



Davis Division Academic Senate

Request for Consultation Responses

Graduate Tuition - Working Paper - Version 1

June 14, 2013

In his April 30, 2013 transmittal message, Provost Hexter stated: "This paper has been long in coming, due not least to the extraordinarily interdisciplinary nature of graduate education at UC Davis. The examples from other institutions that we relied upon for determining how to allocate undergraduate tuition and indirect cost recovery were not applicable to our graduate environment. We have also tried to be mindful of the work done by the Joint Administration / Academic Senate Special Task Force on Graduate Education. The proposed model attempts to recognize faculty effort in support of teaching and mentoring, ensure that graduate tuition flows to activities that support graduate education, and attend to the special needs of international students. As with other white papers related to the new budget model, we intend this paper is to serve as a starting point for conversation. While the budget model does not add any new resources to the system, it should make the flow of funds more transparent and establish the appropriate incentives for the future."

Council of School & College Faculty Chairs (BIOLOGICAL SCIENCES)

June 14, 2013 12:38 PM

The faculty of the College of Biological Sciences have serious concerns regarding the proposed changes to distribution of graduate student fee revenue and to the mechanism of funding fee remissions for all graduate students including teaching assistants. The changes are complex and impinge on so many aspects of the organization of graduate education on this campus and the mechanisms of funding that we find it very difficult to anticipate the effects on such programs if the new funding model is adopted. The complexity of the issue is such that a fully analytical response appears beyond us. Others may also be daunted by this difficulty as there are as yet no responses from other Academic Senate units in the Senate Information system. We feel, however, that despite this difficulty we must make our concerns known.

One of the main difficulties in evaluating the effects of the proposed system is the way graduate programs cut across units at Davis. For example, for many of the graduate programs housed in the College a significant fraction of the students are in laboratories in other units, and fees for students on GSR appointments are paid by grants to faculty in these units. We are unclear on how and to whom the portion of these fees would be returned. Even greater confusion is produced by the requirement that a unit fund the full fees of TA positions assigned from that unit. TAs are hired on the basis of needs of undergraduate education and it is important that instructors have the freedom to hire the best TA to aid in their course. Because of this, TAs of classes taught by College faculty come from a variety of graduate groups, many housed outside of the College. The new model would appear to take funds provided to the College to pay the fees of such students. This might provide an incentive to induce instructors to preferentially hire TAs from labs within the College, affecting TA decisions and also the funding of graduate students broadly across campus.

Exactly how the flow of funds would occur between units is also difficult to evaluate. A significant fraction of the funds to pay fees for all students would come from the return of a portion of fees paid from within a unit. Thus, funds obtained in the form of GSR fee remissions from grants in a unit seemingly could end up being expended to pay fee remission for a TA enrolled in a graduate program in another unit. We recognize that this may already be the case in the current model where funds are more centralized, but which way the flow of funds would be altered in the new model is exceedingly difficult for us to evaluate.

The impact of this policy on NRT across campus is also of concern. The proportion of graduate students who require NRT is much lower in CBS, because we have made a choice to use our funds to recruit more, excellent students who do not require NRT. We have done this to conserve scarce funds, even though we would like to recruit more highly talented international students. This is in stark contrast to other colleges, who rely more heavily on NRT students. If UC plans to decrease NRT for all groups by increasing tuition for non-NRT students, that clearly will have an unbalanced and detrimental impact on the graduate programs in CBS. We would end up paying for the high proportion of NRT within other colleges, and would not have the option of independent control. Alternatively, if the new policy plans to offset NRT with a Provost's supplement to groups, based on current enrollment, that also is imbalanced because the grad groups within CBS have made a choice not to recruit students who require NRT. A more equitable approach would seem to be an allocation of funds to support graduate programs across campus based on a specified number of students per faculty FTE from active labs. That would level the playing field and then each group could decide how to handle the NRT.

With respect to recently announced plans to allow for a waiver of international graduate student NRT in years 6 and 7, we laud efforts to reduce the impediment of NRT for accepting international graduate students, but we think that the bigger impediment is paying the NRT in year 2 rather than in year 7 and suggest that the funds for NRT waiver be directed to year 2 as a priority, putting international students on an even footing with domestic, non-resident students in that NRT would only be assessed in year 1. However, as noted above such funds would have to be distributed equitably and such distribution should not be based on recent history, which is heavily colored by differential group choices on relative distribution of foreign and domestic admissions.

The College has organized a meeting with the Provost on June 18 to gain more information on how the new model would work and how it would affect funding. We hope to learn more at that meeting, but given the June 14 deadline for comments via the Academic Senate system we felt it imperative that we make our concerns and confusion known. We would like to reserve the right to modify or augment these comments following this meeting.

Council of School & College Faculty Chairs (ENGINEERING)

June 11, 2013 3:44 PM

Response continued on next 2 pages.

College of Engineering FEC Response to Request for Consultation

A. Major points made by a wide faculty of faculty in COE:

Our Committee thinks that the proposed “Incentive Based Budget Model for Graduate Tuition Allotment” is not an improvement on the existing system and we therefore ask that it not be implemented. Our specific concerns are delineated below.

1. The campus’ existing system of allocating funding via the Graduate Dean’s office is already incentive based and transparent. Graduate groups and programs already have access to the formula driven allocations and adjust accordingly (thus both transparent and incentive based). If the Administration wants to change the incentives, they can readily do that via changing the formulas. If additional funding comes into the system, it can be allocated via the existing Graduate Dean’s office. There is no reason to add an additional layer of administration via the individual Dean’s offices. Such an additional layer will not increase decentralization, transparency, efficiency, nor incentive based budgeting.
2. The basic logic of the proposed plan is flawed. Several broad problems are mentioned (e.g., graduate student support has not kept up with graduate student costs; resources and work load are not clearly connected; lack of transparency & clear incentives are hindering meeting Administrative goals, etc.), several vague principles are stated (e.g., the goodness of transparency, sustainability, locale autonomy, etc) and then magically the authors infer that this proposed plan will solve the problems and strengthen adherence to the principles. Yet there is no evidence given that this inference is actual true. In other words, a plan has been proposed, but there is no logical basis to infer that the plan will solve our current real problems. The fact that the authors are unable to make any quantitative projections based on the proposed model (including sensitivity analysis) compared to the existing model, makes it even more doubtful that the proposed plan will solve the actual problems. We ask that before the Administration implement any changes in the current structure, they reframe the proposal to first quantify the actual problems to be solved and make explicit the connections between the problems and proposed model. Just stating problems and principles and plans in the same document does not automatically confer a logical connection.
3. Given that the proposal changes the current model for allocation of money, with little or no rational, it would seem sensible to produce realistic scenario examples of what is projected to occur in 5 years and 10 years from now, under any new framework and compare it to the existing.
4. Unlike the Undergraduate Model, allocating Graduate Support money to College Deans under the new plan does not increase either transparency nor provide incentives that link workload to funding and it certainly decreases efficiency and increases administration costs. There is no mechanism to ensure the touted benefits actually occur. In fact, the current system, under which the Graduate Dean allocates resources based on a formula, seems much more transparent and incentive based, as long as all graduate programs and groups know what the allocation formula is. Please provide a better explanation for why the Administration thinks that directing funding that is meant for graduate student support should go to College Deans rather than continue to go through a Graduate Dean directly to the graduate programs and groups. The proposal is essentially taking one campus wide Graduate

Dean and replacing him/her with several College Deans. The potential for misuse and lack of transparency is increased, if anything.

5. A decade ago, graduate funding did flow directly to the College Deans, who then dispersed it to the departments. When that changed and funding began to be disbursed directly to the graduate programs and groups via a central Graduate Dean, the link between graduate costs and graduate work load became clearer. Please explain why the Administration believes that going back to the College Dean model is better.
6. Page 7 & 8. What is actually wrong with the current Graduate Program Fellowship Allocations (block grants) model? Why can that model not continue to be used? The proposed model, described on page 8, does not increase transparency nor incentive based budgeting. All the benefits claimed to accrue to the new model could just as easily (and be more clearly tracked) be obtained through the existing structure.
7. One major current problem that the majority of faculty agree needs to be solved is the fact that non-resident tuition costs are a disincentive to recruiting the best international and non-California residents. The proposed plan provides **no** clear path for solving that pressing problem. There is no point in coming up with a new structure/plan that does not explicitly solve the major problem.
8. The concept of Blended rates – having faculty with California resident students pay more so that non-residents can pay less is not a solution. In fact, that approach contradicts the Administration’s goal to “connect expense incurred with benefits gained”. Tacking on cost to domestic students to subsidize international students is not fair to domestic students. Also, if we all start hiring more international students the blend value is going to have to increase for domestic students beyond the projected \$4k mentioned. It becomes unsustainable if the fraction of international students increases significantly, which the proposal seems to ignore. Grants are harder to get, and budgets are being cut, NSF grants particularly are small in dollar amount. The federal funding system is not built to support international student tuition. Increasing the cost of domestic students to offset costs for international students will impact the scope of work that can be done on grants (decrease it). In addition, given the proximity of Stanford and Berkeley, increasing our California resident tuition rates would make recruiting of the limited pool of the best California residents only that much more difficult. The only advantage of a blended rate is that if all students are charged the same, budgeting will be easier, but even this minor benefit is not assured, if the blended rate changes from College to College (given that faculty draw their students from more than one Graduate Group/Program) and year to year.
9. The proposal also seems to infer that buy-down of NRT for international students who passed the QE would disappear and if this is the case, it is not clear that the new system would actually even decrease costs of international students. Basically, most engineering faculty have adjusted to the buy-down system by pushing international students to complete their course work within 2 years and take the QE by the end of the second year. So an average international student who stays at UCD 5 years for his/her PhD pays NRT for 2 years but gets a buydown for 3 years. It is not clear that a blended rate for 5 years would lower the cost. (In addition to the other problems with the blended rate mentioned above).

10. As a further example of the weakness in the proposal, Funneling the majority of new money through the college Deans rather than through the existing Graduate Dean also does nothing to solve the problem, and likely will just make it worse, given that the priorities of College Deans do not necessarily align with Graduate Programs/Groups/students. Any increase desired in transparency or change in incentives, can be made via the Graduate Dean's office. We understand that such an approach might be sensible for Undergraduate Budgeting, but there is no logic in using the same approach for Graduate Budgeting, given the significant differences.
11. On Page 4 it is stated that "the focus of this paper is on graduate tuition as a source of revenue for the campus". Hopefully that is not really how the Administration thinks of graduate tuition. The Table in Appendix IV clearly shows the magnitude of the problem in relation to funding a grad student vs. postdoc. Using these students to provide a revenue stream is more applicable to the self-funded Master's programs, but it really has no place when finding the best research-focused students. Faculty will frequently select a postdoc over a nonresident (international) student for their project, even if the buy down is in effect. As long as international students are unable to gain residency like domestic national students, this will be a problem. This proposal again does nothing to solve this problem, and could even make it worse. Table 2 (p. 10) shows how COE is affected to a much greater degree than other colleges.
12. We agree that an effort should be made to recognize teaching and mentoring in graduate education, however, this can be done via the existing structure via a change in formula, rather than creating a whole new structure.
13. How does the Administration view State contracts? The proposed model appears to provide strong dis-incentive for faculty to do State sponsored research. State contracts are not allowed to pay non-resident tuition. Under the current system, such contracts are viable only because the campus provides a portion of the funding for non-resident tuition on state contracts. It may be short-sighted for UC Davis, as long as it is a public university, to end this policy. College level Deans are not likely to have the same incentive that the central administration has to continue subsidizing State grants. Thus under the new proposal, departments that have a significant portion of State contracts will have to cut back their research and graduate student recruiting significantly. Civil engineering, one of largest programs on campus and one of the highest ranked nationally, would be severely impacted, given the amount of State sponsored research in civil infrastructure.

B. Clarification questions that were raised

1. On page 4, a breakdown of financial support for graduate students in 2011-2012 is given. Please also give the breakdown for the sources of this support for 2011-2012 (i.e., dollar figure breakdown for graduate tuition revenue, unrestricted state funding, extramural research funding (direct charges and indirect cost recovery) and endowments, gifts and grants. This breakdown is important but missing from the report. If the data have never been obtained or organized, it would be important to do it now before making changes in the current system.
2. Please clarify the RTA proposed policy in the new graduate model. The description of what is planned is unclear and ambiguous (particularly on pages 2 & 4). Also on Page 6, it is

stated that “per Regental policy, roughly 50% of graduate tuition must be dedicated to return-to-aid”. Yet on Page 2, it is stated that “For graduate academic students, the policy is that 50% of any increase in tuition or the student services fee will go towards return-to-aid”. Are these contradictory?

3. Are there any plans for changes in the existing structure of campus leadership for graduate studies?
4. On Page 6, it states that readers/TAs get full remission of their tuition. This is not correct.
5. Regarding page 7 and appendix 4, please add another layer to the analysis shown comparing GSR and Postdoc Scholar to explicitly include the indirect costs.

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

June 6, 2013 11:17 AM

Letters and Science Executive Committee

Request for Consultation: Graduate Tuition: Working Paper – Version 1

The Letters and Science Executive Committee has a number concerns about the Working Paper on Graduate Tuition. While the new policy is not intended to provide for growth, long-range enrollment planning for the campus suggests that growth in graduate education is desired on the part of the faculty and the administration. How will growth be possible, given this new model? What kind of growth will be possible?

It is unclear to the committee **what** this new model really motivates in terms of behavior, either on the part of graduate programs or administrators. It is clear that more power is being given to lead deans to fund programs, i.e., all money for instructional support in the form of faculty salaries and TA support, and yet no criteria for setting priorities or measuring success are being given. Are we to assume that this will motivate growth in revenue-producing programs only?

The L&S Executive Committee notes that the introduction and description of the present system provide a long discussion of the central buy-down of tuition and the success of this program. We note with concern that there is no mention of this practice later on in the document. Should we assume that this buy-down is part of the return to aid that comes down to the unit? If this is the case, it needs to be explained. To put it most simply, the Office of the President used to control graduate tuition; now the campus controls graduate tuition and buy-down as part of the model. Is this simple enough? Has the actual policy disappeared?

In the new budget model, what is the function of the Division of Graduate Studies? Clearly, Grad Studies will continue to allocate block grants, but is this sufficient to continue this institutional/organization entity in its present form?

The model provides new money for the provost to invest, but in what? What will be the criteria of selection for areas of investment? Why is the provost keeping 15 % of the non-resident tuition? It just goes straight back to the students now. Why does the central campus need 15%?

Elections, Rules & Jurisdiction

June 20, 2013 4:54 PM

No response at this time.

Graduate Council

June 13, 2013 3:29 PM

Response continued on next page.

June 12, 2013

RFC: Graduate Tuition - Working Paper - Version 1

Graduate Council met on June 10, 2013 and discussed the RFC for the Version 1 Graduate Tuition - Working Paper, "Incentive-Based Budget Model: Graduate Tuition Allocation." Graduate Council would like to express its appreciation to the Budget and Institutional Analysis personnel who presented the report at the May 3rd Graduate Council meeting. Graduate Council commends the budget model's principles specific to graduate education.

Graduate Council's comments are grounded in the following observation: **it is difficult to reconcile academic unit-level fiscal accountability with the cross-unit nature of many graduate education activities.** Some of Graduate Council's concerns regarding potential implications of the proposed budget model are related to implementation of the model at the academic unit level and as such are outside the current draft of the working paper. Many scenarios can be constructed in which academic units' decisions could have detrimental impacts on graduate education, for various reasons. The relevance of each scenario is dependent on implementation. Formalizing routes of communication between deans and between deans and faculty would facilitate the implementation of the model and perhaps mitigate negative effects to graduate education due to uncertainty regarding deans' decision rules and potential consequences. While implementation choices made by academic units are not within the scope of the working paper, the principles governing the budget process are. Accordingly, **Graduate Council recommends integrating the following principles into the graduate tuition allocation model:**

- 1. Departments, Graduate Groups and the Academic Senate should be provided information on the allocation of graduate tuition, extending transparency and accountability for academic units' decisions to the graduate program level.**
- 2. Graduate programs administered by graduate groups and by departments should receive equitable treatment regardless of the academic unit(s) involved.**

The negotiation process regarding resources for graduate education is unknown. Concerns regarding this process illustrate the value of these principles. How will the "lead dean" be defined for this budget process? What will the lead dean's role be? What mechanisms, if any, will exist for evaluating the appropriateness of the relative financial contributions of schools and colleges involved in a given graduate group? Will graduate groups ultimately have to negotiate with multiple deans? These and other concerns should be addressed now rather than being left to a post hoc process and the emergence of these foreseeable problems.

The working paper model allocates resources to academic units based on inputs provided for graduate education. The working paper also shows that at the academic unit level the allocation mechanism does not alter the overall allocation of funds across academic units to a substantial extent. Nonetheless, the allocation mechanism could be a disincentive for multidisciplinary graduate education involving multiple academic units. Depending on how academic units negotiate funding arrangements and deans' allocation rules, a graduate program could have a financial disincentive to expand by involving faculty from other units. Revenues from classes taught and students advised by these faculty would not accrue to the program's home unit.

Concerns regarding teaching assistant support are a second illustration of the value of these principles. The working paper states that one of the principles of the graduate tuition allocation process is to “Recognize the role of teaching assistants as both support for undergraduate programs and training and financial support for graduate students.” Funding for teaching assistants appears in both the undergraduate and graduate tuition allocation modules. To what extent will graduate tuition, rather than undergraduate tuition, be used to fund teaching assistants?

The budget model itself is silent on this matter, consistent with the budget process principle of academic unit-level accountability. It is an important question for graduate education. There are sufficient numbers of graduate students working as teaching assistants across the bounds of schools and colleges to raise concerns that a dean could require his/her departments to employ teaching assistants only from his/her college, rather than transferring financial resources to another academic unit in the form of teaching assistant support. This is a concern for graduate groups in particular because many of them are strongly cross-unit in nature.

Other comments

Graduate Council has two additional comments.

1. One recurring question has been about the relationship of the proposed model to current tuition revenues versus incremental increases in tuition revenues. Editing the working paper to make this very clear at the beginning could reduce confusion. The numbers included in the proposed flowchart (Appendix II) are absolute values and it is challenging to link that flowchart to the p. 12 figure, “Budget Model Steps.”
2. The working paper discusses the allocation of funds. How will variability in tuition revenues be addressed, if at all?

The Graduate Council submits for your consideration the aforementioned recommendation(s) to the Academic Senate’s RFC.

Sincerely,



Rachael E. Goodhue, Chair
Graduate Council

/vm

c: Gina Anderson, Executive Director of the Academic Senate

Planning & Budget

June 20, 2013 4:54 PM

CPB discussed the Graduate Tuition Allocation – Working Paper at its June 14, 2013 meeting. Overall, CPB unanimously endorses Graduate Council's response. Additional comments will be provided below.

First, it will be very important to clarify the definition of a "lead dean". The working definition within Graduate Council in last few years was that a lead dean should be a dean of a college or school (i.e. academic unit). It did not exclude a dean from a professional school being a lead dean (and there are already examples where the lead dean is a professional school dean). CPB's concern is where graduate groups are being, and will be, administered. In the Biological and Biomedical sciences graduate groups tend to be housed in units on campus because historically that was where the science was being done, and where the initial graduate groups were formed. The deans of Medicine and Veterinary Medicine discouraged housing graduate groups in their schools because they saw their mission as educating professional students and administering large clinical programs. For example, two graduate groups—Pharm/Tox and Biochemistry/Molecular Biology & Cell Development Biology are housed in CAES and CBS, respectively. Many, if not most, of the research and training grants for both groups are housed in the two professional schools. Is the status quo what the campus wants to be the case in 2020, as the white paper seems to assume?

Additional CPB comments:

Page 1 - Principle 9; "direct as much revenue as possible". That phrase, in its desire to be vague, begs the question of how strenuously one will work to direct that revenue. It may not hurt to put a number for an upper limit on "administrative overhead", like no more than 20%.

Page 6 - last sentence of the section on "General funds for academic programs" – CPB agrees with the expression "it may be advisable". Indeed, it may be worth stating boldly that this is a direct objective of this new allocation model.

Page 9 - Paragraph on "Increased participation by the deans of the schools". This is the most important section of the document. The draft expects this to be more transparent. That remains to be seen. But what the tenor of the report does seem to suggest is that allocation of funds will be very similar to that of undergraduate tuition allocation (ignoring the differences in return-to-aid). CPB's concern here is that a dean may thus be able to "starve" a graduate group/program of financial support, just as is often done with undergraduate programs. Though in the past, some deans habitually argued against the establishment of small undergraduate majors and failed to adequately support majors. It would appear that this funding model opens the door to a similar process at the graduate level - to weakly, though perhaps transparently, support groups/programs they would like to "go away". This may not be bad in all circumstances, but this new model of investing all financial control in a lead dean could foster such a tug of war of the "power of the purse" between the deans and the senate.

Page 10 - Middle paragraph on blended rates. CPB would support this proposal. Of course its foundation of shared cost might be considered controversial, but such a strategy is beneficial to graduate education.

Page 11-12 - allocation of funds on SCH, enrollment and major professor. This, as mentioned above, is the fundamental challenge of this model - the flow of resources through a lead dean. CPB worries about the allocation of resources to senate members and their students who happen to work in a college/division not administered by a lead dean that is in fact their "real" dean. How many students will have a home department administered by a dean different than the lead Dean for their graduate group? In the biomedical sciences, a majority of the students are scattered rather than in the department(s) under the lead Dean's direct administration. This appears to be a problem unique to, and caused by, the Graduate Group concept, which in turn is unique to UCD among the UC campuses. Nevertheless, some fraction of graduate students and their mentors may fall through the cracks without cooperative and supportive deans.

Research

June 20, 2013 4:54 PM

No response at this time.