

**COMMITTEE ON ACADEMIC PLANNING AND RESOURCE ALLOCATION
ANNUAL REPORT
2010-2011**

TO THE MERCED DIVISION OF THE ACADEMIC SENATE:

The Committee on Academic Planning and Resource Allocation (CAPRA) met 13 times in person and conducted some business via email with respect to its duties as outlined in UCM Senate Bylaw II.IV.1.B. The issues that CAPRA considered this year are described briefly as follows:

Systemwide Budget:

State Funding Reductions

2010-2011 proved to be a challenging year for the University of California with regard to budgetary matters. In an effort to close a \$26.6 billion budget gap, the State Legislature approved a \$650 million funding reduction to the University for 2011-2012. This represents a 21.3 percent decrease in state support. In addition, the University anticipates having to absorb \$362.5 million of unfunded cost increases for 2011-2012. This will include expenses associated with pension contributions, employee health benefits, merit increases, utility increases, other salary increases, non-salary cost increases, etc. Consequently, the University has commenced preparations for this substantial decrease in its funding. The Office of the President reviewed and trimmed its operational budget. The remainder of the funding cuts will be allocated to the campuses, and a portion will be mitigated through an increase in mandatory systemwide charges, effective Fall 2011. UCM was spared funding decreases attributable to the \$650 funding reduction.

Funding Streams Model

The funding streams model will allow campuses to retain campus-generated funds, including student tuition. The model assesses a fee that is a uniform percentage of campus “operating expenses from all campus fund sources” to fund the activities of the Office of the President.

CAPRA discussed the funding streams model at its February 3, 2011 meeting. The Committee endorsed the notion of providing greater transparency and accountability to the manner in which the Office of the President is funded. While CAPRA generally supported the effort embodied in the funding streams model, the Committee expressed two general opinions in a formal response to the Divisional Council: (1) “rebenching” seems to be an essential component of achieving budget transparency within the University. CAPRA supported delaying the adoption of the funding streams model until a complementary “rebenching” proposal could simultaneously be implemented; (2) the size and role of the Office of the President needs to be evaluated, better defined, and appropriately reviewed.

The UC Academic Council indicated a general support for the funding streams model at its February 23, 2011 meeting, stating the model seemed to simplify University financial activity, improve transparency, and incentivize campuses to maximize revenue. Nevertheless, the

Council encouraged completing the rebenching process as soon as possible, as well as establishing enforceable central enrollment targets. Enrollment management was seen as an essential component of sustaining a UC quality education at all campuses.

Post-Employment Benefits

This year the University recognized the need to address a \$21 billion unfunded liability for its retiree health and pension programs. At a special meeting on Dec. 13, 2010, the Board of Regents adopted several measures to put the University's retirement programs on solid financial footing while still ensuring attractive post-employment benefits. In general, the plan will offer a modified pension program and modified retiree health care benefits to faculty and staff that join the University on or after July 1, 2013. It will also restructure the plan's financing through various measures.

Campus Budget:

Campus Budget Transparency

In consultation with the EVC, CAPRA expressed a concern with respect to UCM's lack of overall budget transparency, including its lack of a formal process for making investment decisions. The Committee believes this should be addressed in coordination with the implementation of the funding streams model. Having a process where the decision to fund one priority is weighed against options to fund other priorities could increase financial efficiencies and returns on campus and could also advance the academic mission of the University. The campus may benefit from having the Budget Committee not only review requests from units for increments to their previous budgets, but to also prioritize new and existing resource allocation choices.

Summer Enrollment Revenue

CAPRA requested summer revenue and revenue distribution data from the EVC. The Committee found that large sums had been allocated to the Deans to use at their discretion. CAPRA views these funds as a possible means of expanding and enriching academic and research endeavors. It also supports transparency with regard to their expenditure. Following Summer 2011 the Committee will transmit a memo to the faculty with summer revenue information.

Instructional Budget (Discussion led by Hans Bjornsson, VP of Academic Planning)

VP of Academic Planning Hans Bjornsson and CAPRA discussed the process and subsequent challenges involved in formulating the instructional budget. Similar to most universities and campuses, UCM begins with a base budget for each school and makes incremental increases or decreases every year. The budget includes allocations needed for lecturers, teaching assistants, special equipment, and other instructional resources. Lecturer FTE is included in the incremental budget because it is derived from the disproportionate amount of new student FTE over new faculty FTE. CAPRA would support an instructional budget that is based on enrollment numbers and policy.

Faculty FTE Assignments

CAPRA discussed the need to identify an appropriate way to assign faculty in the payroll system. The Schools' Bylaw 55 units, which have been proposed by the Senate and approved by the administration, may be a suitable means for faculty payroll designation. The Divisional Council, the Schools, and the faculty chairs could vet the current list of faculty according to Bylaw 55 units.

Merritt Writing Program

CAPRA supports more Senate involvement in the Merritt Writing Program with respect to both academic and resource matters.

Valley PRIME MOU

In general, the Committee believed that the Valley PRIME MOU required considerably more detail and needed to better define campus and program expectations, something that was readily acknowledged by the EVC during his consultation with the Committee. In particular, the Committee hoped that revisions to the MOU would take into account concerns regarding financial obligations, fundraising efforts, the role of campus faculty and Senate consultation, and measures of success.

Young and Park Report

Former UC Chancellors Charles Young and Roderick Park were charged with developing a report on the opportunities and challenges offered by the UCM over the next several years. The report considers the current state and future growth of student, faculty, and staff FTE; annual research expenditure from external resources; and capital expenditures. As the MOU between the campus and the Office of the President provides the ground rules for student and faculty growth over the next three plus years, Drs. Young and Park concluded that space, faculty research support, and an overall analysis of necessary campus growth for achieving stability will be the immediate problems facing the new Chancellor. Options for solving these problems should be addressed without delay.

Enrollment

President Yudof encouraged the Merced campus to admit applicants from the referral pool. UCM did so selectively and with consideration for capacity constraints.

University Relations

During the year CAPRA expressed concern to the EVC, as well as to the Vice Chancellor for University Relations, regarding the lack of Senate involvement in the establishment of campus fundraising priorities. To facilitate a larger degree of shared governance, the committee supported more communication between University Relations, the Deans, and the faculty. In general, CAPRA encourages larger and more effective fundraising goals.

School Academic Plans:

Strategic planning is an annual process that begins with faculty in all units, including schools, graduate groups, and research institutes. The faculty create plans for the development and growth of research and academic programs. The plans are then used as the basis for formal resource requests (i.e., Senate faculty FTE requests), which are developed in the Deans' offices

in collaboration with the faculty. The resource requests and strategic plans are sent to the EVC who passes them to CAPRA for formal review. CAPRA then develops recommendations based on its own Guiding Criteria to the EVC who makes the final resource decisions. This year CAPRA refined its Guiding Criteria.

In November the EVC transmitted the Call for School Academic Plans and the CAPRA Guiding Criteria to the Deans. Plans were to cover a three-year period and work under the assumption of a constant annual FTE allocation. In addition, each plan was to include four tables delineating the nature of its FTE requests: (1) prioritized FTE requests for the 2011-2012 academic year; (2) prioritized FTE requests for the following two academic years; (3) instructional obligations of the School's faculty, by majors and/or graduate groups; and (4) a table documenting proposed space needs.

Resource requests and plans were submitted to the EVC in mid-February and then forwarded to CAPRA. Upon an initial review of the requests and plans, CAPRA determined additional information was required in order to conduct a thorough evaluation. The Committee requested data from Academic Personnel on the status of open FTE searches. This was to ensure that programs were not too ambitious with regard to hiring expectations and, thus, that effective searches could be reasonably conducted. The Committee also requested points of clarification from the Deans with regard to the Schools' plans.

In June CAPRA conducted its final review of the School Academic Plans and FTE requests. The Committee was satisfied that the Schools proposed to allocate new FTE to areas that are disproportionately impacted with large numbers of students or to areas where an additional FTE would have a significant impact on delivering a course of study or research initiative. CAPRA chose to only make recommendations on the 2011-2012 FTE allocations, as much can change within a year's time. It did not offer an opinion about the 2012-2013 and 2013-2014 proposals.

Comments

Academic Strategic Planning is intended to be a faculty-driven process. The Committee was not entirely convinced this was always the case and thus, makes the following recommendations for future reviews: (1) individual program plans should be made available to CAPRA; (2) when CAPRA requires clarifying information on plans, it may wish to consult with the faculty chairs rather than the deans; (3) the executive committees' plans should be brought to the faculty for approval prior to being sent to the deans.

Strategic Investment Faculty Hires:

In December the EVC and Academic Senate Chair distributed to the faculty, the Deans, and the Graduate Group Coordinators a solicitation of proposals to hire ladder-rank faculty in the five Research Themes for UC Merced's Future: (1) Environmental Sustainability; (2) Human Health; (3) Cognitive Science and Intelligent Systems; (4) Community, Culture and Identity; (5) Dynamics of Social and Economic Progress. The overarching goal of the effort was to further the development of nationally and internationally recognized research units and academic graduate programs at UC Merced, while also building excellence in the undergraduate curriculum.

Proposals were anticipated to be for hires at the rank of Professor or Associate Professor. Each disciplinary group and each graduate group could submit one primary proposal, though groups could be affiliated with any number of proposals. Submissions were due in the Academic Senate Office on February 15, 2011. The Senate Committee on Committees convened an *ad-hoc* committee to assess the proposals such that each reviewer was assigned to one of the five strategic areas. Reviewers did not have affiliations with the groups involved in proposals to their assigned area. Each review panel included at least one reviewer external to the campus with expertise in the discipline.

CAPRA was then given the proposals and the results of the *ad-hoc* committee for its review. Charged with making a new FTE recommendation to the EVC, CAPRA identified the strongest proposal in each of the five research themes by establishing how well each submitted proposal met the criteria laid out in the solicitation. One of the top five proposals met all of the criteria particularly well and was recommended for an FTE. The other four were recommended but without a rank order.

All proposal materials, including *ad-hoc* committee and CAPRA's recommendations, were forwarded to the EVC for final decisions.

Comments

CAPRA largely viewed the process for proposing and evaluating FTE through the Strategic Investment Faculty Hires initiative as experimental this year. The Committee sought to recommend proposals that promised to recruit faculty who could elevate UC Merced's curricular and research profiles through their trans-disciplinary perspectives. There was a disconnect, however, between this goal and asking existing disciplinary majors and graduate groups to propose positions. Should this process be repeated next year, both CAPRA and the EVC should agree in advance on how proposals should (or should not) relate to existing disciplinary or graduate groups' academic strategic plans. The call for proposals should be clear on the criteria for evaluation, and particularly whether priority is to be given to trans-disciplinary appointments, or appointments that would not be made eventually in existing strategic plans.

Additional Review Items:

Addendum to the Art and Fafa Kamangar Chair Gift Agreement: CAPRA agreed that the addendum seemed reasonable and fully appropriate to the academic mission of UC Merced.

Bylaws of the Merced Division: The Committee reviewed its assigned duties in the Bylaws of the Merced Division and recommended the following edits in **bold** or ~~striketrough~~ type:

3. Confers with and advises the Chancellor or Chancellor's designee and Divisional administrative agencies regarding policy on academic planning, budget and resource allocations; ~~forwards recommendation on staff allocations to the Committee on Academic Personnel for their review.~~
4. Initiates and coordinates studies or reviews of existing and proposed academic schools, colleges, and degree programs as they relate to academic planning, budget, and resource

allocation, and to reports thereon to the Chancellor or Chancellor's designee and/or to the Divisional Council and Divisional Assembly as it may deem appropriate.

Draft ORU Proposal Review Process at UC Merced: The Graduate and Research Council (GRC) asked CAPRA to rewrite a draft ORU proposal review process for UCM. CAPRA's draft was written within the constraint that the review process is an administrative policy. It did not seek to dictate how the administration should conduct its own review. In addition, the policy recognized GRC's authority in the Senate's review of ORU proposals, which is stated in the Merced Division Bylaws. CAPRA sent its draft review process to GRC.

MAPP: CAPRA formed an *ad-hoc* committee to conduct an initial review of the MAPP. The committee made formal recommendations that were sent to the Divisional Council.

NS Bylaw 55 Unit Proposals: CAPRA expressed several concerns regarding the proposals. However, it concentrated its formal response to the Divisional Council on resource-related matters. First, CAPRA addressed the lack of consistency across schools with regard to dedicated administrative support. NS proposals suggested that some degree of staff support will be dedicated to the newly formed units; SSHA did not receive this support when its Bylaw 55 units were formalized. Second, Bylaw 55 unit chairs within SSHA are not compensated a summer ninth as the NS proposals suggested would be the policy in that school. CAPRA urged the EVC and the Deans of the three schools to establish a uniform policy for compensating faculty for extraordinary service.

Proposal to Split the Graduate Research Council (GRC): CAPRA supported the proposal, as it did not seem to have resource implications.

Proposed 2011-2013 Academic Calendar: CAPRA did not formally comment on the proposed calendar. The calendar seemed to include the same number of instructional days, and the resource implications were constant over time.

SSHA Bylaw 55 Unit Proposals: The Committee transmitted a memo stating that it did not see any resource implications.

Respectfully submitted,

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Wolfgang Rogge (Engineering), Vice Chair
Susan Amussen (SSHA), UGC Chair
Anne Kelley (NS), Senate Vice Chair
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