

UNIVERSITY OF SOUTHERN CALIFORNIA
University Research Committee

Supporting Research at USC:
Administrative Burden, IDC Policy, and the Future of Faculty Research Support

Report to the Academic Senate
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1. Executive Summary

The USC Research Committee was charged in the 2025–26 academic year with three interconnected tasks: reviewing administrative processes across schools and units to reduce burden on researchers; investigating how indirect costs (IDC/F&A) are distributed across the university and whether alternative models would benefit researchers; and understanding how USC can better support faculty in the current federal funding climate.

The committee conducted structured outreach through direct meetings, individual interviews, and surveys to eleven USC schools: Annenberg, Chan, Cinematic Arts, Dornsife, Leventhal, Marshall, Price, Rossier, Mann, Viterbi, and Keck.

Our findings reveal a research enterprise under compounding strain. Across schools, faculty face a consistent set of structural problems: no reliable real-time access to grant balances; widely varying and opaque research spending and IDC policies; declining administrative staffing below peer-institutions; and a centralization trend that has eroded field expertise without improving service. These problems are not new, but they are worsening; and the arrival of significant federal funding uncertainty has made their consequences more acute.

At the same time, the committee identified bright spots. Viterbi's discretionary research fund and supplemental salary bonus program represent meaningful models for rewarding grantsmanship. Mann's pre-award staffing model of two dedicated full-time staff handling all non-scientific grant tasks shows what adequate support looks like in practice. These examples are not cited to single out exceptional schools but to demonstrate that the recommendations in this report are achievable within USC.

The committee also examined USC's AI policy landscape, including the rollout of ChatGPT EDU and the work of the university's AI Task Force. We find that current policy places too much burden on individual faculty, fails to provide adequate flexibility for research use cases, and lacks a permanent faculty governance mechanism to guide ongoing decisions.

This report presents six areas of recommendation: research administration and budget visibility; process reform; extramural funding incentive policies; research funding stability; faculty-led AI research policy; and faculty governance. The committee presents these findings as a foundation for concrete, achievable reform and urges the Academic Senate and university leadership to treat them accordingly so as to meet our shared goal of being an elite research institution.

2. Committee Charge & Scope

2.1 Charge

The Research Committee was assigned the following charge for the 2025–26 academic year:

- Review administrative processes across schools and units with the aim of reducing burden on researchers.
- Investigate how indirect costs are regulated across the university and whether an alternative system would benefit researchers.
- Understand how USC can better support faculty to conduct research at the elite level USC strives for, in the context of current funding shifts.

The committee also took up two emerging areas: the university's approach to AI tools and policy for research, and the implications of significant federal funding instability for the research enterprise.

2.2 Scope: Schools Surveyed

The committee conducted outreach to eleven USC schools and units between October 2025 and March 2026. In most cases, outreach involved a combination of direct conversation with faculty and staff, review of administrative policies, and faculty surveys.

- Alfred E. Mann School of Pharmacy and Pharmaceutical Sciences
- Annenberg School for Communication and Journalism
- Dornsife College of Letters, Arts and Sciences (Social and Natural Science Divisions)
- Keck School of Medicine
- Leventhal School of Accounting
- Marshall School of Business
- Mrs. T.H. Chan Division of Occupational Science and Occupational Therapy
- Rossier School of Education
- School of Cinematic Arts
- Sol Price School of Public Policy
- Viterbi School of Engineering

2.3 Process

Our process followed a phased approach. In the fall semester (October–December 2025), committee members conducted outreach to their respective schools, gathering faculty and administrator perspectives on research management challenges and IDC and research incentive policies. In the spring semester (January–April 2026), the committee investigated the university's approach to managing artificial intelligence usage and synthesized our findings across our multiple aims.

Regarding the surveying or interviewing of faculty and staff, committee members followed a guide of questions to consider (Appendix 7.1). Some members used a

formal survey tool to seek a broader set of responses from their faculty while others opened the door for direct dialogue.

Questions addressed how faculty receive support from their departments or centers in preparing proposals and what challenges they face in post-award management. Faculty were also asked about what is working well within their department's research support and where in contrast they feel the most burdened. Finally, faculty were also asked about how indirect costs are handled within their units and what incentives exist for faculty who secure external funding.

2.4 USC's IDC Policy

Our first finding of note informs the framing of this report: the vast majority of researchers at USC are unclear as to how USC manages indirect cost recovery. For reference, the federally negotiated rate for on-campus research is currently 66% and 26% for off-campus activities. The indirect cost rate is what is charged on direct research costs and together these two values reflect the sum of the award. These IDC rates reflect what is typically charged on standard federal grant awards. Industry and philanthropic sponsors often negotiate with USC to pay a reduced rate.

USC operates under a decentralized IDC model. Outside of a few institutes, the university retains 20% of recovered indirect costs (RIC), for central facilities and operations costs. The remaining 80% of RIC flows back to the associated school or center that obtained the sponsored research grant. It is then up to each school (or center) to set its own policies as to how those funds are used to cover research costs. In tandem, each school has its own policies regarding incentives to researchers to obtain external funding. Thus, the research environment for each faculty member varies drastically across research units.

This decentralization is not inherently problematic; different schools have different cost structures and research profiles. However, it creates significant inequities in how research is incentivized and supported across USC, and the current system operates with almost no transparency to faculty about how IDC funds are calculated, allocated, or spent. This report aims to address that gap.

3. School-by-School Findings

The following summaries reflect the primary themes and findings gathered from each school. They are intended to illustrate the diversity of conditions across USC's research enterprise, not to rank or evaluate schools. Common themes are synthesized in Section 4.

3.1 Alfred E. Mann School of Pharmacy and Pharmaceutical Sciences

- Strong pre-award support model with two dedicated full-time staff to handle all non-scientific grant tasks
- Strong core facilities that help train the next generation of biomedical scientists and support Mann faculty, but also biotech research across campus, and external research collaborators, particularly covering the entire continuum of drug discovery and development.
- Prolonged process with industry-funded contracts; lack of master templates for major sponsors, especially around IP language for low-risk studies
- Close-out process could be streamlined as SPA and DCG produce duplicate close-out notifications
- No structured institutional incentives to facilitate/encourage cross-unit collaborations to apply for program project P and U grants
- No structured institutional incentives for faculty who secure external research funding

3.2 Annenberg School for Communication and Journalism

- Centralized administrative processes
- No timely updates on grant balances; faculty are making spending decisions without adequate information of the state of their accounts
- Reimbursement restrictions, including limitations on food expenses in grant-related contexts, impose friction on research activities
- Faculty raised the concept of a 'rainy day' research fund to buffer against federal funding instability
- No structured institutional incentives for faculty who secure external research funding

3.3 Dornsife College of Letters, Arts and Sciences

- No live, accurate grant balance access; account reconciliation is deeply delayed and risks graduate student funding
- Having administrative support with field knowledge greatly improves grant submission process and success rates; working through central administration produces significant challenges and delays
- Staffing ratio far below peer institutions: at Irvine, for example there has been an admin assistant for every three chemistry faculty
- A full proposal is required before budget approval a week before deadline, with no rationale provided for this requirement when asked
- Restrictions on outreach to philanthropic sponsors imposed by central administration add challenge for faculty seeking funding, especially in current restricted federal environment
- No structured institutional incentives for faculty who secure external research funding
- Added associated costs for graduate students that varies depending on if the student has a Dornsife Fellowship or is a direct admit, along with decreased Dornsife fellowships. These fees on top of the increased stipend, negotiated by

the University with no input from the faculty, and decreased fellowships make the cost of maintaining a research group (and department) challenging, especially with the current government funding landscape. The 10% annual increase in these fees will be difficult to budget while maintaining a competitive research program.

3.4 Keck School of Medicine

- Pre-award generally functional but post-award support deteriorated following recent reorganization and centralization with faculty reporting slower response times and reduced institutional knowledge in the new structure
- Process friction around supply ordering and repetitive administrative tasks such as eCert
- No structured institutional incentives for faculty who secure external research funding

3.5 Leventhal School of Accounting and Marshall School of Business

- Leventhal primarily interfaces with grants through central Marshall administration; limited school-specific research infrastructure
- Internal USC venue and food costs have been criticized as unreasonably high for grant-funded events
- Faculty report that the Marshall grant administration is helpful in getting and supporting grants.
- However, allocating student funding from grants is administratively burdensome and disincentivizes faculty to fund PhD students from grants.
- There are financial incentives for faculty who secure external research funding, though it is not widely known. The policy allows faculty to fund a third month of summer salary with grant funding, receive a course buyout if some of their academic year salary is charged to a grant, and receive a separate personal research account for awards with IDC rates of at least 50%.

3.6 Chan Division of Occupational Science and Occupational Therapy

- Appreciation for grants administrative pre/post-award support housed within the Division rather than relying on central administration
- Thin staffing for the volume of grants managed: 2 administrative staff supporting 15–18 faculty plus post-docs and students submitting grants
- Lack of timely updates on budgets due to staff overload and reliance on administrative processes to manage complex budget systems, which limits direct faculty access and visibility
- Strong concern about the loss of institutional expertise when experienced staff retire/leave, compounded by the lack of a pipeline to replace them and challenges with timely hiring/onboarding of new research support staff
- Pre-approval burdens and double-approval requirements for routine purchases add administrative load, with redundant forms and processes and not apparent benefit

- Restrictions on food reimbursements that do not align with funder policies (i.e., even on grant-approved conference travel) reflecting broader misalignment between administrative rules and research needs
- Restriction to use approved vendors that are not the lowest cost option can drive up research costs; onboarding new vendors or consultants requires a time-consuming, paperwork-heavy approval process that can delay project timelines and payments
- Start-up fund spending rules are applied inconsistently, creating lack of clarity and predictability
- No transparency in indirect cost allocation
- No transparency of existence or qualifications for structured institutional incentives for faculty who secure external research funding

3.7 Rossier School of Education

- Pre-award submission requirements (letter of intent, one-week lead time before deadline) add friction; Cayuse submission delays compound the problem
- Post-award management challenges with quality variation in grant management staff available and restrictive policies around hiring, reimbursements, and making purchases
- Central office made unilateral decisions affecting data storage and software usage that created unexpected downstream work for faculty (such as restrictions on Qualtrics, Dropbox, and others)
- School has not disclosed how IDC is allocated to research costs; transparency has been requested but not provided
- New incentive policy that provides a course release for faculty who secure at least \$175,000 in RIC

3.8 School of Cinematic Arts

- Insufficient staff capacity to support grant proposal development despite it being part of job description
- No grant tracking tools or live budget access
- Positive experience with shared research spaces
- Tension with funders and decline in renewals due to lack of transparency of IDC spending allocation
- Internal university vendor costs extremely inflated
- No structured institutional incentives for faculty who secure external research funding

3.9 Sol Price School of Public Policy

- Staff turnover in a small office creates training burden and continuity gaps
- Workday inefficiencies and SPA delays create friction in post-award management
- No designated location for receiving research-related payments, so funds can be challenged to actually receive from funders

- Faculty generally have no clarity on allocation or usage of indirect costs and funds
- Small, tiered incentive to faculty who secure RIC with PI account research funds; however, thresholds and balance sizes have shifted over the years, and the policy changes have not been clearly communicated to faculty
- Price formally had a policy that provided end-of-year cash bonuses for faculty who charged AY salary to extramural funding (grants or gifts) and covered a PhD student for the year. The max bonus was 1.5 months of your academic salary.

3.10 Viterbi School of Engineering

- There is a need for more space, equipment, and facilities for advanced research capabilities
 - Seeking more responsive interaction from SPA
 - Concerned about the declining institutional support for PhD students
 - Understaffed in lab managers for shared facilities
 - Recent re-organization and reduction of research office that centralizes pre- and post-award school wide
 - New Discretionary Research Fund (effective FY26): Faculty receive 3.5% of prior year's Recovery of Indirect Costs (RIC), capped at \$20,000 per faculty member. Funds support research costs such as travel, equipment, and supplies not chargeable to a specific grant. May not be used to fund a course buyout
 - Supplemental Salary Bonus Program (3-year pilot, FY 21-22 origin): Eligible T/TT faculty that average over the prior three years at least \$400K in annual research expenditures and support at least 3 PhD RAs, may receive a 53% bonus on each month of AY IBS charged to external funding, up to four months. This effort is funded by school funds (not federal sources).
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4. Widespread Concerns & Pain Points

The following concerns were reported across multiple schools and represent systemic, university-level issues rather than isolated school-specific problems. They are presented in approximate order of frequency and severity as assessed by the committee.

4.1 Budget Visibility Is Broken

Across most schools surveyed, faculty have no reliable, real-time view of their grant balances. While the Workday dashboard provides a grant account balance, it is not current to pending or unreconciled charges and only shows object codes, which does not always reflect revisions to the budget allocation. The majority of faculty do not receive monthly reconciled statements from their research offices.

The consequence of this is that faculty are making significant personnel and spending decisions without adequate financial information. Faculty notably fear running out of grant funds to support their graduate students. Further, reconciliation errors are made that create compliance risks and slow research progress. This is a fundamental failure of research support infrastructure. Mann's model of monthly reconciled budget statements maintained by dedicated grant staff demonstrates that the problem is solvable with adequate staffing and process commitment.

4.2 Indirect Cost Structure Is Opaque and Inequitable

Schools vary dramatically in IDC structures and policies. Notably, the majority of faculty do not know or understand the university's IDC rate and allocation structure nor how their own school allocates RIC. No school offered significant transparency into how RIC is allocated to support shared research costs.

Only four of the schools surveyed explicitly incentivize faculty to obtain extramural research funding. Rossier, Price, Marshall/Leventhal and Viterbi each provide some financial or time value to faculty based on reaching a high threshold of acquiring external grants and gifts that support their research, time, and students. It is important to note, that these incentive programs are not funded through RIC, but rather come from the school's funding directly, not federal sources.

4.3 Administrative Capacity Is Critically Thin

Staffing ratios across USC schools are below peer institutions as we were able to survey. While there is no benchmark within USC's peer-institution associations, it is clear that USC's ratio in several schools is below what is needed to sufficiently support faculty. The ultimate consequence of insufficient staffing is that faculty spend more of their fixed time on administration tasks rather than on research.

The hiring freeze and reductions have compounded this problem. Experienced staff with deep institutional knowledge have left; the pipeline to replace them is constrained and some units have centralized operations, removing the opportunity of field-specialization without improving service quality. The result is more errors, slower turnarounds, and a loss of the contextual knowledge that makes effective grant administration possible.

The committee specifically flags this as a systemic risk. Loss of institutional memory is not recoverable quickly. The longer this trajectory continues, the more expensive it becomes to reverse and fundamentally prevents the institution from conducting an elite level of research.

4.4 Pre- and Post-Award Process Friction

Faculty across most schools reported some unnecessary friction in pre- and post-award processes. Notably, these pain points are not universal across units – meaning they are not driven by a compliance demand, but rather reflect individual units'

approach to grants management, but in a way that increases the administrative burden to faculty.

For example, units have meaningfully different rules about what expenses are permissible on a grant account, with food for conference travel not allowed at Chan but otherwise allowed across the campus. Similarly, some units require multiple approvals for routine equipment purchases that delay research with no apparent risk mitigation. In addition, some units restrict purchases to pre-approved vendors which can drive up costs to researchers as these vendors are rarely the lowest cost provider.

Regarding pre-award, most units have varying requirements around early submission or conditions for submission that are not clearly justified to faculty. Proposals are then subject to multiple kickbacks that delay submission without clear resolution guidance. Again, this variation is not the result of different sponsor requirements or grant conditions; it reflects inconsistent internal policy application. It creates inequity across the research enterprise and erodes confidence that university policy is applied fairly.

4.5 Budget Reductions to Doctoral Program Support

Due to recent university-level and school-level funding cuts, many schools raised concern over the sharp reduction in doctoral cohort size. Schools and Departments reported cuts of 50% and up to a two-thirds reduction in the number of PhD students they can recruit for the upcoming academic year. These losses are affecting programs across all types of science.

While some of these reductions may be attributed to budget pressure from student unionization, the sharp declines this year seem to be more acutely impacted by central administrations reduction of support in doctoral programs and in turn programs being unable to subsidize the loss due to additional funding cuts required on their behalf. Programs have already had to absorb additional costs associated with doctoral students due to unionization fees, which cannot be charged to most grants when seeking student funding coverage as the fee falls outside standard tuition and stipend categories.

Fundamentally, these reductions undermine the apprenticeship model of the academy. Doctoral students are not only in training but are also active contributors to faculty research and laboratory productivity. Rapid loss of doctoral capacity diminishes USC's research pipeline and ability to perform at an elite level.

4.6 Unilateral Central Decisions Without Faculty Input

A recurring theme across schools is that central administration makes decisions that directly affect research operations without faculty consultation or transparent governance. Examples reported to the committee include:

- Changes to data storage policies that required faculty to migrate research data on short notice, without justification or appeal mechanism

- Removal of previously approved software access or licenses that disrupted active research projects
- Imposition of advanced travel fund restrictions and reimbursement caps

These decisions are not individually catastrophic. Cumulatively, they signal that faculty have no reliable mechanism to provide input on or challenge administrative decisions that affect their work. This is both a practical problem and a governance problem that reflects a central tension of a rise in administrative compliance without communication with the faculty.

4.7 Eroding Faculty Governance and Trust

Perhaps the most consistent finding across all schools is not any single administrative failure but a deeper breakdown in trust. A recurring sentiment among faculty (asserted directly in faculty communication) is a lack of desire to voice concerns because there is an overwhelming belief that it will yield no change. It is important to note, this sentiment was shared by some committee members who have previously witnessed their efforts go without response.

This is not a complaint about workload or the current administrative burden of faculty. Rather it reflects a loss of confidence in whether leadership is listening, whether faculty input is solicited in good faith, and whether the institution's stated commitment to elite research is reflected in how it actually supports researchers. This tension has grown this year with centrally mandated cuts and restrictions without sufficient communication to faculty as to why we are facing such a budget crisis and how central is responding with its own cuts. As one faculty member said, "A dean's approval for a \$60 lunch doesn't solve our problem." Faculty clearly communicated that they feel the administration is responding to the budget crisis through cuts that negatively impact research and increase the administrative burden to faculty.

In a moment of funding constriction and concurrent pressure, this erosion of trust and governance represents a significant morale, retention, and ultimately productivity risk. The committee takes these concerns seriously. It is why the recommendations in Section 6 include not only process reforms but structural changes to how faculty participate in governance on research administration and AI policy decisions.

5. Noticeable Gaps in Responsive Research Policy

As noted in Section 2, beyond our charge of assessing the administrative burden of faculty and understanding the IDC policies and processes, the committee took on two additional elements for review where there are noticeable gaps in responsive policy.

5.1 Federal Funding Instability Response Gap

The current federal funding environment represents an external threat that the committee wanted to address. Since 2025, the US has witnessed a highly volatile shift in federal research funding. Deep staffing cuts at NSF, funding freezes and uncertainty at NIH, and fundamental shifts to federal research priorities has put downstream pressure on faculty, graduate students, and the broader research enterprise. While some schools have indicated they will not penalize faculty for grant losses attributable to federal cuts, no school has clearly articulated a structural mechanism to bridge the gap in loss of grant opportunities – there are fewer solicitations with substantial declines in estimated award sizes yet persistent demand for research funding.

The absence of a university-level 'rainy day' research fund, a concept raised by committee members from multiple schools, means USC has no institutional buffer when the external funding environment deteriorates. This is a gap the committee recommends addressing directly. President Kim did institute the Trojan Fund for Research Excellence upon the start of his tenure, which seeks to secure donations towards highlighted research areas within the university, but how these funds are allocated to research projects is unknown. Similarly, there is a centralized effort to develop new private partnerships to diversify our research funding, but it is not clear how this will materialize to faculty. Significant funding losses hurt not only the university budget but deeply reduce our ability to produce our key product: exceptional research.

5.2 AI Research Policy Gap

The second noticeable gap that emerged to the committee is around AI research policy at the university. During the committee's time of service, President Kim noted the rapid growth of AI usage and capabilities and called a taskforce to assess the state of the field and make recommendations. While the committee is working to assess needs across USC's different domains, the research committee sees a clear need in the domain of faculty-led AI research policy, which is lacking from the current standard use policy (Appendix 7.2). Current policy places the burden of accuracy, compliance, and tool selection largely on individual faculty. Putting the onus on faculty to define appropriate use is concerning especially with the proportion of faculty that do not fully understand these tools.

There is no standing faculty AI governance body. Guidance for research use - as distinct from teaching use - is absent. Healthcare and clinical faculty in particular face unique AI risk considerations that are not addressed by general policy. Across all disciplines, there is a need to work in tandem with journal policy to build ethical policies that reflect the highest level of academic integrity while also remaining at the cutting edge of innovation. This is an area where the gap between USC's aspirations and its current posture is especially visible. AI tools are increasingly relevant to research across every school surveyed. A principled, faculty-driven governance framework that addresses both AI deployment and use is not a luxury, it is a must.

6. Committee Recommendations

The following recommendations emerged from the committee's multi-school review. They are grounded in evidence gathered across USC schools. The committee recognizes the difficult budget environment in which USC is operating and has attempted to distinguish between recommendations that require significant investment and those that primarily require policy change, structural reform, or improved coordination. However, our recommendations are meant to inform the community on our charge, which is driven by the university's goal of being a premiere research institution, which does require significant support of faculty and the research enterprise.

Key recommendations discussed included improving real-time budget reporting accuracy, maintaining departmental/school-level pre-award processes rather than centralizing further, establishing a faculty-driven AI committee with ethical considerations to set and revise research policy, and incentivizing faculty for bringing in external research funding.

6.1 Research Administration & Budget Visibility

Finding

Faculty across nearly every school lack reliable real-time access to grant balances. Workday dashboards exist but are not accurate due to reconciliation delays. This is a fundamental failure with real consequences for personnel decisions and compliance.

Recommendations

- Mandate that all schools provide faculty with monthly reconciled budget updates, using Mann's current model as a benchmark.
- Invest in real-time, user friendly grant balance dashboard functionality via Workday or an equivalent system.
- Establish minimum staffing ratios for pre- and post-award support across USC schools, benchmarked to peer AAU institutions.
- Create a transparent, annual RIC allocation report for each school that is shared with faculty, accounting for how recovered IDCs are received, allocated, and spent to cover shared research expenses
- Develop a mechanism for receiving external payments and checks that does not require improvised, school-by-school solutions.

6.2 Process Reform

Finding

Pre- and post-award processes impose unnecessary friction through early deadlines, redundant approvals, Cayuse/IRB kickbacks, and disconnected centralized offices. These frictions are not the result of sponsor requirements; they are internal policy choices that can be changed.

Recommendations

- The committee strongly opposes further centralization of pre-award grant administration. Evidence from the current review cycle demonstrates that centralization has resulted in loss of institutional memory, increased errors, and degraded service. Departments and schools with adequate capacity should manage pre-award activities locally. Additional resources should be allocated to expand local pre-award capacity within schools.
- Streamline pre-award submission timelines. Eliminate requirements with no clear rationale (such as requiring a full proposal before budget approval). Revert to submission practices that require only what sponsors need from USC before internal approval.
- Establish communication protocols between SPA and DCG to eliminate duplicate and conflicting grant close-out notifications. These offices should operate as a coordinated system, not independently.
- Develop master contract templates with major industry sponsors through USC Stevens, differentiated by project type.
- Harmonize allowable expense policies across schools and divisions. Where variation is justified by specific circumstances, that rationale should be documented and accessible. Unexplained division-level restrictions on grant-eligible expenses are inequitable and should be eliminated.

6.3 Incentive Policies

Finding

Extramural funding incentive policies vary dramatically across USC schools with no transparency and weak incentive structures for grantsmanship. Viterbi, Price, Marshall/Leventhal, and Rossier are the only schools offering direct, transparent PI-level incentives.

Recommendations

- Encourage each school to develop and publicly disclose an explicit extramural incentive policy, including rates and eligibility criteria.
- Encourage schools to adopt policies that reward grantsmanship such as Viterbi's Discretionary Research Fund and its Supplemental Salary Bonus Program.

6.4 Research Funding Stability

Finding

The current federal funding environment is the most uncertain in recent memory. USC has no institutional buffer mechanism to protect ongoing research when grants are reduced or eliminated due to external factors. Some schools have informally committed not to penalize faculty for externally caused grant losses, but no formal protection exists.

Recommendations

- Establish a university-level 'rainy day' research fund to provide bridge funding for ongoing research projects affected by federal funding cuts or delays. This fund should have explicit eligibility criteria, application processes, and replenishment mechanisms.
- Develop institutional guidance on how budget reductions should be handled when a grant is cut after award, including proportionate treatment of co-investigators and subawards across units.
- At the university level, monitor peer institutions' responses to the current federal funding environment and adapt its support mechanisms accordingly. The committee recommends that the Academic Senate request a formal update from the Office of Research on this topic.

6.5 AI Policy

Finding

USC's current AI policy framework focuses primarily on data classification and places the burden of compliance, accuracy, and tool selection on individual faculty. The ChatGPT EDU rollout was poorly executed and did not include adequate faculty input or vendor comparison. No standing governance body exists. Research use cases are not addressed. Healthcare and clinical AI contexts require specialized attention. The current research on the cognitive declines from AI usage are not incorporated into assessment of rollout and use of AI at the institution. The waning subsidization by firms to promote AI usage is not accounted for in the push to adopt AI usage and the budget implications that will follow further reductions.

Recommendations

- Adopt a principled, flexible AI policy framework focused on values and practices rather than mandating specific tools. Policy should address data classification, accuracy responsibility, disclosure obligations to journals and sponsors, and research integrity standards; it should not prescribe particular platforms.
- Provide departments or individual faculty with budgets to select AI tools appropriate to their research needs, rather than mandating a single institutional platform. Institutional contracts with OpenAI and Google are not restrictions - they are options. Faculty should be free to use other tools consistent with data classification requirements.
- Require that future AI vendor selection processes include structured faculty review and documented comparison of alternatives. USC should not commit to a \$3 million institutional AI platform without this process.
- Establish the Standing Faculty AI Committee recommended in Section 5.2 with a specific mandate to develop research AI guidelines and advise on research academic integrity standards related to AI. Every school and major unit should be represented on this committee. It should allow for fluid policy adoption and revision as technology evolves.
- Support the establishment of a separate AI Taskforce for healthcare and clinical contexts, consistent with the recommendation made by Dean Garrett. Half of

USC's faculty are involved in healthcare delivery; general AI policy is insufficient for clinical research contexts.

- Fund non-technical AI literacy training for faculty that covers how AI tools work, their limitations, ethical implications, and applicability to specific research domains. Faculty should not be expected to define appropriate AI use without adequate preparation.

6.6 Faculty Governance

Finding

Faculty have no reliable mechanism to provide input on or challenge administrative decisions that affect research. Requests for transparency on IDC spending have been ignored. Unilateral decisions on data storage, vendor lists, and reimbursement policy have been imposed without faculty consultation. The result is eroding trust and a sense of fatalism about whether engagement with administration is worthwhile, which in turn reduces productivity and lowers retention rates.

Recommendations

- Establish a formal faculty input mechanism for central administrative decisions affecting research before those decisions are implemented. This mechanism should have clear timelines, named points of contact, and documented outcomes.
 - Our other recommendations of requiring a report to the faculty of RIC budget breakdown and a standing Faculty AI research policy committee will also complement this effort to expand meaningful faculty governance in the issues that impact us the most.
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7. Appendix

7.1 Guiding Questions

The following questions were used by committee members to define their scope of discussion or survey of their faculty and research staff.

Research Management

1. How do you get support from your department/center in preparing proposals?
2. Once funded, what are your challenges in accessing and moving your funding?
3. What administrative tasks across the pipeline feel most burdensome or repetitive?
4. What works well about your department's research support?

Indirect Costs (F&A)

1. How does your unit categorize and collect indirect costs (F&A) on research projects?

2. How are indirect costs allocated and spent within your unit? Is any returned to the PI?
3. What shared resources or facilities do you use to conduct your research?

Other Institution Perspectives

1. If you have experience with other institutions, what did they do better or worse?
2. What have you heard from colleagues at other universities that sounds appealing?

7.2 Generative AI General Policy

USC's institution-wide data governance policy for AI tools establishes a data classification matrix governing what information can be entered into which type of AI tool. Public data may be used with any AI tool; internal use data requires USC Enterprise tools; confidential and restricted confidential data (including FERPA, HIPAA, and export-controlled information) may not be entered into any AI tool without written approval from the Office of Ethics and Compliance. Departments may not procure AI tools without clearance from Cybersecurity, the Office of Ethics and Compliance, and General Counsel.