



Davis Division Academic Senate

Request for Consultation Responses

Systemwide Funding Streams Proposal

February 10, 2011

UCOP proposal to alter the method by which funding streams are allocated. Note: Response was provided verbally by the Divisional Chair during the February 24, 2011, UC Academic Council meeting.

Administrative Partners (DANN TRASK)

February 10, 2011 4:50 PM

Dear Professor Powell,

The L&S Executive Committee has discussed the UCOP proposal to alter the method by which non-State funds are allocated and has the following comments:

- Concerns were raised regarding the “tax” to be applied to the individual campuses to support the UC Office of the President. Since under the proposed funding model UCOP would be setting the “tax rates” for the campuses to support its operations, a full disclosure and careful review of the UCOP budget should be conducted prior to adoption of the new allocation methodology. It is important to avoid any implication—particularly in times of fiscal stringency—that through its taxation authority, UCOP may be able to self-regulate its budget in a more flexible and potentially generous manner than what’s afforded to the campuses.
- There was further uneasiness over how this tax would be assessed. More information on how the tax rates would vary by campus is needed, since these rates will likely be based to some extent on the capacity of the individual campuses to support the system.
- It seems clear that the proposal will contribute significantly to stratification of campuses within the UC system. While the budgetary inequities that have accumulated over the years will be eliminated, the result will be a system in which the campuses that have benefited from those prior funding decisions will be in a much stronger position to meet their obligations and realize their aspirations than other campuses. The Academic Senate has repeatedly asserted that decisions allowing or promoting the stratification of campuses would damage the reputation and strength of the UC system as a whole (e.g., UCPB “Choices” Report, March 2010). Has the position of the Senate in this regard changed recently?

This is one of several proposals recently with potentially profound implications for the University. The Executive Committee believes that requests of such magnitude should routinely include more detailed analyses of the possible budgetary (or other) outcomes on the affected units and campuses. It is difficult to fulfill our charge to provide effective review and comment in the absence of this additional information.

Sincerely,

Patricia C. Boeshaar, Chair
Executive Committee
College of Letters and Science

Elections, Rules & Jurisdiction

February 18, 2011 12:26 PM

No response at this time.

Planning & Budget

February 18, 2011 12:29 PM

CPB has reviewed the Funding Streams proposal from UCOP. Given the current (and future) funding model from the State, this proposal gives the campuses the flexibility they need to meet the challenge. However, it should be noted that this will lead to an inevitable tiering of the campuses. CPB endorses the comments from the system-wide UCPB committee.

In particular, there must be a comprehensive review of the programs at UCOP and Academic Senate oversight into how the 'tax money' is spent. CPB suggests that UCPB hold responsibility and leadership for this review, both for systemwide academic programs and initiatives. As campus revenues grow, the tax will generate more and more income for UCOP. Services from UCOP will not necessarily grow, nor need to grow. There should be an annual reassessment of the tax rate.

In addition, there must be a 'rebenching' of the historical flow of income from UCOP to the various campuses. The initial implementation of the funding streams proposal—, that is, keeping the assessment revenue neutral for all campuses—, is the easiest method, but this may sustain. However, this may put into place inequities arising from unequal treatment in the past. For example, non-resident tuition was returned to campuses some years ago. Some campuses were able to take advantage of this, others were not. However, this will not be taken into account in the current implementation.