




PLANNING & BUDGET

December 19, 2018

To: Gerry Bomotti, Vice Chancellor for Planning & Budget

Via: Dylan Rodriguez, Chair
Riverside Division

From: Katherine Kinney, Chair 
Committee on Planning and Budget

RE: Proposed Budget Model Refinements

The Committee on Planning and Budget reviewed the proposed budget model carefully. Overall, we find the revisions to the budget model a thoughtful improvement on current practices and assumptions.

We offer the following comments and questions on specific topics:

1. Salary and Benefits: The cost sharing plan is reasonable and necessary as a contingency if the state underfunds salary and benefit increases.
2. Credit hour weighting: We agree that this is an important and necessary step. The models offered set arbitrary levels and would need modeling before we can understand the relative value of any of the proposed weights. We understand the Texas model is of long standing and well tested but wonder if other UC campuses have a credit weighting model, especially one using an RCM budget model, that could serve as a comparison. One concern is unintended consequences. For example, many lectures courses are run with very heavy TA workloads, with more students per section and /or more sections per TA than are pedagogically sound. Is there a danger of assuming an artificially low base cost of a credit hour?
3. Recharge rationalization: plan is reasonable.
4. Graduate (MA) incentives: In principle, we agree that programs should benefit from plans to increase enrollment. We have broader concerns about plans to incentivize increases in MA students removed from a more coherent plan for graduate education. For example, the

Graduate Dean has advocated such increases as a way to increase support for PhD students. Shifting the incentive to the program would make this possible, but not necessarily be the outcome. This is a strategic plan issue more than a budget implementation issue, but the two need to work in concert. The link to PhD funding should be part of the discussion with the Deans as this change is implemented. Self-supporting programs are not included here, and we wonder how the budget model accounts for those? Also, some of the listed programs, such as MFA degrees, do not really fit this model, since these are the expected terminal degree in the respective fields and students are typically funded on the PhD model. So too, it would be logical to differentiate research and professional MA degrees, since the cost, fee, and support models are quite different.

5. PhD support in the budget model: This issue remains of high concern for the committee. Leaving PhD funding out of the model has exacerbated a general lack of concern with this critical aspect of our mission. We applaud giving this priority. Somewhat ironically, the recommendation does not cite the percentage of PhD students. While the ratio of graduate and professional student enrollment is important, here it masks the significantly lower PhD enrollment. One question is whether there can be a better way to deal with tuition payments for funded PhD students. The tuition costs of TAs and RAs to programs and PIs are very high, and this money apparently stays on campus. Can this be rationalized to allow programs to increase the number of students in their programs?
6. Facilities Renovation and Support: We find both A and B reasonable. How would specialized teaching spaces (i.e., dance studios or labs) assigned to departments or programs be prioritized?
7. Performance funding. We have no objection but it's hard not to feel that there are better uses for this money and that the entrepreneurial incentives of the model have not effectively moved the campus toward its larger goals.
8. Assessment to Auxiliary units. The freeze is evidently the only practical short-term step. We support the longer-term plan to make more equitable assessments.
9. Undergraduate Non-Resident Tuition. This is a logical improvement of the model.

We have no specific comment on items X-XX. All are reasonable improvements that increase transparency and stability, thus enhancing units' ability to plan. Space weighting is particularly welcome. Increasing revenue is an obviously important, if elusive goal.