June 4, 2012

RALPH J. HEXTER
Provost and Executive Vice Chancellor
Office of the Provost

RE: Davis Division Response: Undergraduate Tuition Allocation – Version 3

The Davis Division of the Academic Senate forwarded the referenced proposal to all divisional standing committees as well as Faculty Executive Committees within each college/professional school. Comments were received from Committee on Planning and Budget and Undergraduate Council as well as from the College Faculty Executive Committees of Agricultural and Environmental Sciences, Engineering, and Letters and Science.

Overall responses reflected concern that the budget transparency stops at the Dean level. While some acknowledge there is an incentive for the Dean's level budget to be transparent when the Faculty Executive Committee is involved in the process, the Davis Division's position is consistent in that the entire UC Davis budget must be transparent.

Undergraduate Council articulated well the overall concern regarding behavioral outcomes associated with the incentives described: "Undergraduate Council expresses its desire that any allocation of Undergraduate Tuition work in the service of maintaining excellence in undergraduate education at UC Davis and not incentivize behaviors that would undermine the collaborative strength of undergraduate education across campuses." Perhaps, as recommended by the Undergraduate Council, the Provost/Executive Vice Chancellor Allocation be thought of as a resource to explicitly support cross-college initiatives and undergraduate education projects that may be central to the mission of the university even if they are not currently central to the work of an individual college.

The following are specific comment excerpts the Davis Division believes must be considered and incorporated as the model is refined:

- The model appears to reward policies and actions that do <u>not</u> encourage faculty engagement in or students' experience of the quality of undergraduate education we wish to preserve or attain. Larger classes, easy courses and majors, reduced time-to-degree, and more courses taught by non-ladder faculty, for example, are just a few of the approaches that could be considered desirable financial strategies in this new allocation environment.
- There may be disincentives for faculty or departments to offer small or experimental courses, to develop or implement instructional techniques designed to individualize the classroom experience, promote "capstone" courses, or invest effort in one-on-one interactions with undergraduate or graduate students.
  The model does not sufficiently take into account variable cost of each college which is driven by differences in faculty pay. Other universities, as noted in the whitepaper, take this variability into account by charging variable tuition – but UC Davis does not charge variable undergraduate tuition. Therefore, the model must be altered to include a weighting factor based on the average faculty salary per college.
- The model does not take into account the future value of the education, with respect to the individual (salary), the state (tax revenue) and the University (fund-raising from alumni). The model seems overly simplistic in just considering student credit hours and number of degrees issued, when the value of each degree in future financial terms is clearly not equivalent.
- The model does not reflect the push of the 2020 initiative to bring non-resident undergraduates to UC Davis nor does the model reflect the potentially higher cost to educate international students. Instead it blends the non-resident and resident tuition together and distributes it evenly. Why is there no monetary incentive built into this model to attract non-resident students?

- The revenue to the various colleges generated by this model has not been compared to the current budgets of the various colleges. This step must be taken (and compared to the graph in Appendix III) and the results of this analysis made available, and used for further refinement.
- The model puts perhaps too much trust and power into the hands of the provost who is in charge of distributing the 30% assessment. If the model was applied to the current funding year, how would the 30% assessment be parceled to meet the costs of each college? In addition, would the provost have more or less power with this model in comparison to the current situation?
- Apparently gaming occurred at Michigan, which is why they changed the allocation percentages. UC Davis may have its own particular issues that should be considered carefully to limit “gaming”.
- Who is writing this white paper? Why have they not attached their name(s) to it? In addition, who is giving direct input to the writer(s)? For example, on page 8 it is stated, “In response to *concerns* that not enough consideration was being provided in support of the major, the SCH component was reduced by five percentage points (from 65% to 60%), and the degree major was increased by five percentage points (from 25% to 30%).” Making this information plain would certainly help the transparency of the process to build a more transparent budget.

We look forward to receiving the next generation of this whitepaper.

Sincerely,

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