ReLODE Program

**Strategy:** The importance of core facilities in the research enterprise requires a long-term plan to ensure that our equipment and facilities do not become obsolete. The current internal equipment grant program does an excellent job of funding new equipment and upgrades of existing equipment, but it does not adequately address the increasing need to *replace old equipment or add capacity for heavily utilized services*. In recent years, the Office for Research (OR) has received a number of requests to fund the replacement or duplication of essential, highly used equipment. These requests are not viable candidates for federal funding programs that focus on new state-of-the-art equipment, nor can they be adequately addressed with the current internal equipment grant program without sacrificing the need for new equipment and upgrades of existing equipment.

To address these concerns, OR has created a new loan program - **Research Loan for Old or Duplicative Equipment (ReLODE) Program** - to replace aging equipment, add additional capacity or purchase duplicative equipment in core facilities. This program is funded separately from the standard internal OR equipment grant program that focuses on support for new equipment or upgrades of existing equipment in core facilities.

**Plan:** The program has been funded from the central budget. Repayment of loans is reinvested in the program to create a sustainable loan program. The duration of each loan is tied to the anticipated lifetime of the equipment purchased with ReLODE funds, and it operates identically to a depreciation schedule. Facilities are required to set up a capital depreciation account for the equipment purchased under this program, and each award follows a multi-year depreciation plan. The depreciation portion is charged as part of the user fee for that instrument and returned to OR to replenish the loan program.

The maximum loan request is $500K per instrument, and there is no lower limit. The biannual Review Panel reviews loan proposals separately but alongside applications to the standard equipment program. Three types of evaluative criteria (operational, administrative, usage) are used in the evaluation of loan applications. Since existing usage data is used to justify the request, no cost sharing will be required. *Loans require approval of the faculty director, chair of the oversight committee, and department or center holding the chard string*. If funded, a new cost study is required that reflects the depreciation schedule of the new instrument. Proposals submitted as grants that are ReLODE eligible may be converted to ReLODE proposals if they are not recommended for funding by the Review Panel. The usage data and repayment plan will be requested at that point.

**Award Criteria**

*Usage criteria:* What is the usage data for the equipment being considered for replacement or duplication? If replaced, what is the likelihood that usage will persist for the life of the loan? What is the future of this technology? *Recommend: loans are*
limited to replacing essential, highly-used equipment whose replacement have utility and a lifespan lasting at least as long as the loan.

Operations criteria: What is the annual income of the facility relative to the loan request? How much of this income is derived from the equipment that will be replaced or duplicated by the loan? Recommend: loan requests are capped at annual paybacks that are no more than 15% of annual recharge revenue. Facilities are allowed to pay for equipment over multiple years (with vendor approval) thereby spreading out the loan request and the phasing in the associated repayment schedule.

Administrative criteria: Does the facility have the business support and experience necessary to handle the loan payback scheme? Has the core director taken a Kellogg course or demonstrated the ability to work with a balanced budget? Has the advisory committee approved the depreciation schedule? Recommend: loans are limited to facilities with proven track records of exemplary budget management and approval of stakeholders.

Steps and Timing of Rollout

- **Feb. 2, 2015** - CF Advisory Board presentation – answered questions and solicited advice on program
- **March 6, 2015** - Brown Bag meeting – announcement of program to facility directors and managers; general description new features and rollout plan of program; encourage interested directors, managers, and business administrators to attend one of the upcoming Town Hall meetings
- **March 6, 2015** (after Brown Bag meeting) - update CF website and announce program on listserv – provide details of program and obligations; provide examples of repayment schedule for low and high cost instruments
- **March 9, 2015** (Evanston, 12:00-1:30 PM) and **March 12, 2015** (Chicago, 12:00-1:30 PM) – Town Hall meetings on each campus – presentation of rationale behind the program; provide details, examples and obligations of loan program
- **April 15, 2015** - applications due for Spring ’15 Equipment proposals
- **October 15, 2015** - applications due for Fall ’15 Equipment proposals
- **Sept. 1, 2015** – start date for Spring ’15 awards
- **March 1, 2016** – start date for Fall ’15 awards

Application and Review Process

- Applicants check the “ReLODE” box on the standard Cover Page.
- Applicants justify requests by providing information that addresses the Award Criteria above.
- The existing Review Panel evaluates applications at the same time as the regular equipment program, but as a separate category.
- Review criteria must align with Award Criteria.
- Review Panel makes recommendations for funding.
September 6, 2017

- Final decisions are made by AVPR and Executive Director of Research Facilities.

**Evaluation of Program**

- Financial data will be collected annually by OR to determine the return on investment of this program.
- Impact of the program on the research community will be assessed through surveys and Town Hall meetings.