To be received and placed on file:

From September 1, 2012 to August 31, 2013, the Committee on Planning & Budget (P&B) met a total of 13 times with an average meeting length of 2 hours. The Committee discussed and considered several business items from the campus and from Office of the President. Among these P&B opined on the Proposal for UC Undergraduate Financial Aid Funding, the Report from the Taskforce on a Negotiated Salary Plan for the General Campus and the Systemwide Review of Proposed Revised APM Section IV (600 series).

In addition, as part of the campus budget process, P&B met with various Deans and Vice Chancellors to discuss the specific college and school budget requests. P&B’s recommendations regarding the budget were made in the form of a report to the Chancellor (attached).

Respectfully Submitted,

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Introduction

Despite the fact that UC campuses are continually being asked to “do more with less,” and now face unprecedented involvement from state government and the voters themselves, there is reason for guarded optimism at UCR with regard to issues of planning and budget. Several contextual factors affected the job of the Planning & Budget Committee members this year.

First, the budget process was somewhat in limbo until the passage of Proposition 30 in the fall of 2012. Yet even though this passage mitigated further financial strains, it did not affect those already experienced, which continue to impede the campus mission of teaching, research and community service. Second, “Interim” has become our middle name. We began the 2012-13 academic year with an Interim Chancellor, an Interim Vice Chancellor for Finance & Business Operations, and two Interim Deans (Graduate School of Education and School of Business Administration). Third, as of this writing, only the Governor’s signature is required for final approval of the 15 million dollars requested for the UCR Medical School.

This year the Committee on Planning and Budget approached the budget process challenges differently from our predecessors, as the landscape is more transparent than it had been in the past. Most notably, the campus draft of Budget Vista, describing the 2012-2013 budget, was posted on-line. In addition, the Committee was guided by the vision of the 20-20 campus plan.

The Vision of 20-20

The Committee weighed the benefits and drawbacks of using the campus strategic plan, particularly the goal of achieving AAU status, to drive budget decisions, especially among academic units. In order for UCR to move ahead on the goals articulated in the 20-20 plan, UCR has three major tasks ahead: (1) increase the number of Ph.D. students by approximately 20% by the year 2020; (2) hire approximately 150 new excellent faculty; and (3) obtain more extramural funding. The latter point is perhaps more salient; UCR requires more indirect cost recovery funding to move ahead with campus projects. It is also clear to Planning & Budget members that these goals are quite intermingled, i.e., outstanding faculty are often those who obtain major federal grants, and attract other outstanding faculty to the institution. Of course, the major benchmark is the attainment of AAU status and other forms of national recognition or ranking across Departments, Schools, and Colleges at UCR. Unfortunately, these benchmarks provided guideposts for some, but not all, of the budgets submitted during this spring’s hearing process.

Planning & Budget was mindful of these considerations during budget-related discussions.

This memo highlights the Committee’s recommendations regarding the budget process and budget allocations. Following that is a brief summary of the presentations that Deans, Interim Deans, and Administrators made to this year’s Planning & Budget Committee.
Recommendations

The following recommendations pertain to three aspects of the budget: (1) the budget process; (2) suggested directions for budgeting; and (3) immediate budget priorities.

The Budget Process

1) Be more proactive in determining the budget process and outcome: Planning & Budget members applaud the more open approach to campus budget allocations than has been used in the past. However, we feel that the entire process could be stream-lined and made more efficient by providing an over-arching framework or rationale to guide the development of each budget, including specific budget parameters, e.g., do not project over 10% of this year’s budget. Moreover, each budget request should contain, at a minimum: a) a clear, conceptual overview of what the unit’s budget goals are for the following year; b) the absolute, top priorities, e.g., indicate the three most important budget priorities; c) precise metrics used by the deans or administrators to make a case for growth, e.g., to reach the top 10% of all programs in a given area. Each person submitting a budget (on behalf of his or her unit) should be given tables for completion as well as an outline to follow, and page limits. The goal of this request would be to remove the tendency of budgets to become “wish lists,” thus putting the burden on committees to glean what is most critical in a tight budgetary era. This would also allow more efficient evaluation of the needs and requests across campus and more ability to project funding in waves, rather than allocating a little bit to all units, but not enough to really accomplish anything significant.

2) Alternative uses for carry-over funding: Given the current state of the budget, and the likelihood that an influx of new funding is not expected in the foreseeable future, encouraging some carry-over funding might be prudent. Perhaps the burden should rest with the Deans to make it clear that some carry-over may already be encumbered (e.g., for recruiting, start-up packages, retention) and thus should not be considered new funds.

Budget Directions

3) AAU status as the goal: Budget decisions should reflect investments in the goal of AAU, as outlined in the 20-20 Plan. Deans and unit heads should capitalize on the yearly budget process to refine those visions and to include data-driven metrics.

4) Research development: Given the interactive play required for the campus to attain AAU status, it is clear that the funding of new research enterprises will enhance both the instructional capacity and research output of the campus. Grant money, in any discipline, can support the hiring of more post-docs and Ph.D. students.

5) Increase campus infrastructure: Increasing the infrastructure for research development and the funding of proposals is paramount, with rewards for those faculty, and their colleges/schools/departments, that have been successful in obtaining extramural funds in the past.
(6) **Increase the number of Ph.D. students**: Each unit should identify the plan for increasing the number of Ph.D. students, including how to recruit the best and the brightest, and how to fund them. It may also be important to leverage enrollment of MA students to support Ph.D. students. Dean Childers of the Graduate Division has been a supporter of this concept, and it is one that is well-suited to the size of UC Riverside. Dean Childers pointed out that one way to increase our completion of Ph.D.s is to retain those currently here. Toward that end, the Graduate Division has a mentoring program to reduce attrition; we recommend continued funding of that program.

(7) **Hire more faculty**: All seem to agree that the hiring of 50 new faculty (toward the goal of 150) is both prudent and necessary. [Where exactly these faculty should be placed is addressed in the next section, under Priorities.]

(8) **Decrease the number of unfunded undergraduates**: UCR can no longer afford to have large numbers of undergraduates unfunded by the State; more out-of-state recruitment must occur.

**Budget Priorities**

(9) **Require budgets from academic units to be tied to benchmarks of excellence**: These can include national rankings in a given academic or professional field, success among faculty in obtaining extramural funding, and evidence of program competence. This model was exemplified in (but not limited to) the presentation by Interim Dean Wang of SoBA. Planning & Budget also suggested that SoBA consider lowering the number of undergraduate business majors, or actually moving these majors back to CHASS and focus on accreditation by AACSB. The School of Public Policy (SPP) is too new to fully evaluate from this perspective, but all aspects of the budget proposal from the SPP take excellence, revenue sources, collaboration across academic units, and growth of self-supporting masters programs into account.

(10) **Reward synergy**: Vice Chancellor of Research Pazzani made it clear that multi-unit and cross-cutting collaboration for center grant applications are in vogue. Interim Dean Mitchell described one such effort in the Graduate school of Education; Dean Yates of CNAS described several.

(11) **Infrastructure**: It is important that, in our rush to reach AAU status, department infrastructures remain intact. Planning & Budget felt that there may have been some maintenance requests on campus that are so important as not to be ignored or postponed in the budget process. In addition to the physical maintenance of the campus, which certainly has direct influence on recruitment of both faculty and students, the Committee wanted to call attention to the maintenance of adequate support structures in departments/schools/colleges. The goal of “doing more with less” doesn’t work when we are focusing on attracting major grant funding.

(12) **Diversity**: There was little discussion of diversity during the budget hearings, and P & B noted the importance of maintaining diversity at UCR. While the undergraduate population is quite diverse, faculty hiring from diverse groups should remain a priority. It is not time to discontinue Target of Opportunity hires.
(13) **Enhance support of the School of Medicine:** Relationships between members of the campus community and the School of Medicine should develop in a bi-directional fashion. While we agree with Dean Olds that Senate members should recognize the value that the SOM brings to the campus, it would also be helpful if the role of SOM faculty on campus and in the Senate could be more transparent. One example of collaboration could be more participation of the SOM in the campus budget process.

(14) **Precise criteria for disbursement of funds:** In addition to developing clearer guidelines to Deans and Vice Chancellors for describing and submitting their budgets, it is critical that criteria for the allocation of funds be made available to the campus. This is particularly crucial during tight budget times.

(15) **Retention of productive and valued faculty:** Proper funds available for retentions are important, for several reasons: (1) It costs much more to hire a new faculty than to retain one; (2) Without retention efforts, faculty morale can plummet and can, ultimately, chip away at the quality of a program; (3) Retention packages with a three- or five-year cap can discourage faculty from seeking other jobs.

(16) **Maintain focus on priorities designated in the 20-20 Plan, but not at the expense of other campus and academic functions:** Perhaps Dean Cullenberg summed this up nicely, by responding to Planning & Budget’s question about what keeps him awake at night: “Managing the Funding Triangle – Ask faculty to teach all the courses that they can; Grow the size of the faculty; Downsize the budget.”
School of Public Policy (SPP)- Dean Deolaliker presented a sensible and frugal plan to get a full-fledged School of Public Policy up and running. His budget request was very modest, with a request for $190,000 for FY13-14. The Dean’s priority is the preparation of a Masters of Public Policy. This is a good choice, since Masters students often pay their own way and thus they will not constitute a drain on the University and the Grad Division budgets. The Dean also has a sensible phase-in plan as far as faculty are concerned. He will begin by drawing on UCR faculty with course buyouts and then by FY15-16 recruit new faculty from the outside. He also plans to bring two Centers- Sustainable Suburban Development, and the Presley Center for Crime and Justice Studies – under his umbrella. Overall, The Dean’s phased in plan is a good one, and can potentially contribute much to the intellectual profile of our campus.

Dean Deolaliker hasn’t had enough time as Dean to know what keeps him awake at night.

School of Business Administration (SOBA) - Interim Dean Wang’s plan could be described as ambitious—perhaps overly ambitious. SOBA wants to grow its faculty from 25 to 46 by 15/16 and increase its FTEs from 43.5 to 54 by 15/16. Specifically, the Dean proposes to recruit 10 new faculty members for 14/15 and 8 more for 15/16. Such intense recruitment will constitute an enormous task and could be quite expensive. Furthermore, this particular School has had difficulties in retention (three recent hires are leaving). SOBA wants to become increasingly attractive to top flight faculty from the outside, at a time when its course load is increasing and its undergraduate enrollments have exploded. Members of Planning & Budget questioned the strategy to continue to support an enormous undergraduate program. Only two other UCs have similar undergraduate programs (Berkeley, Irvine), and they have had much more success at self-support and have much higher ratios of graduate to undergraduate students as well as faculty to total students, as shown below:

<table>
<thead>
<tr>
<th></th>
<th>Grads/undergrads</th>
<th>Faculty/students</th>
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<tr>
<td>Berkeley</td>
<td>67%</td>
<td>5.9</td>
</tr>
<tr>
<td>Irvine</td>
<td>66%</td>
<td>5.5</td>
</tr>
<tr>
<td>SOBA</td>
<td>14%</td>
<td>1.8</td>
</tr>
</tbody>
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SOBA should contemplate reducing and perhaps eventually eliminating its undergrad program because it is unrealistic to expect that it can achieve the faculty growth targets it has set out for itself to handle the size of its undergraduate body. It may also be more of a selling point in recruitment to have a predominately graduate-oriented School rather than one weighted down by so many undergrads. In addition, the Dean stated that the school wants to move away from the funding model that relies on the size of its student body toward one that emphasizes self-supporting programs as well as private donations. Having more MA students is one means of
self-support. The bottom line is that the faculty growth plan may be too ambitious, may require too much in the way of new FTEs and is being done to catch up with its enormous undergraduate student body. In supply and demand terms, the demand generated by this undergrad student body should be reduced to strike a balance with the available supply of faculty.

When asked what keeps him awake at night, Interim Dean Wang responded, “Hiring and retention, space for faculty, and the stability of the School.”

**Bourns College of Engineering (BCOE)**- Dean Abbaschian gave a very thorough, polished and comparative presentation. He showed how BCOE stacks up to other Engineering schools, and what it would take to climb the ladder to achieve greater stature. BCOE is currently in the top third of Engineering schools country-wide. The Dean’s goal is to make BCOE a top 25 School. His plan to hire faculty is also quite ambitious- 36 hires in the next 4 years and 58 in all for the next 6 years to get to a total of 140 faculty by 2020. The Dean explained that the increase in faculty was necessary to help BCOE elevate in ranking. While this is an expensive proposition, he pointed out that engineering faculty do help to pay for themselves by bringing in large amounts of external funding (a per capita average of 400k). In 2012, according to his data, Bourns constituted 25% of UCR’s awarded contracts and grants, and those awards are keeping pace with research expenditures.

Growth in the graduate student body has kept pace with the growth in undergraduates. In 2012, the number of graduate students was 23% of the undergraduate students in BCOE; the goal is to increase this number to 25% in the next year or so, and to 32% by 2020. The Dean reported that of the 238 graduate students recruited this past year, 80 are international MA students who bring in some $7500 each, which helps support teaching assistantships for the Ph.D. students. This plan appears to make good financial sense.

In short, BCOE seems to be on the right track, and though its hiring plan is quite ambitious, the potential rewards are enormous. Dean Abbaschian is worried about how the campus will cover the debt incurred from UCPath.

**College of Natural and Agricultural Sciences (CNAS)** – Dean Yates gave a very clear and direct presentation and report on her College. Her priorities included a focus on research excellence, primarily through the development of Centers and collaborations (e.g., with the SOM). A second priority is “undergraduate student success,” which will involve expansion of learning communities and professional advising. The third emphasis is on faculty hiring. The #1 non-faculty hire targeted is a safety and facilities person.

Development priorities include expansion of the successful student success program, through both grants and private funding, new and renovated facilities, and endowed chairs.

What keeps Dean Yates awake at night is how to fund faculty start-up packages.

**College of Humanities and Social Sciences (CHASS)**- Dean Cullenberg prepared a lengthy document for the Committee as well as for CBAC. However, he did not prepare a presentation for P & B but, rather, offered to answer questions from the Committee.

There is much to boast about in CHASS (2600 news-worthy stories in 2012 alone). Dean Cullenberg is adamant that the accomplishments of CHASS should be seen as representing one
college, not a collection of separate units. He nevertheless appears to promote six departments as “centers” of excellence, and has focused attention there, with the goal of having these departments “evolve” and not just grow. He characterized them as having good governance, national rankings, and outside funding. These are metrics that could be adopted campus-wide.

[NOTE: While P & B acknowledged this description of excellence, a rigid adoption of these criteria might well jeopardize other departments that are well on their way to national recognition.]

P & B appreciates that Dean Cullenburg prioritized requests, and we recognized the need for resources for the University Theatre and related programs in Dance. Another staffing challenge is advising. Finally, the report from CHASS did respond to the P & B request to outline the College’s plans for acquiring new resources. Development efforts are outlined, including benchmarks for the development office (three-year average gift total is reported as $1,759,075), with plans to increase that by six percent.

When asked about what kept him awake at night, Dean Cullenberg said, “The Funding Triangle – teach all the courses you can, grow the faculty, and downsize the budget.”

**Graduate School of Education (GSOE)** – Interim Dean Mitchell presented the plan for the Graduate School of Education (GSOE), which is undergoing growth in both teacher credential candidates and in the development of the undergraduate education minor. The new Ed Minor is important for strengthening the pipeline to teacher education, for introducing undergraduates to courses in Education, and to relieve the campus pressure from over-enrollment in classes by having the GSOE shoulder some of the burden. In addition, there has been cross-campus interest in the minor, and it will become important to help fill the need for teachers in both STEM fields and in Special Education (e.g., autism).

Projections in growth over the next three years are dramatic in both of these areas, yet current staffing is inadequate to meeting any rising need. Dean Mitchell emphasized that UCR needs to take a major leadership role in the resurgence of teacher training, and he wants us to go forward with both quality teacher candidates and quality staff. The only way the GSOE has been able to function has been by using much-needed faculty lines.

Growth within the GSOE’s Ph.D. programs is steady, with future collaboration with the School of Public Policy and other units on campus (e.g., STEM fields, SOM) likely. This, combined with the realistic expectation of students in the Ed Minor, argues for some staff relief as soon as possible. Faculty growth estimates are also in line with projections. For example, the GSOE has a strong community engagement focus, whereby the research agenda of the faculty (e.g., the SEARCH Family Autism Resource Center and a proposed Multidisciplinary Research Center, of which SEARCH would be a part) requires additional faculty.

What’s keeping Interim Dean Mitchell awake at night? Graduate student recruitment efforts (with the staffing shortage) and being able to offer multi-year funding packages to attract the best and the brightest.

**GRADUATE DIVISION (GD)** - Dean Childers made a very passionate and integrated plea to solidify the operation of the Graduate Division by increasing the operational budget and recruiting new staff. His budget is about a million dollars and all in staff lines. While the GD has
suffered less than other units due to cuts, Dean Childers made the case that it is underfunded to begin with.

Several important points about the Graduate Division need to be recognized. First, if our goal is to increase the number of Ph.D. students on this campus by 20% (as per the 20-20 Plan), then we need to find ways to help the Graduate Division help the rest of campus. One proposal Dean Childers set forth was to increase resource acquisition by allowing all application fees to go to the GD. The Dean wants to keep the amount the GD has now, but to allocate the rest to the campus and academic units. This is a fairly powerful incentive.

Dean Childers did not mention what keeps him awake at night.

**School of Medicine (SOM)** – Although Dean Olds did not submit a budget, the Committee on Planning & Budget met with him to learn more about financial support for the SOM, current hiring plans, and the target of development priorities. P & B feels that the Senate and its committees need to know about faculty involvement in the SOM so their interests can be represented. When asked how the faculty could better help with the SOM, Dean Olds opined that the faculty, in general, could be more supportive. Dean Olds explained the origins of the current financial support for the Biomedical Program. He also noted that the core legislative support for all five UC medical schools was 240 million and that UCR was asking for only 15 million.

With regard to hiring plans, the SOM has proposed two ladder faculty with Ph.D.s in areas of basic science, and two additional ladder faculty with MDs. He noted that he would like to have four faculty in total but these could be three Ph.D.’s and one MD, perhaps with another MD in-residence. Finally, Dean Olds noted that he needs two clinical professors (probably at the Associate level). The Dean outlined a pyramid of other volunteer clinical faculty who will actively teach.

Future goals include have a presence in Family Medicine and Internal Medicine in the Coachella Valley by 2015 and continuing to advise UCR pre-med undergraduate students. The incoming medical school class of 2013 will be the first to graduate from the new medical program.

Development priorities include affiliation agreements with community care providers and targeting “grateful patients.”

Clearly, obtaining adequate and long-term funding for the SOM is keeping Dean Olds awake at night.

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