. This growth has come about in part because the Congress, oversight agencies, and various funding sources have an increased interest in assuring the public that the \$70 billion devoted to research each year is used responsibly [Note 1]. Obviously, Cornell University must comply with the laws and regulations governing research activities. However, good faith compliance involves choices. These choices vary considerably from one university to another [Ginsberg]. There is growing recognition that universities exacerbate problems by overzealous practices [Faulkner].

The responsible use of research funds, whether from public or private sources, implicitly involves an obligation to administer the funds so as to maximize the research results for which the funds were allocated. Overzealous risk aversion is a classic way to squander research support. As an extreme example, laboratory research involving students who utilize dangerous chemicals unavoidably entails some risk of personnel harm. The only way to completely remove this risk is to never allow use of the dangerous chemicals. This obviously would not be what a sponsor intended if the proposed research was to experimentally work with these chemicals. The other extreme is to be cavalier in using these

chemicals. There is an obvious spectrum of choices between these two extremes. The sponsor expects Cornell to go to neither extreme, but rather to choose wise practices to reasonably manage the risk while accomplishing the research.

Cornell has often responded to increased regulations without adequate consideration of the options that are available to minimize the full costs and impacts of its responses in view of the University teaching and research missions. It is important to consider and manage the balance between the burden of a response and the risk of non-compliance [Faulkner]. Excessive and increasing regulatory burdens are real and compliance with federal regulations is one of the fastest rising costs in universities today [Goldman]. A 2013-2014 financial assessment of Vanderbilt University estimated that approximately 20% of every research dollar was spent on compliance issues [Moran]. While the specific numbers in the Vanderbilt study are still under debate, there is no question that increasing compliance burdens are eroding the availability of money left for actual research.

These costs are real. Often the result, beyond increasing the financial pressures on our research mission, is to increase the administrative burdens on faculty and staff. It is this our belief, consistent with other problems identified in this document, that without carefully considering the impact of changes in practices, internal policies, and structures, through objective judgment and performance-based reviews, our responses can and often do, result in increased costs, effort, and administrative burden.

Overzealous risk aversion is costly. Prime examples involve cases where an improbable audit or legal actions would result in occasional costs that are small compared to the continual costs of absolutely avoiding these risks. Other examples of overzealous risk avoidance border on intellectual dishonesty, that is to say they are designed to appear to mitigate risk without really doing so. These include policies and procedures that are clearly unrealistic, yet are policy because of the often false belief that they would provide legal cover in case of a lawsuit.

Solution:

The method to address this concern is relatively direct and reflects the approach proposed to deal with Shadow Work. As with the previous topic, our solutions differ slightly for addressing current challenges caused by overzealous risk management as compared to future challenges that could occur if risk management strategies are not successfully controlled.

The key to reducing problems burdens caused by a future overzealous response to risk is to require rigorous validation by affected faculty and research staff stakeholders when a new procedure (e.g., changes to effort certification process, modifications to the process by which animal care and use are obtained, changes to financial procedures to meet new cost accounting standard, etc.) is suggested. New goals need to be clearly defined so as to discern the value of compliance in view of institutional costs incurred by the new procedures.

Affected faculty and staff have strong incentives to avoid unnecessary work that will impact their teaching and research obligations, and will naturally seek the minimum impact consistent with the regulatory requirements. **These faculty and staff stakeholders should not be called in as advisors in the**

development of the procedure. Rather, they need to be an integral part of the development process, with the power to prevent the procedure from being implemented until the group as a whole has come to consensus that the proposed procedure is both necessary and as efficient as possible. Specifically, we recommend the formation of a standing Committee to Examine Regulatory Burdens consisting of people chosen from the central administration and faculty and staff members from the departments and research centers. New or altered regulations would be required to be vetted and approved by this Committee. The method of selecting this Committee is very important – see footnote¹.

Sustained reduction of the impact caused by overzealous approaches to current risk management practice requires long-term, systematic evaluation of current practices in terms of their impact on the research and teaching missions. The goal in such an analysis should be the elimination or modification of requirements that add no value to the administrative practice. In 2010 the Federal Demonstration Partnership, of which Cornell University is a founding member, issued a report in conjunction with the Council on Governmental Relations and the Association of American Universities calling for reformation of federal compliance requirements. While the report identifies changes that must come from the federal government, many suggestions call for change on the part of Universities in how they respond to new regulations and compliance standards [Haywood]. In this regards in the late 1990's the NIH lead an Initiative to Reduce Regulatory Burden to study this issue from their perspective. They suggested many ways that the government could act to reduce the impact of regulatory burden. But they also challenged research universities for their role in the process. Their words can be summarized by stating that universities should understand that some portion of the burden is the result of their over-interpretation of federal regulations and policies. This was also noted by a recent National Academies Report [Faulkner].

Our approach to avoiding overzealous risk management is strikingly similar to that proposed to avoid the challenges caused by Shadow Work. We advocate that the aforementioned Committee start by educating themselves in issues related to the overzealous application of risk management to federal rules, policies and regulations. This would include developing metrics to measure current regulatory burdens in order to determine if recommended changes are achieving the goal of reduced burden. The next step is to identify current practices that deserve examination for over-zealous regulatory burdens. This will not be a trivial task. A simple way to go about this is to engage affected faculty and staff stakeholders in an on-going identification process by offering a modest reward for each suggestion that leads to a reduced regulatory burden on end stakeholders (see Issue 3 Solution, below). The Committee then considers the chosen regulations in view of specific questions:

- 1) What is the underlying objective of the compliance?
- 2) What are the minimum requirements necessary to achieve compliance?

¹ The Committee needs to be carefully selected to avoid capture by regulatory-prone administrators while still maintaining requisite expertise. We advise a committee of 10 people: Three are chosen by the Central Administration for their knowledge of regulatory matters, three are administrators from the academic departments and research centers as chosen by the College Deans and the Vice provost for Research, and four are concerned faculty members chosen by the College deans. The Committee is encouraged to draw in non-voting expertise as required.

- 3) What are the steps Cornell is recommending to achieve compliance?
- 4) What burden is placed on faculty or staff to achieve compliance?
- 5) Is the end result of compliance more than strictly required by policy?
- 6) Does the risk of non-compliance justify the university response?
- 7) Is the policy in place realistic in terms of actual compliance?

Managing risk against burden can be a complex process, but it is ultimately one that will directly benefit the University in its efforts to streamline administrative operations.

Examples of administrative burdens caused by overzealous risk management practices are given in Appendix 2.

Validation:

Developing quantitative tools by which the impact of change can be assessed is an important part of this process. The metrics that would be developed, as described above, would need to be rigorously tracked to see how regulatory burdens are being reduced as a function of time. As was the case with Shadow Work, the administrative burden of a new Committee is justified only if the results after a reasonable trial period are a significant reduction in compliance costs.

3. Issue: A continuing mechanism to reduce red tape and Shadow Work is needed

Description:

Challenges arise when attempting to develop procedures to mitigate the negative impacts of excessive Shadow Work and red tape. It is first necessary to identify and prioritize specific policies, procedures and practices that are responsible. Issues are most readily identified by examination of actual cases. Consider, for example, the case given in Appendix 3. Cases like this pin-point symptoms in need of attention. However, if Streamlining is to have long-term impact it is necessary to look beyond symptoms and address systemic roots of problems.

Cases such as given in Appendix 3 also illustrate the frustration felt by faculty and research staff because there is no obvious avenue or person to help resolve such issues. Thus, issues are reported haphazardly to department, college, center or central administrators. Sometimes the issues are then successfully dealt with and the faculty or staff member can go back to working on their actual job. Other times no one who has the authority to take effective action is involved and no satisfactory resolution is reached. More importantly, even when an issue is effectively dealt with in an individual case, there is no mechanism to prevent similar cases from arising again, i.e., there is little collective memory. There is little motivation to change the policy that created the issue in the first place. The very fact that inefficiencies of Shadow Work and red tape are growing systemic problems at Cornell suggests that a more pointed, longer-term solution is needed.

As has been discussed previously in this document and evidenced in the Appendices, problems caused by overzealous risk management and un-checked shadow work have built incrementally over time, typically in response to specific events or needs. Historically, the mistake has not been in responding to events and needs but instead can be found in the failure to investigate and address the impact of the specific response on faculty and research staff. This has resulted in policies, procedures and practices that waste resources. In many cases the resultant policies are unrealistic, unenforceable, and are openly ignored by the community. A better long-term streamlining mechanism is needed.

Solution:

In general, systemic issues will only be resolved when an individual who is among the end stakeholders is charged on a continuing basis to identify and resolve issues and is held accountable against measureable goals of issue resolution. **We propose the creation of a position to perform this function.** For lack of a better term, we call this person the red-tape “Czar”, and is charged as follows:

1. Gather concerns from faculty and research staff on issues of Shadow Work and red tape. The primary goal is not to resolve issues for individuals, though this is certainly a desired outcome. Rather, the primary goal is to identify policies, procedures, and practices that negatively impact performance of the university mission.
2. Facilitate re-examination, and if necessary, change of the policy, procedure or practice that is the source of the problem. As an example, the Czar would be charged to make certain that the suggested solutions given above to Issues 1 and 2 are working. The Czar may also work to develop other ways of addressing identified issues.
3. Develop metrics and report on progress in issue resolution. These metrics must include polls of faculty and research staff to determine whether the issues have, in fact, been mitigated.

As evidenced from the multi-faceted function of the position, we envision multiple roles for the Czar. In addressing the specific concerns of faculty and staff, the Czar must understand the policy and why it was installed (or proposed). The Czar would aid in guiding appeals or requesting exceptions. In serving this function, the Czar would develop experience with the nature of the complaints and form opinions of the systemic issues involved. In this manner the Czar would move from dealing with short-term consequences to an analysis of deeper institutional questions. Ultimately, this will allow the Czar to evaluate current and future policies, procedures, and practices. This would enable the Czar to oversee processes that ensure that faculty and research staffs are closely involved in changes to the policies, practices and procedures that impede their work.

In order to make lasting change, however, the Czar needs more than a “stick” to address issues. Certainly, the potential of a position that has the authority and responsibility for making sure that “Cornell is not Number 1 in Compliance” may seem strictly authoritarian. Experience suggests that the “carrot” often has more success in guiding lasting change. In this way, we would envision the Czar guiding **an institutional change based on aligning the university mission with that of the administrative departments** (e.g. EH&S, ORIA, OSP, SFS) responsible for enacting and enforcing the policies and procedures. The carrot could take the shape of distinct programs such as the two described below.

Rewarding Streamliners. The first program would be geared toward recognizing those staff and faculty members who work diligently in the course of their efforts to make the University function more fluidly in administration. This program would offer some type of recognition for helping to reduce the administrative burdens on faculty and staff. Awarding the recognition would be at the discretion of the Czar, but nominations could come from anywhere in the University. The recognition could take three forms – 1) public acknowledgement of success – this could be a short article in the Chronicle, or Daily Sun or Pawprint; 2) Certificate of Appreciation; and 3) a one-time small (but non-trivial) monetary award. Accordingly, this is a program that could be instituted at a low-cost to the University but is one that could offer huge rewards in the area of efficiency. While this strategy would develop some change in perspective among our community, it may not be enough to instill the greater change we are seeking.

Connecting Staff and Faculty. To accomplish this greater awareness we would recommend a second program that connects administrators with the faculty and research staff who perform the basic mission of the University. Much like a “mini-sabbatical” we would propose allowing staff to spend time with research groups, educators and outreach specialists. The person taking the mini-sabbatical would be completely excused from normal work during the duration. This would offer those administrators the opportunity to understand the work that they are attempting to manage, as well as the impact of their actions. An example of this might be that a Grant and Contract Officer (GCO) from the Office of Sponsored Programs spends a week in an academic department. In that week, the GCO, at the suggestion of the Department Chair, may rotate into 3 or 4 research laboratories, observe several classes, and meet with faculty and staff in order to understand the work of the unit. This would foster actual human connections and break down the adversarial nature of relationships based on policy uninformed by practice. How this program will be developed is not as clear. There are analogous programs in place at the University that could potentially be adapted for this purpose. What is clear is that there are huge benefits to by developing interpersonal connections and understandings between administrative and academic personnel. This is a program that could be overseen by the Czar and would come at a very low cost to the University.

In summary, the role of the Czar is not to create policy. Rather, it is to identify policies that impede the ability of faculty and research staff to perform their mission and to see that these policies are changed so as to mitigate the impediments. This is done by promoting interactions between administrative and academic personnel.

For the Czar to be effective it would be necessary for the Czar to report directly to the President and/or Provost. In order to maintain close connections to the faculty and research staff, the Czar must be a tenured faculty member who is recommended by the college deans and center directors and who is not already a Dean or Administrator. Finally, it would be necessary that the Czar be a half- or full-time appointment in order to provide the time required to do the work. The role should be a term appointment (e.g., for 2 years) followed by the appointment of new Czar, perhaps with a brief period of overlap to transfer experience. It is assumed that Czars would return to their regular faculty positions after their appointment is over.

Although the work of the Czar would overlap with the present Streamlining initiative, it also would differ in several important aspects: (1) Information would be sought directly from faculty and research staff by an individual charged to resolve issues; (2) the work would be on-going, as opposed to a one-time exercise; (3) the Czar position would be a full or half-time responsibility, (4) the Czar is charged with fostering links between administrators and faculty/researchers, (5) the Czar reports directly to the President/Provost thereby providing a direct link to faculty and research staff concerns unfiltered by intervening layers of management.

Validation:

We propose that after the position is created and filled, and publicized to the faculty and staff, that it be left in place for some time (perhaps two years) so that some track record can be developed. At that time the position should be reviewed and either modified and another Czar is appointed, or eliminated if it is not effective.

4. Issue: Cornell's future is compromised by administrative decisions inconsistent with the university mission

Description:

Too often administrative mandates are being made without first asking a simple question: Will the proposed action enhance or decrease the time faculty and staff will have to teach and do research? **Explicitly** asking this question should be required for all administrative staff decisions.

An all too common occurrence illustrates what happens when this question is not explicitly asked: As noted earlier, Shadow Work kills faculty and research staff productivity by a thousand small cuts that relentlessly carve away at the corpus of available time. The ease of creating web-enabled queries has resulted in proliferation of mandated forms and surveys, usually justified by the assertion that they will "only take a short amount of time to fill out." Even so, the collective Shadow Work is enormous. A short time commitment several times a year by Cornell's thousands of faculty and research staff members can sum to person years of extra work. **Before** any procedure is mandated administrative staff supervisors should demand a realistic calculation of the **total** effort, not just the individual effort that will be required. They should also demand an answer to the following question: Is the procedure of such importance that the procedure creators would be willing to phone the participants and do all the data entry themselves? If not, then what is the justification for displacing the equivalent work onto people already struggling to find time to teach and do research?

Two observations emerged from discussions with many faculty members while preparing this report.

The first observation is that many faculty members believe that growth of bureaucracy and associated Shadow Work severely compromises Cornell's ability to successfully attract and retain the best faculty members. It is difficult to convince faculty members to work in an isolated location where employment opportunities for family members are sparse. In the past Cornell was known for a flexible, non-bureaucratic working atmosphere which served as a strongly compensating draw. This is being lost. If faculty members sense that Cornell's work environment has become constrained and harried then the

best faculty will go elsewhere. Thus, reversal of current trends is not optional. It is an existential imperative.

The second observation is that although Cornell is 150 years old, faculty members who have been around for more than a few decades are strongly of the opinion that most of our bureaucratic wall has been built within the last few decades. Something changed.

What changed? As indicated in this report, the Faculty has become disconnected, in fact, dangerously incidental to the processes whereby Cornell creates policies and procedures. We believe this to have evolved from the centralization of University policies and procedures that began in earnest in the early 1990's. (In this regard, a very informative 6 minute video may be found at <https://www.dfa.cornell.edu/policy/about>.) Cornell had historically been a decentralized institution which resulted in policies and procedures that varied from one part of the university to another. This had two consequences, one good and one bad. The good consequence was that perforce of locality, policy changes had very rapid and vocal feedback: The local faculty reacted quickly to changes that did not work and, since policy was largely local, could rapidly implement corrections. The bad consequence was that policy variation made administration difficult.

It is our belief that centralization of policy and procedure creation may have resulted in uniformity but failed to effectively implement a way to insure the faculty engagement that was inherent in the decentralized system. In consequence, centralized administrative functions have grown distant from faculty priorities. The result has been a cultural shift away from the former collaborative interaction between university administrators and the faculty, i.e., the goal of one university, rather into sparring camps: The Faculty feel strongly that many in the administrative staff simply do not understand the challenges that occur in the classrooms and laboratories because they have lost sight of why they are here, which is to assist the faculty in performing the fundamental university mission. For their part, many administrative staff believe faculty to be a contentious group of Cornell employees to be managed, rather than assisted. Thus, policy and procedure changes are implemented before engaging the faculty in a decision-making role that would avert problems with the finally implemented changes.

Solution and Validation:

We do not advocate a return to the chaos of non-uniform policy – the world has moved on and those times are past. **Rather, we believe that the faculty must be re-engaged in policy and procedure creation, not as advisors, but decision-makers who determine whether changes are a help or hindrance in performance of the university mission, and, thus, if the changes should be implemented.** This belief underlies all the recommendations in this report. It would involve a cultural shift, both on the part of the faculty and the administration. We are absolutely certain that tweaking an inefficient policy or process here or there will be insufficient. A long-term, continuing effort is required whereby the administration collaboratively devolves power and responsibility to the faculty and, in turn, the faculty shoulders more of the burden of vetting policy and procedure creation.

Summary

The wall of bureaucracy and consequent inefficiency that threatens Cornell took years to build. Removing it will be difficult and will also require years. Decreasing red tape is not a task that can reasonably be expected to succeed unless there is consistent, long term will, support and leadership from the university President and Provost. While we believe that a good start is to identify and streamline specific tasks that are snarled in red tape, we also believe that this will have only short term benefits unless the root causes of excessive bureaucracy are identified and process improvements, such as those we have outlined herein, are put into place to progressively decrease red tape and inefficiency. A collaborative effort between the administrative staffs and the faculty is required. Shrinking the wall of red tape we now face will strengthen the faculty's ability to carry out Cornell teaching and research missions, will help attract the best faculty members, and will simplify administration, thereby incurring cost savings. Conversely, ignoring the cultural shifts that have led to progressive distancing between administrative and faculty functions will lead to contention and will progressively erode Cornell's ability to both compete with peer institutions that are more geographically endowed and to contain administrative costs.

This committee believes that Cornell is faced with a stark choice: Either continue down our present path to mediocracy or implement cultural changes that recover the flexibility and responsiveness that characterized Cornell in the past. An appropriately led effort based on collaboration and mutual respect would harness the many talents of Cornell's faculty, research staff and administrative personnel, much to the betterment of our University.

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Note 1. <http://www.aaas.org/sites/default/files/TotRes-1.jpg>

Appendix 1: Examples of processes that lead to unnecessary Shadow Work by the academic staffs.

Note: The following examples highlight concerns raised by faculty and staff. So many issues have been raised that we are unable to evaluate the merits or importance of each of them; instead we have chosen to present all of the issues we encountered grouped into broad categories. The recommendations we offer are intended as starting points for detailed examination and discussion.

1) Compliance - IRB, COI and RCR:

a. Concern: All lack (IRB especially; COI less so) on-line system for submission, management or repository of data. Rules and requirements change without notification. Offices in charge rely too heavily on unit staff to get the programs concluded.

b. Recommendation: Assess the overall process to ensure that compliance issues are understood and addressed by procedures; eliminate unnecessary steps at all points if possible. Fix technical issues. If these can be managed by an IT solution tied to OSP and SFS, all the better. There is a time gap between the annual COI submission and decision that sometimes holds up new grants. Have the prior year COI decision stand until the new one is decided upon.

2) Managing PI funds and projects over time:

a. Concern: Presently there is no forecasting tool available, and so departments must create ad hoc tools (e.g. Excel spread sheets) to manage possible futures for research active faculty. This is particularly frustrating when attempting to answer PI questions on direct funds availability throughout the life of the grant. Varying fund types, foreign currency, inaccurate budget data, complex project account structures, and the numerous dashboards give way to confusion, frustration and inefficiency on the part of PIs and accounting support staff when analyzing account/project financials.

b. Recommendation: Develop fewer, more robust dashboards to eliminate the need to change between various dashboards while gathering information. Department staff needs a forecasting tool that is robust enough to interface with KFS and Workday (capable of encumbering/extrapolating all personnel data, not just “regular” employees). Delineation of roles regarding budgeting activities.

3) Filling out grant application forms:

a. Concern: Grant applications typically require filling out a lot of basic information, taking precious time away from faculty.

b. Recommendation: Provide staff support for such, leaving more time for faculty to focus on the proposal. In addition, the ability of Department manager and support staff to easily and accurately manage grants and contracts directly impacts the amount of time PIs are required to engage in administrative and budgeting activities related to their sponsored projects. Better tools for department staff will result in better support and faster / more accurate responses to PIs.

4) Sponsored Funds Interface (Dashboard and Reporting):

a. Concern: The following types of information are not easily available but should be: current and pending reports; effort committed; summer salary committed/taken; productivity markers (number proposals submitted, sortable by time period); number of awards; amount of direct costs requested and amount of direct costs awarded; amount of indirect cost (IDC) awarded; actual final cost of a given delivered PO item. Data that IS available is not reliably accurate and reports are hard to pull given existing repository issues.

b. Recommendation: There needs to be an easy-to-use interface providing all of the above information. Central needs to stop the balkanization of administrative computing and reclaim this responsibility; there should be a “one campus, one solution” system that interfaces with Kuali.

5) Reimbursement:

a. Concern: Most faculty members are without an assistant and must fill out reimbursement forms themselves. International travel, in particular, is often complicated requiring case-by-case evaluation.

b. Recommendation: Increase administrative assistance for such and/or streamline the reimbursement process.

6) Public access publishing:

a. Concern: Each funding agency now has a different required procedure in place. Even publishing a paper as Open Access will not circumvent this, and a lot of agency-specific paperwork is required. The Library and OSP has developed a web-site to assist faculty members.

b. Recommendation: The Library/OSP website is a pure Shadow Work solution. Faculty should be able to simply submit papers to a central office at the University who would then handle the details from there.

7) Course copies:

a. Concern: Faculty often request course copies of texts, with each publisher having a different process for such requests. While in some departments this was previously handled by a staff member, it has now become the responsibility of the faculty.

b. Recommendation: Such requests should be standardized and (possibly) centralized in some way.

8) Application to graduate:

a. Concern: Staff complain that the application to graduate process, which is meant to be handled by faculty, often comes back to them. On the other hand, faculty complain that the process, which is meant to ensure faculty supervision, could be done much more efficiently by the advising deans.

b. Recommendation: Hold a larger conversation about how advising should be carried out in the college and by whom.

9) Booking travel:

a. Concern: Most faculty members have to book their own professional travel.

b. Recommendation: Increase administrative assistance for such and/or design a simple online tool to book travel and simplify reimbursement. Travel Agent fees are allowable expenses on grants and reasonable such fees can offset costs.

10) Scheduling seminar speaker visit:

a. Concern: In many cases, there is no administrative support to organize scheduling for seminar speakers, leaving the faculty host with that responsibility.

b. Recommendation: Explore ways to increase staff support for such.

11) Form 10:

a. Getting signatures can be time consuming, especially when the grant involves multiple PI's in different departments.

b. Recommendation: An integrated online system can save a lot of time.

12) Material transfer agreement:

a. Concern: Right now, when we need a "Material Transfer Agreement" (MTA), we have to download a pdf onto our computers, fill it in (with a lot of the same info. each time), print it, sign it, get the Chair (or a Dean) to sign it, then campus-mail it to OSP.

b. Recommendation: Needs discussion. Perhaps OSP could make an online form that PIs could fill out, route to the Chair, who could then route it to OSP.

Appendix 2: Examples of administrative burdens caused by overzealous risk management practices.

Note: The following examples highlight concerns raised by faculty and staff. So many issues have been raised that we are unable to evaluate the merits or importance of each of them; instead we have chosen to present all of the issues we encountered grouped into broad categories. The recommendations we offer are intended as starting points for detailed examination and discussion.

1) University's COI regulation/practices:

- a. Concern: In general, the University policies surrounding conflict of interests are too strict. As a result, the practices in place at Cornell University limit faculty efforts in the area of start-up development and involvement. This inappropriately limits, or even eliminates, the effective commercialization of Cornell University patents by our own faculty. The end result is a loss of potential revenue for the University and its research efforts.
- b. Recommendation: The policies should be reviewed and redefined in a way such that faculty are encouraged to pursue the commercialization of Cornell Intellectual Property.

2) P-Card Process (an issue of both shadow work and overzealous risk management practices):

- a. Concern: Current p-card purchasing process requires minimal effort on the part of PI and instead relies on administrative support. Under current process a PI submits a receipt and a brief explanation of business purpose to the administrative staff. Administrative staff then completes paperwork, submits for reimbursement, and maintains all records. There is a change to that process (currently being rolled-out across the University) that requires a PI to submit scan/photo of p-card receipt, complete an on-line form, and maintain records. The system then routes information through the financial structure at Cornell for approval and payment. As additional background, the University has reduced the number of printers, and scanners, has removed mechanisms by which phones are paid for, and otherwise has made it difficult for faculty to comply with the new procedures. Additionally, they are being asked to provide information (in the system) which they may not readily know. When PIs are unable to follow procedures the end result will likely be administrative work-arounds designed to complete work that was done easily before.
- b. Recommendation: Before activating a system for University wide use, the system should be tested to ensure that it works and decreases overall effort. If the system does not work (or the work flow is not effective) changes should be made that address those concerns.

3) Effort Certification Process:

- a. Concern: The current process for effort certification exceeds the basic requirement set by federal policy. This is most notable on the “annual certification” forms signed and completed by faculty. Those forms are often confusing, ineffective and not fully understood by faculty who are asked to attest to their accuracy. Additionally, the practices themselves, on completing the effort certification, vary greatly from unit to unit, and often involve secondary information management systems designed to capture effort data and present it in a more clear and succinct manner.
- b. Recommendation: The overall practices should be reviewed to ensure that Cornell is not going above-and-beyond the mandates of the regulations. Additionally, the development of a system to more readily address issues of effort certification should be developed. There are currently at least two systems in units on campus that do this, as well as one additional system that is being developed. Any newly developed system should be tested to ensure that it works as intended while not creating additional Shadow Work for faculty and staff.

4) Account reconciliation/real time tracking of spending:

- a. Concern: There is a policy in place to ensure that PI’s regularly review account spending so that charges are appropriate for the account. However, under CU administrative/financial system capabilities, it is difficult for a PI to track spending on a specific account. In many departments a PI needs to walk to the “business office” and make an inquiry. Financial staff can look into the Quali Financial System (KFS) and provide answers, although it is not certain that the information is 100% accurate – since in some cases commitments may not be tracked and indirect costs may not be fully accounted for.
- b. Recommendation: The overall practices should be reviewed to ensure that Cornell is not going above-and-beyond the mandates of regulations. Additionally, the development of a system to more readily address issues of account reconciliation should be developed. There are currently at least two systems in units on campus that do this, as well as one additional system that is being developed. Again, any newly developed system should be tested to ensure that it works as intended while not creating additional (shadow) work for faculty and staff.

5) Preferred vendors do not always act in manners beneficial to PI-group spending:

- a. Concern: The use of preferred vendors often prevents PIs from purchasing in the most cost effective manner. The waiver process, by which a PI may make a purchase outside of the preferred vendor system is unwieldy, time consuming and often seen as unnecessary red-tape. In order to avoid this process there are often end-arounds (e.g. splitting orders) to avoid the use of overly burdensome justifications in order to receive an exemption from the policy.
- b. Recommendation: The practices surrounding Cornell’s use of preferred vendors should be examined to ensure that they achieve the goal of providing cost effective purchases

when balanced against the quality needs of research units. In many cases, it does not appear that using preferred vendors is cheaper or necessary to conduct research.

- 6) Many EH&S policies and practices go beyond those that are reasonable and practical within a research laboratory:
 - a. Concern: Overall, it often appears that EH&S occasionally creates policies and practice standards that address some concern, but are not actually feasible for use within a research group. These include efforts such as: their initial attempts to create policy on pyrophoric materials; or in their attempt to control how machine shops on campus operate equipment; or on the radiation safety registry that treats all radiation “users” the same, without distinguishing actual risk or activity. It is simply not true that the threat of safety concerns or legal actions justifies many of the onerous policies. In fact, many of the policies are unrealistic and may not actually enhance safety or mitigate legal risk.
 - b. Recommendation: Do not make policies that are impractical to enforce or to comply with. In many ways they encourage non-compliance and the development of practices designed to circumvent the policy. Instead, policy and practices should be developed in conjunction with the individuals being “regulated” so that reasonable and practical solutions are developed. In all cases, it should be determined that the policies are necessary and meet the minimum requirements of the concern and risk.

- 7) Many ORIA policies and practices go beyond those that are reasonable and practical in research setting:
 - a. Concern: Overall, it appears that the Office of Research Integrity and Assurance (ORIA) creates policies and practice standards that address some legitimate concern or regulations but are not actually feasible for use within a research setting.
 - b. Recommendation: The creation of policies and practices must be developed in conjunction with the individuals being “regulated” or “guided” so that reasonable, and practical solutions are developed. In all cases, it should be determined that the policies and practices are necessary, meet the minimum requirements of the concern vs. risk, and do not create shadow or additional work.

- 8) Travel Registration Process (both issue of shadow work and overzealous risk management practices):
 - a. Concern: Recent developments in the Cornell University travel registry require that individuals on international travel register trips and otherwise complete a lengthy on-line record of their intended trip. The registry itself requires more than simple information to complete and does not make sense for all travelers.
 - b. Recommendation – It appears that this process is being used to address the risk of traveling to “dangerous” locations around the world or the rare circumstance of emergency medical return to the U.S. A cost-benefit analysis needs to be made to determine if the registry is really justified. In any case, the policy should be analyzed to

ensure it meets a legitimate goal in the least intrusive manner. It should not be mandatory if an alternative paper trail already exists within the unit.

9) The Office of Sponsored Programs can enforce “contract clauses” in such a manner that research is negatively impacted:

- a. Concern: The Office of Sponsored Programs (OSP) can often enforce contractual language in a research agreement that impedes the successful acceptance of an award. This can include issues related to: jurisdiction and venue for disputes; the need for compliance with US policy by foreign entities; and complicated sub-contractor requirements and guidelines. It often appears that OSP is enforcing these provisions of contractual language without weighing risk.
- b. Recommendation: The creation of policies and practices must be developed in conjunction with the individuals being “regulated” or “guided” so that risk is more appropriately managed and addressed.

10) Changes in federal law – which may alter our CU practices, are not shared with researchers and faculty:

- a. Concern: At one point in time the Fly America Act required that travel done with federal research money was made on US air carriers only. Recently the federal government entered into several agreements with foreign governments and carriers that would include them as allowable carriers under the law. This information, which could have significant cost implications for researchers traveling on federal funds, was not shared across campus.
- b. Recommendation: Policies should be reviewed when the laws and regulations change. If there are significant changes, the policies should have a way to be amended or changed with community oversight as recommended in this document.

11) Need for more effective systems that allow PIs to locate grants, proposals and monitor awards:

- a. Concern: There are great variations across University in the levels of support provided for grant activities. From locating grants, to developing and submitting proposals, to managing projects when they are awarded, some colleges provide significant support (e.g. CALS, VET, ENG) while others leave support to the individual faculty and his or her department (e.g. HUMEC, CAS, ILR). The gaps in the levels of support are challenging to PIs in their own research endeavors and may also cause challenges in collaborative processes.
- b. Recommendation: Providing a more stable and consistent level of grant support, both pre and post award may be a way to improve the level of sponsored projects at the University. This increased level of support for our research, and potential teaching and outreach activities, would have direct benefit to the university, colleges and units on a whole.

12) University definition of On-Campus vs. Off-Campus Research is overreaching and negatively impacts the abilities of many researchers from conducting research efforts:

- a. Concern: The Cornell Facilities and Indirect Cost Rate (F&A or IDC) varies significantly for work conducted on and off campus. This application of indirect cost rates can place a large burden on research budgets and often seems to result in over-inflated costs. While there are legitimate reasons for the difference in rates, the application of indirect cost rates is often applied in broad-strokes without consideration of actual facts. The University has leeway under federal guidelines to define these terms, and is not bound to adhere to an inalterable standard.
- b. Recommendation: Consistent with peer institutions, Cornell should find ways to more properly define on-campus vs. off-campus research in a manner that recognizes the actual location of the work – not a blanket standard that broadly defines the parameters of “Cornell University”.

Appendix 3

Appendix 3: Letter from Professor Victor Nee

Committee Note on Professor Nee's Letter:

The following letter is being included in this report with some hesitancy because whenever a specific case is included in a report of this nature there will be a tendency to parse the case for detailed accuracy and culprits. It would be a mistake to do so. We include the letter as illustrative of many stories we have heard from faculty colleagues. By including this letter in this report we do not imply that we have investigated this specific case, or that any of the people referred to in the letter had anything other than the best intentions in doing what they perceived their job to be, nor do we necessarily imply that the specific policies involved are groundless. To focus on these details would be to miss the forest for the trees.

To be explicit, the forest follows directly from the analogy given in the introduction to this report: Cornell's bureaucratic wall is built of bricks, each of which has a purpose, but which collectively impede the university teaching and research mission. In this case a respected, long-term Cornell faculty member is aggrieved in trying to do his job, a private donor foundation may have hesitancy to deal with Cornell in the future, and international colleagues and institutions are scratching their heads wondering "What in the world is going on at Cornell?"



Cornell University
College of Arts and Sciences

October 22, 2015

TO: Professor Sol Gruner
FROM: Victor Nee

RE: OSP and Grant ID: 57411, John Templeton Foundation, \$1,190,448

Dear Sol:

Below is a summary report on my experience working with the Office of Sponsored Program for my grant (#57411) from the John Templeton Foundation (JTF). The grant was awarded to me in early January 2015, with the start date set for July 1st. After a protracted five months exchange between Cornell's OSP and Legal Office over the terms of the contract, the first year funding (\$357, 136) was wired from JTF to OSP on July 1, 2015, the official start date for my three year grant.

First: The problem of excessive caution first appeared soon after I was awarded the grant in January. Cornell's Legal Office insisted that in the event of an improbable lawsuit, the site of legal action was to be in New York State. John Templeton's legal office responded that as the donor of research funding, if Cornell wished to sue the Templeton Foundation, they needed to do this in the State of Pennsylvania, where the Foundation is located. This disagreement could not be resolved after many rounds of email exchange and telephone conferences between the attorneys at JTF and Cornell, over the course of five months. Cornell's attorney was informed that in the entire history of grant-giving by the JTF, there has never been a lawsuit filed against the Foundation or by JTF of a recipient of their grant funding. Notwithstanding, Cornell's attorney remained inflexible, insisting on the right to litigate in New York State.

Research activities involving a large international collaboration led by me as P.I. at Cornell with senior Lund University social scientists and Chinese survey research firm were at risk of serious delay due to teaching schedules in Sweden and early preparations in China. Finally, I drove to Philadelphia to talk with Dr. Barnaby Marsh ('96), the Executive Vice-President of JTF, to seek his help. Shortly after this meeting, a successful resolution of the impasse was reached. A Program Officer at the JTF subsequently told me that the Foundation has never witnessed a university making so much fuss over the site for legal action, knowing litigation was extremely improbable.

Second: In July, another extremely protracted process began involving more excessive caution and red-tape. This involved OSP's dealing with my co-PI, the Gad Rausing Professor of Economics at the Lund University. The OSP subawards department requested from Lund University—Sweden's oldest and most distinguished research university—three

years of audited financial statements for the University, proof of adequate liability insurance (the monetary amount was specified by Cornell's OSP), agreement to file monthly reports to the subawards department on progress made on the subcontract, detail on how Lund University was to monitor the work done by professors Sonja Opper, Fredrik Andersson and Hakan Holm, all distinguished economists, etcetera. The red tape and request for excessive documentation continued from July 24 through the entire month of September. The amount of documentation was mind-numbing and excessive to the extreme, and in my opinion caused damage to Cornell University's reputation. It has become a joke that Lund faculty and administrators talk about, that the Dean of Lund's School of Economics was requested by subawards to show proof that they could put in place a monitoring system to check up on their faculty's inputs and that these reports be sent regularly to Cornell's OSP. Cornell also has become infamous at Lund for its insistence on having the option to sue a donor foundation in New York State.

To my knowledge, Lund University still has not received funding for its signed sub-contract with Cornell University despite providing all of the documentations requested by Cornell's subawards department.

Third: To fund the large research effort by Chinese research staff, a contract was drafted by me, approved by Cornell Procurement Services, and signed by the President of Shanghai Yi Hong survey research firm in mid-July. As of this writing, he has yet to receive the prepayment for the research agreed to by Cornell's contract with his survey research firm.

Work involving a large research team in China began in early August, with the survey research firm beginning full scale preparation for the contracted research in seven major cities. This effort entailed a lengthy quantitative firm-level survey and lab-in-the-field experiments. On August 29th, I traveled to Shanghai to lead a three-day training session. The Chinese survey research teams began work immediately after and have been conducting pilot quantitative surveys and lab-in-the-field experiments since early September. With the large numbers of researchers and staff mobilized in the field, it was critical that Cornell honored its commitment to make a 50% prepayment by mid-August. Yet, even as of today's writing, the Shanghai consulting firm has not received any of the funds from Cornell.

The research project would have experienced serious disruption and delay had it not been that co-PI Sonja Opper was agreeable to commit \$61,500 from another grant where she is the P.I. She wired \$40,000 directly to the president of the Shanghai survey firm in August. The Arts College Business Service Center and Cornell Procurement Services genuinely tried to be helpful, but the problem we confronted appears to be structural in Cornell's grant administration set-up. Cornell Sponsored Financial Services (SFS) determined the Templeton Foundation approved budget did not have specific line items with adequate funding to cover the survey cost, and therefore would not approve the purchase order to pay the Shanghai survey firm. Weeks went by while OSP demanded the budget be reworked to find additional funds that could be directed toward the survey, and then receive re-budgeting approval from the Templeton Foundation. This had to occur before

SFS would allow any funds to be released to the survey firm. This went on long past the agreed upon date for Cornell to provide first payment on the survey and long after survey work had begun.

Four: What is clearly demonstrated throughout is that Lund University operates as an effective and efficient research university, while Cornell grant administration is mired in excessive red-tape and extreme over cautiousness. A substantive contrast was the efficiency of Lund University's grant administrator in awarding Cornell a sub-contract for a grant where I am the co-PI of a Lund University based grant from the Wallenberg Foundation led by Sonja Opper, P.I. The subcontract (about \$375,000) was signed within a week, and money transferred almost immediately to Cornell, without request for proof of liability insurance, audited financial statements, a monitoring system for my inputs, monthly progress reports etc. Payments by Lund University have arrived regularly at Cornell since January 2014.

I have been an active faculty at Cornell since 1985, with multiple grants from the NSF and JTF, and I have never seen anything like the level of red tape and excessive caution as is evident and manifest today. This is a recent development linked to administrative guidance and oversight at the highest level of Cornell University's grant administration and appears to be a structural problem in the administrative set-up.

Sincerely yours,

Victor Nee
Visiting Scholar, Russell Sage Foundation 2015-16, and
Frank and Rosa Rhodes Professor, Cornell University