

DATE: September 10, 1979

TO : Dale Kaiser

FROM : Arthur Kornberg *AK*

SUBJECT: Departmental Finances

You asked me to think about the future funding of the department and to share these ideas at a faculty meeting. I'll present the thoughts that I discussed with you for you to use as you see fit.

1. Our traditional pattern of sharing funds and resources has been successful. It accounts in part for the spirit and quality of the department. This pattern can also be defended for its economies in large equipment, expendables, space and technical staff. The scientific interactions generated by this sharing are a priceless dividend.
2. The sharing pattern has been of crucial importance to faculty members getting started and has relieved anxieties about working on important problems that seemed to be less fashionable and therefore less fundable. The pattern has also made possible a greater flexibility in the size and operations of a research group from an ebb, say, during a sabbatical period to a surge when a "breakthrough" comes.
3. However, all patterns in our affairs must be continually adapted to the variety of external and internal changes that affect us. (Evolution is essential for survival.) For this reason, I agree that it is appropriate to consider the recent changes imposed on us, our responses to them, and how we should prepare for the future.
4. The principal external changes are the sharp declines in funding sources (federal, foundation, Stanford) and the resultant greater efforts needed to get the money and to account for it. The principal internal change is the maturity of virtually all our research groups as expressed in size and fundability.
5. We have adjusted to strains in the past by urging some faculty members to apply for more money than they thought they needed or could get gracefully. These adjustments included: obsolescence in equipment, prolonged need for some faculty members to apply for more money than they need or can easily account for, hardships in providing assured postdoctoral stipends, and constraints on individual venturesomeness (e.g., expansions in group size and operations).
6. I would suggest several moves that may improve our financial security without distorting the traditional pattern:

- a. Obtain a realistic estimate of what each faculty member (research group) spends in order to determine whether there are gross inequities in spending or income. Such accounting measures should be designed to provide only reasonable estimates and should be used as guides. I believe increased accountability will lead to economies, increase the incentive to get more funds and will either show the absence of gross inequities in support obtained by faculty members or will help eliminate them. Should a stricter external audit ever be imposed, we would of course be less vulnerable by having such an accounting.
- b. Increase the aggressiveness of getting federal and foundation grants and Stanford funds. Our competitors have become more vigorous. I never heard of anyone being given a grant or budget he didn't apply for, or more money than he asked for. Prudence and inflation dictate that we leave a generous margin for un-anticipated costs and budgetary cutbacks which Congress and others may impose.
- c. Seek new support, as from an Industrial Associates Program. Paul has already discussed and should soon again bring up the merits and problems of such a venture. I think we should consider this as a top priority item and do it soon if we do it at all. We're already a little late in getting into this kind of venture and it may soon become too competitive to make it attractive.

Investigate Program Grants. We have more to offer in conjoint efforts between our groups than most of the departments which now enjoy the luxury of such grants. It deserves prompt investigation.
- d. Impose economies in personnel costs. These generally account for 70 to 80% of our budget. A number of the supporting functions we now provide could be taken up by our students and fellows without strain and in some instances with considerable benefit. We now ask for virtually nothing from them in housekeeping responsibilities. Such participation would make them more concerned with laboratory etiquette, train them in laboratory management, save us money and improve the place. We used this device successfully for many years and abandoned it for lack of adequate direction. With Terry's organization and faculty cooperation under your leadership it could work again.
- e. Finally, the chairman should involve every faculty member in the financial responsibility for the whole department. This should include specific assignments as well as regular reports, at least annually, in a declarative and analytical tone.