

April 3, 2013

RALPH J. HEXTER

Provost and Executive Vice Chancellor

RE: Faculty Resources – Budget Model Working Paper Version 1

The white paper was forwarded to all Davis Division of the Academic Senate standing committees and Faculty Executive Committees within the schools and colleges for comment. Detailed responses were received from the Committees on Faculty Welfare, Planning and Budget, Graduate Council, and the Faculty Executive Committees from the School of Education, Graduate School of Management and College of Letters and Science.

First, the Division remains deeply concerned about the many unknowns surrounding the graduate education budget model including the impact to the process described in the whitepaper. The whitepaper acknowledges that the interaction between the model and the one for graduate education is unknown, as are the incentives for units to invest in graduate education priorities. Without a workable graduate education component the campus budget model as a whole and the faculty resources allocation model in particular, cannot be fully evaluated.

A majority of respondents support many aspects of the model as outlined the in whitepaper, such as giving academic units the discretion to retain and use an increased proportion of resources for faculty salaries, the process of centralizing the merit and promotion process, and the fact that deans will retain money to replace faculty after retirements and resignations. In addition, we recognize the apparent advantages to having greater flexibility in generating faculty positions through alternative financial resources

However, some feel that the model lacks clarity, transparency, and details of how processes will be implemented. We note that there was no justification for the specific changes in budget formulas in this proposal. For example, on page 5, it says of the new model that "Deans will create or eliminate faculty positions based on priorities, workload and available resources." Is the campus planning to create a model Deans should follow to create or eliminate (tenure track) positions based on workload changes?

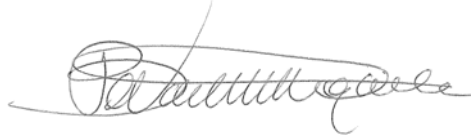
Student success outcome measures for undergraduate and graduate education are academic outcomes, thus the Academic Senate will continue working to define these outcomes so they may be incorporated into the faculty funding process.

Strong concern continues with the lack of uniform knowledge and application of policies outlining the faculty consultation process. Consistent application of the consultation process when making curriculum decisions, identifying future faculty hires, developing a

new program, and repurposing funds whether budgets shrink or grow is one key to achieving process transparency. New processes developed must be documented to ensure consistent application.

I feel it is important to attach all of the responses received to allow you to consider the comments within context. While we support many aspects of the proposed model, we wish to see clearly established processes and completion of the missing pieces, before endorsing the proposed model for managing faculty resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruno Nachtergaele". The signature is fluid and cursive, with a large initial "B" and a long horizontal stroke extending to the right.

Bruno Nachtergaele, Chair
Davis Division of the Academic Senate
Professor: Mathematics



Davis Division Academic Senate

Request for Consultation Responses

Faculty Resources - Budget Model Working Paper Version 1

March 12, 2013

The working paper provides context for a discussion on the management of faculty resources within an incentive-based budget. This paper includes a general overview of the past practices on management of faculty FTE and compensation, its sources and uses, and how these resources will be managed in the new budget model.

CAP Oversight Committee

March 14, 2013 4:46 PM

The Committee on Academic Personnel (CAP) has reviewed the working paper for Incentive-Based Budget Model Faculty Resources. The majority of the document deals with changing allocation of faculty positions from an FTE-based model to one determined by resources available to Deans to meet their programmatic needs and initiatives. The component of the document that affects the academic personnel process is the section discussing the level at which a faculty position is reallocated following denial of a tenure action. This process is specifically noted as remaining fundamentally unchanged, consistent with Directive 97-101, stating that the position will remain at the level at which the denial of tenure was first supported. This policy was implemented to ensure that “the decision to grant or deny tenure should in no way be influenced by a concern over losing the ability to replace a faculty member.” However, CAP notes that if a faculty member were being considered for tenure in a situation in which that candidate had a marginal record and department members considered the case to be tenuous, the policy could influence some individuals to vote against the action for the simple purpose of registering the department as the level initially denying tenure, thereby ensuring the position's return to the department.

Because the new policy is fundamentally an extension of existing policy with respect to personnel advancement, CAP finds that it does not affect the academic personnel process.

Council of School & College Faculty Chairs (EDUCATION)

March 12, 2013 1:46 PM

Council of School & College Faculty Chairs.

School of Education March 11, 2013.

Consultation from the Faculty Executive Committee, School of Education

Re: Report on Incentive Based Budget Model, Faculty Resources. February Draft.

(Consultation on March 7th, 2013, at FEC Meeting; on March 11th, at scheduled Faculty Meeting).

In reviewing the report, we discussed the principles that guide the new budget model; the incentives that the model offers; the changes in the process and the possible impacts of the model on the School of Education (SOE). Our discussion also targeted questions and concerns on how the Model might unfold given the unique situation of the SOE. We are committed to our land grant mission especially with regard to serving the diverse student populations of the schools of California. We also recognize the importance of our role as a professional school with a graduate population of professionals. While we do not have an under-graduate major, we do currently teach large numbers of undergraduates and have a large undergraduate minor. However, in this budget model, 40% of the student credit hour yield that accrues to departments with majors would not be accessible to the School.

We very much appreciate the presentation of the guiding principles. They can serve as a framework that we can use in developing proposals and monitoring impacts of our efforts. We applaud linking the incentives to the Vision of Excellence and feel that we would explore new initiatives in the SOE with reference to our Mission Statement. We do note the advantages of having greater flexibility in generating faculty positions through alternative financial resources. We could envision exploring a variety of programs including designing summer and on line hybrid programs for professionals, and possibly developing an alternate major related to education which could lead students to advanced degrees or credentials post graduation. We recognize, however, that the salaries of teachers especially, make it difficult to justify ever higher tuition costs for income generation, especially under current conditions.

Finally, we conclude that this is a complex proposal that still leaves some key questions unanswered. We list a few of these here:

(1) What negative effects on the tenure review process might impact faculty and

administrators, in light of the proposal's recommendations for fund allocation for a position, when an incumbent is denied tenure? (2) The proposal process as outlined does not specify how faculty will be consulted in their role in making curriculum decisions and generating proposals for new hires. How and when will consultation with faculty at the School and department level occur prior to developing a new program and making a recommendation for recruitment for a position? (3) How precisely will costs be established/adjusted for unspecified or averaged expenses (e.g., administrative needs linked to external accreditation agencies, in the case of professional schools, or benefits for faculty from units with lower salary ranges)? (4) How will the definition of tuition returns work in the case of graduate students in professional programs, when there are limits to deep tuition hikes and when so little is specified on the impact on graduate education? (5) What kinds of processes will be in place for addressing shortfalls before they become severe debt burdens that hamper valued, existing programs and possibly faculty positions?

Council of School & College Faculty Chairs (LS: HACCS)

March 10, 2013 6:27 PM

Response continued on next page.

College of Letters and Science
Faculty Executive Committee
Consultation Report on Faculty Resources Budget Model Working Paper, Version 1

The L&S Faculty Executive Committee (FEC) has some questions concerning the new Faculty Resources Budget Model:

First, we note that units are being encouraged to use sources other than general funds for the hiring of faculty. What if a faculty member were hired based on the assumption of a funding stream supplied through a self-supporting degree program and the program is dissolved or fails to generate sufficient funds? Does the central campus make a commitment to fund the faculty salary in the event that the other source is not available or sufficient?

Second, we note that funding for merits and promotions is centralized and appreciate the rationale for this: that it safeguards against the possibility that merit and promotion decisions would be made with financial interests in mind (which they should not). However, we note that faculty for whom the salaries are not centralized are not safeguarded in the same way. Seemingly, those faculty who receive part or all of their salary through other sources would not have merits and promotions funded centrally. This position ignores the rationale for safeguarding merit and promotion actions to ensure impartiality in judgments. We are concerned that this may set up a two-tiered system of guaranteed and non-guaranteed merits and promotions.

Third, we note that deans are making all the decisions with respect to future hires. While FECs are guaranteed some input at the annual budget meeting stage of the process, there are no formalized processes for consultation with the faculty. If a dean did not consult with faculty prior to making a recommendation about recruitment, the FEC chair accompanying a dean to the budget meeting with the provost would be in the difficult position of having to speak out about the lack of input at such a meeting. This puts a significant amount of pressure on the FEC chair, who might be reluctant to speak out if s/he perceived that doing so would have negative consequences for the future of the college, school or division with respect to recruitments. While we acknowledge that there are incentives for deans to cooperate with faculty on the budget, initiatives and recruitment, we nonetheless advise formalizing processes for consultation with the faculty.

Fourth, the model lays out clearly the processes for recruitment and hiring, it does not provide a model for shrinking (as we have been doing). We ask what the processes will be when/if budgets continue to shrink. For example, what kind of processes will be followed when deans decide not to recruit, but rather to repurpose the funds? Will this decision be part of the case made in the annual budget meeting with the provost? What kinds of processes will ensure that there has been consultation with the faculty?

Finally, we are pleased to see that deans will retain enough money to replace faculty after retirements and resignations. Again, we iterate the need for consultation with faculty on these matters.

Council of School & College Faculty Chairs (MANAGEMENT)

April 2, 2013 1:24 PM

Response to Budget Model Working Paper Version 1 - from Graduate School of Management

The Graduate School of Management Faculty raise the following questions/concerns regarding the new budget model proposal:

Questions

1. If we promote a faculty person and then that person resigns at the end of a one-year leave. Do we have to give the Provost 15% of the higher salary and benefits? Is this an extra cost to the unit of the promotion?
2. If a faculty person retires the unit gives back 30% to the Provost; with resignation it's 15%. Assuming UCRS retirement income, etc. is no different for a resignation versus a retirement, would there not be a cost to the unit of retire versus resign (assuming all else unchanged)?

Concerns

1. If (as is likely) our faculty are hired later in career and retire or resign earlier than other groups, we would probably find ourselves returning quite a bit more to the provost than he will actually provide over the course of a typical GSM career of merits and promotions.
2. There is ambiguity about the financial risk of faculty hired with revenues derived from self-supporting degree programs. How would the central campus go about determining whether a given program qualifies for financial support from the central campus down the road? As tricky as it is, some clarity on this is quite important if schools were to be encouraged to pursue self-supporting degree programs. In fact, in an exploratory discussion of new self-supporting degree programs among our faculty, one member expressed strong aversion to hiring any ladder faculty exactly because that person did not want the school to bear the risk of future revenue shortfalls. But if we can't hire ladder faculty for fear of such risk, then starting a new program quickly becomes unattractive for many reasons.

If this were a research paper submitted to a top journal, it would merit a rejection, due to our exposition and poor link between goals, method, model, and results.

The paper starts with 8+3 principles. It concludes stating that the new model achieves a certain property - but, strangely, this is not one of the 8+3 in the introduction!

The paper itself is not transparent and clear (one of the stated objectives). In some places it obfuscates rather than state in a way that is bold and clear. It shuns the common and useful practice of presenting a comparison side-by-side along the key factors that matter.

To cite just one example, under "Terminology" it defines "upgrading". It proceeds to tell us how upgrading is handled under the *current* model. However, it is silent on how upgrading would be handled in the *new* model. Now I have to go searching throughout the document to get my answer.

On p5, it says of the new model that "Deans will create or eliminate faculty positions based on priorities, workload and available resources. " how are Deans supposed to eliminate (tenure track) positions based on workload changes? Or are we going to be allowed to hire clinical professor, or practice professor?

With the lack of clarity, I'm left to read multiple times in order to understand exactly what is being stated.

It also does seem that the new approach endows the Dean with enormous power - which is different from the claim of decentralization and local autonomy. Was the intent to create decision making power at the unit level - comprising faculty - or is it purely intended to devolve power from central campus to Deans?

Are faculty lines, and fund categories, matched at a very micro level that remains rigid over time? So, lets say that a unit has 6 faculty lines and wants to be at 8, and suppose all faculty do exactly the same thing (research, teaching in a specific area). then which 2 should be designated as on non state funds? What if 3 of the state faculty leave, and then is there a process to transition the other 2? Do they have to re apply?

Elections, Rules & Jurisdiction

March 19, 2013 11:42 AM

No response at this time.

Faculty Welfare

March 12, 2013 1:02 PM

Response of the Faculty Welfare Committee to the Faculty Resources - Budget Model Working Paper

The promise of a new budgeting system has created a great deal of uncertainty over how resources will be allocated in the future. The Faculty Welfare Committee endorses many of the changes described in this working paper on the new budgeting process. We support giving academic units the discretion to retain and use an increased proportion of the resources committed to faculty salaries compared with past practices. We did note that there was no justification for the specific changes in budget formulas in this proposal. This missing rationale would have helped us more fully understand how this “incentive-based budget model” was supposed to work.

Graduate Council

March 12, 2013 11:59 AM

Response continued on next page.

March 11, 2013

RFC: Incentive-Based Budget Model, Faculty Resources (Working Paper V1)

Graduate Council reviewed the RFC: Incentive-Based Budget Model, Faculty Resources (Working Paper Version 1) at its March 1, 2013 meeting. Council commends the individuals who put a great deal of time and effort into this report.

The Council observed that because outcome measures of student success for undergraduate and graduate education are academic outcomes (at least in part), the Academic Senate should define these outcomes (p. 6). It was also noted that the interaction between this model and the one for graduate education is not yet known, so the incentives for units to invest in graduate education priorities are unknown (p. 10).

Accordingly, Graduate Council submits for your consideration the aforementioned recommendation(s).

Sincerely,



Rachael E. Goodhue, Chair
Graduate Council

/vm

c: Gina Anderson

Planning & Budget

March 19, 2013 11:42 AM

CPB reviewed the Faculty Resources – Budget Model Working Paper Version 1. The committee agrees that the information and processes outlined in this carefully prepared and thoughtful document are reasonable. However, CPB would like to see more direct Senate involvement in the actual process of allocation of FTEs. The committee is presently working on a proposal that will be sent to the Provost suggesting a new plan that will address the specifics of how to improve the process of communication between the Deans, CPB representing the Academic Senate, and the Provost regarding allocation of Faculty Resources.

Research

March 19, 2013 11:43 AM

No response at this time.