



Committee on Planning & Budget

January 4, 2016

To: Jose Wudka
Chair, Riverside Division Academic Senate

Fr: Kenneth Barish *Kenneth Barish*
Chair, Committee on Planning and Budget

Re: Review of the Proposal to Establish a Master's of Science in Supply Chain and Logistics Management degree program at UCR

The Committee of Planning and Budget (CPB) has reviewed the proposal to establish a Master's of Science in Supply Chain and Logistics Management degree program at UCR within the School of Business Administration. CPB supports the creation of self-supporting programs where appropriate, including in this area. However, we are not able to support this proposal until the following items are addressed.

Business Plan

According to section VI.H of the UC Policy on Self-Supporting Graduate Degree Programs (dated 9/11/2011)¹, "*State-supported and self-supporting programs must separately account for their use of resources.*" The budget in the proposed proposal, in contrast, presents only marginal costs. CPB would like to review an estimated budget for this program that includes all associated costs, including the faculty salaries, staff support, and facilities. This could be estimated and included as an overhead, but then an explanation of how that overhead was determined should be included. Given the true costs, CPB would then like know how many students the program would need to enroll to pay for all direct and indirect costs.

Market Analysis

CPB would like to see a more thorough market analysis that demonstrates competitiveness as well as higher education and workforce needs. Areas that need to be addressed include:

- (i) Tuition. The proposal should include a section discussing fees that includes a comparison with similar programs and a justification of the proposed fees.

¹ CPB is aware that the policy is undergoing revision. We have reviewed a draft of the revised policy, and our concerns remain.

- (ii) Workforce needs. The proposal should include data pertaining to the job prospects for the region, California, and elsewhere. What types of jobs will require this Master's degree, how many of these jobs are available regionally, nationally, and internationally? Is California a hub for such positions?
- (iii) Target audience. Expected demographic information (e.g. foreign vs. domestic, resident vs non-resident) should be included. The career objectives from these different audiences may vary and should be discussed.

Faculty Effort

The development of 4 classes, evaluation of capstone projects, and program service (e.g. admissions committee) will take significant faculty effort. Is this budgeted? Will any of this effort be compensated with a summer stipend or off-load teaching? What is the percent of classes taught by ladder rank faculty and will it change as a result of the program?

Academic Quality

Self-Supporting Graduate Degree Programs are held to the same academic standards as state-supported programs. Given this, the proposal would benefit from letters of support from faculty at peer institutions. The letters could also serve to support the demand of a program in this field.

Plan for Evaluation

CPB suggests for the evaluation to be expanded, including an ongoing evaluation from the start of the program. We also suggest the creation of surveys for various times in the student's careers, such as entry, midpoint, graduation, and post-graduation. The program would also benefit from the creation of various assessment metrics from the start.

In addition to the items listed above, we have a few additional comments and questions:

- Have the faculty voted on this proposal? If so, what is the vote?
- The proposal is also absent discussion of placement of students after graduation, which may be especially important since this is a professional degree requiring professional fees.
- [p1] "*The program is an ideal path for some of our students to pursue PhD programs in supply chain management and Logistics*". This should be clarified or removed. While the program may be a possible pathway into a PhD program, with the program's high costs and professional orientation it may not be an ideal path.
- [p2] The quoted reports appear to be somewhat dated. We wonder if there are more up-to-date reports. Similar comments on p5 and elsewhere through text.
- [p6] "... recently developed strategic plan, UCR 2020" phrase seems dated.
- [p7] "as the program grows, it may be necessary" => will be necessary?

- [p7] “the MSCLM degree program will share resources with the MBA program”. What assurances are in place that this new self-supporting program will not drain resources from state-supported MBA program?
- [p8] “Initial administrative support will be provided by existing SoBA staff in conjunction...” Given the shortage of SoBA staff, this should be discussed. Also, it does not appear to be budgeted.
- [p10] “... students are expected to intern with local and global companies”. What support is in place to help assure placement and what are the placement expectations (e.g. 100%)? What if they can’t find an internship?
- [p13] “USC’s tuition for 2015-16 is \$46,160”. This would appear to be significantly less than the \$1330/unit used in the budget (exhibit II) for this program. What is the justification for charging more than USC? Has market research been done to substantiate?
- [p19] “a minimum of 15% of gross revenue will be allocated for financial aid ...” Given the expected domestic to international ratio, what are the financial aid expectations for domestic students?
- [p19] “We believe that we can deliver a high quality program to as many as 40 students per year utilizing current resources”. Given that this is a proposal for a self-supporting program, all costs should be budgeted and mechanisms need to be in place to insure that state-supported programs are not being adversely affected.
- [p18] “The School of Business Administration currently has a reserve that will allow it to launch ...” How much of the reserve is expected to be used and how long is expected to take to recover these costs?
- [p26] This spreadsheet should be fully explained in the text.
- There are several formatting errors (Professor Y. Peter Cheung’s CV includes formatting comments from Track Changes), courses should be listed in numerical order, etc.