

Overview of the Restricted Research Expenditures Transparency Review Process

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Texas Higher Education Coordinating Board



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Agency Mission

The mission of the Texas Higher Education Coordinating Board (THECB) is to provide leadership and coordination for Texas higher education and to promote access, affordability, quality, success, and cost efficiency through *60x30TX*, resulting in a globally competitive workforce that positions Texas as an international leader.

Agency Vision

The THECB will be recognized as an international leader in developing and implementing innovative higher education policy to accomplish our mission.

Agency Philosophy

The THECB will promote access to and success in quality higher education across the state with the conviction that access and success without quality is mediocrity and that quality without access and success is unacceptable.

The THECB's core values are:

Accountability: We hold ourselves responsible for our actions and welcome every opportunity to educate stakeholders about our policies, decisions, and aspirations.

Efficiency: We accomplish our work using resources in the most effective manner.

Collaboration: We develop partnerships that result in student success and a highly qualified, globally competent workforce.

Excellence: We strive for excellence in all our endeavors.

The Texas Higher Education Coordinating Board does not discriminate on the basis of race, color, national origin, gender, religion, age or disability in employment or the provision of services.

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Introduction

This document provides an overview of the Restricted Research Expenditures Transparency review process. Information in this document includes an overview of the process, steps to take for submitting awards lists, a demonstration of the interface, and answers to frequently asked questions.

Purpose and Brief History

In 2001, the Texas Legislature created the Texas Excellence Fund and the University Research Fund to enhance research. In 2003, the Texas Legislature combined the two funds to establish the Research Development Fund (RDF), effective in Fiscal Year (FY) 2006. The RDF supported increased research capacity at eligible public universities (except The University of Texas at Austin and Texas A&M University). In 2015, the Texas Legislature abolished, effective in FY 2016, the RDF and created the Core Research Support Fund (CRSF) for the state's public emerging research universities and the Texas Comprehensive Research Fund (TCRF) for all public four-year doctoral, master's, and comprehensive institutions of higher education.

The Restricted Research Expenditures Transparency review is a public process that follows set Standards and Accounting Methods (SAMs). The review serves two purposes. First, it allows institutions to verify that other institutions have classified expenditures appropriately. Second, it encourages commonality in decision-making when institutions receive contracts and grants from the same programs.

New Review Process for Fiscal Year 2020

In March 2020, Texas institutions of higher education took proactive measures to protect the health and safety of students, faculty, staff, and communities during the COVID-19 pandemic. The Texas Higher Education Coordinating Board (THECB) shifted to a mandatory tele-work policy for agency employees. At the time, all external meetings were postponed until further notice.

This Overview of the Restricted Research Expenditures Transparency review process during FY 2020 includes new procedures to complete the review without an in-person meeting, which was otherwise held in the summer of each fiscal year.

Texas Education Code and Texas Administrative Code

More information on the statute and rules related to Restricted Research Expenditures, is available on the THECB web page.

- Texas Education Code, [Chapter E, Texas Comprehensive Research Fund](#), Sections 62.091 through 62.098
- Texas Education Code, [Chapter F-1, Core Research Support Fund](#), Sections 62.131 through 62.137
- Texas Administrative Code (Rules) Chapter 13, [Subchapter G, Restricted Research Expenditures](#), Sections 13.120 through 13.127

Terms and Abbreviations

Transparency List. The list of awards is reviewed each year. It is referred to as transparency list before the conclusion of the Transparency Meeting and as the restricted research awards list following the meeting. This is because some awards may not be classified as restricted research and are removed from the list.

The [log-in page for the Transparency List](https://www1.thecb.state.tx.us/apps/restrictedresearch/) interface is located online: <https://www1.thecb.state.tx.us/apps/restrictedresearch/>

The [public view of the Awards List](http://www.thecb.state.tx.us/apps/restrictedresearchpublic/) is posted online: <http://www.thecb.state.tx.us/apps/restrictedresearchpublic/>

Transparency Meeting. The annual meeting held in the summer where institution representatives convene as the Restricted Research Committee at the THECB to review, discuss, and determine which awards are classified as restricted research. **Note:** For FY 2020, during the COVID-19 pandemic, the transparency review will be concluded with a tele-meeting of shorter duration.

Restricted Research Expenditures (RRE). A restricted research expenditure is an expenditure of funds for which the use of the funds qualifies as research and development and for which an external entity has placed limitations of use (see the Standards and Accounting Methods for further detail). When it established the Texas Comprehensive Research Fund (TCRF) and the Core Research Support Fund (CRSF), the Texas Legislature created formulas to allocate research funds to eligible institutions, based in part or wholly on institution-verified report of restricted research expenditures.

Restricted Research Committee. Representatives from higher education institutions eligible for either TCRF or CRSF convene to review and recommend changes to SAMs for determining restricted research expenditures and to examine institutions' reports on restricted research awards and make a final determination of those awards from which expenditures may be classified as restricted research expenditures.

Standards and Accounting Methods (SAMs). SAMs is the Restricted Research Committee's document that informs Coordinating Board rules, Texas Administrative Code Chapter 13, Subchapter G, Restricted Research Expenditures. The document includes a set of standards developed and reviewed by THECB staff and representatives from institutions, including members of the Restricted Research Committee. Available at the [Texas Higher Education Coordinating Board's \(THECB\) website](http://www.thecb.state.tx.us/RestrictedResearchStandardsandAccountingMethods(SAMs)) [www.thecb.state.tx.us/RestrictedResearchStandardsandAccountingMethods\(SAMs\)](http://www.thecb.state.tx.us/RestrictedResearchStandardsandAccountingMethods(SAMs)).

Standards and Accounting Methods (SAMs)

The THECB established Standards and Accounting Methods (SAMs) for reporting restricted research expenditures. SAMs is reviewed and may be revised as needed by the Restricted Research Committee. The THECB convenes the Restricted Research Committee annually, prior to the end of each accounting year, for review of awards and transparency of the award list.

The SAMs are for use by Texas public universities in reporting restricted research expenditures for the purpose of TCRF and CRSF formula distributions. The SAMs document includes three parts: (1) an expanded definition of research; (2) requirements that every contract, gift, or grant from which restricted research expenditures will be made be analyzed

using a protocol that meets specified criteria, and that the decision to classify the funds as being for research be documented; and (3) provision for transparency of the institution's research classification of eligible awards.

The Restricted Research Committee recommends using the classification numbering established in Appendix A of the SAMs when completing the institution's list of restricted research awards. The SAMs classifications describing the award and its activity justify the submission as restricted research. This also facilitates discussion of awards at the Transparency Meeting. The SAMs are posted on the [THECB website](http://www.thecb.state.tx.us) www.thecb.state.tx.us/RestrictedResearch.

Preparation

In the spring (starting in March/April), institution representatives receive a series of emails notifying them of the dates for the review process. Each email includes instructions and deadlines for each of the four phases in the review process. The timeline is also posted on the [THECB website](http://www.thecb.state.tx.us) www.thecb.state.tx.us/RestrictedResearch.

Phase 1: Institutions develop and submit their list of awards to the THECB

To begin the process, institutions build their data files using the THECB's Microsoft (MS) Excel template. The MS Excel template is sent to the institution representatives. Once completed, the file is emailed to research@thecb.state.tx.us.

A multi-year award should be submitted in its first year, for the full amount. Once the award is reviewed by the committee and determined restricted research, it does not need to be listed again on a transparency list in subsequent years.

If the institution receives an extension of an existing award (multi-year awards) for which the scope did not change, that award is not considered new. Renewed awards that keep the same scope of work as a previous award, but with different Notice of Award or Award Number, should be declared as such in the "Descriptive Note" field of the transparency list.

Phase 2: Review of transparency list (awards may be marked for discussion)

Once the files are received, THECB staff load the data into the online interface for review. Institution representatives first check both their institution's award listing to verify that the upload was submitted correctly.

Next, institution representatives have the opportunity to review each other's awards. Inside the log-in interface is an option to mark an award as "questionable." This means the award will be brought forward for review, discussion, and determination of whether or not it is restricted research.

All restricted research awards are subject to selection for committee review. Emphasis is placed on awards equal or larger than \$250,000.

Note: For the FY 2020 review, during the COVID-19 pandemic, marking an award "questionable" requires the questioning institutional official to complete and submit a spreadsheet form to address each award marked as questionable. The submitting official must copy into the form the unique 5-digit award identifier of the transparency list for the award and justify the questioning through a brief, one- or two sentence statement. The completed form must be emailed to research@thecb.state.tx.us.

If an award is already marked questionable, and another reviewer also sees reason to mark it as such, that reviewer must fill out the form as well, with the unique 5-digit award identifier and justification.

This procedure will allow staff to transmit concerns to the questioned award's institution representative. It also will allow assessing the gravity of the concern(s) by staff and the Committee.

Institutions with questioned awards will receive a combined list of concerns, with the name of the questioning institution redacted.

Phase 3: Institutions may upload additional materials

Institutions upload additional materials to provide supporting information for awards marked questionable. There are three upload fields for additional documents:

- Abstract
- Budget
- Other documentation

To check if any awards are marked questionable and to upload supporting materials institution representatives must log-in to the Transparency List interface. There are filters to sort by institution and those awards marked as questionable. This produces a list for review. Under each award, the institution representatives can upload supporting information. Note, these supporting files can be viewed by anyone with log-in access and are used at the publicly broadcasted Transparency Meeting.

Note: *For the FY 2020 review, during the COVID-19 pandemic, institution representative must respond to each comment related to a questioned award, by justifying the award through a brief, one- or few-sentence statement. The form must be emailed to research@thecb.state.tx.us.*

Staff will compile a list of all questioned awards with concerns and justification. All members will receive a form to vote on each award. Staff will tabulate the results. If there are still unclear issues for high-dollar awards or groups of awards, they will be brought forward during a shortened transparency tele-meeting at the end of the review process.

It will be essential for this off-site discussion/voting methodology to work that all members will be judicious in their review, precise with their questioning, and respond with targeted information.

Phase 4: Transparency Meeting: Institution representatives meet at the THECB for discussion of transparency list

Annually, institution representatives meet for a discussion and review of the transparency list. An agenda is sent prior to the meeting that includes the order of the meeting and which awards will be discussed.

Note: *For the FY 2020 review, during the COVID-19 pandemic, the transparency meeting will be a shortened tele-meeting. Revisions to SAMs will be considered during the meeting and, if necessary, votes will be held on critical issues concerning high-dollar awards or groups of awards.*

When an award is discussed at the meeting, the institution representative presents a brief statement on why the award should be classified as restricted research. The institution representative may withdraw an award from consideration. Questions may be posed to the institution representing the questioned award. Then, the committee will reach a consensus. If a consensus is not reached, the committee will cast a vote as to whether or not the award should be classified as restricted research.

The Transparency Meeting is an interactive meeting. At least one representative from each institution is present. Support staff may join via conference call. It is of great importance that institutions that have few awards marked as questionable or institutions without any awards marked also are present with a representative. The Restricted Research Expenditures Committee members are present not only for a favorable outcome in support of their institution's awards, they also fulfil a primary function to serve the State in achieving the most true and transparent classification of all awards. Therefore, the THECB staff requests representatives to attend in person.

Preparing for the Transparency Meeting

For a smooth workflow at the Transparency Meeting, the following, *as appropriate for the Fiscal Year 2020 review*, is recommended:

- Review SAMs and become familiar with the classifications;
- Watch previous year's meetings on the THECB YouTube channel and review previous meeting agendas;
- Bring a digital copy of any supporting materials for awards marked questionable;
- Have the appropriate personnel present to represent your institution;
- Be prepared for your institution's awards discussion by being able to characterize awards marked questionable as restricted research awards; and
- Remember this is a peer-review process.

Post-Meeting Processes

Following the Transparency Meeting, a summary report is sent to the email distribution list of institution representatives. Awards are updated on the website to reflect the meeting determination. Required revisions, or if an institution has a retraction, are processed following the completed review process.

Awards Received to Date / Approved the Following Year

Awards that are pending and have a likelihood of creating an expenditure for the Fiscal Year under review should be marked as "pending" in the beginning of the description field of the data file. Awards received late in the Fiscal Year under review should be included in the following Fiscal Year's awards list.

FAQ

Can I re-format the MS Excel template?

No. Please use the current year's version (emailed) of the MS Excel template for submitting awards and do not re-format the order of the information. To ensure a flawless

upload into the log-in interface of the Transparency List, make sure there are no special characters, tabs, extra spaces, or sensitive information in the file.

How do I know that the awards file is accepted for upload into the interface?

THECB staff confirm receipt of the data file. THECB staff may send requests for clarification or correction on information within the file.

What should I do when reviewing awards?

Before marking awards questionable, review SAMs and have it handy while reviewing the awards listings. It is good practice to keep a list of the awards marked as questionable and the reason why for explanation at the meeting. Also, include the SAMs category the award aligns with.

Note: For the FY 2020 review, during the COVID-19 pandemic, an unsubstantiated SAMs Appendix A category number is not enough to be a valid concern or justification.

As a reminder, there has been an increase in non-descriptive award titles, multiple similar awards listed, and a lack of notes and descriptions. These are often red flags for the Restricted Research Committee members and they are a main contributor for awards to be marked as questionable.



This document is available on the [Texas Higher Education Coordinating Board website](#).

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