



UC SANTA CRUZ

OFFICE OF PLANNING & BUDGET

ACADEMIC PLANNING & ANALYSIS ♦ CAPITAL PLANNING & SPACE MANAGEMENT ♦ INSTITUTIONAL RESEARCH ♦ RESOURCE MANAGEMENT ♦ STRATEGIC PLANNING

ACADEMIC ALLOCATIONS AND RESPONSIBILITIES

OUTLINE

1. Purpose of discussion
2. General principles of resource allocation and management
3. Major categories of allocation and expense – policies and methodologies
 - a. Simplified Compendium of Academic Resources – Sources and Responsibilities
 - b. Quick look at who has the money
4. Short history of realignment

GENERAL PRINCIPLES OF RESOURCE ALLOCATION AND MANAGEMENT

The primary guiding principles for current budget allocation and management are three-fold:

1. ***Align authority with decision making***
2. ***Align resources with authority***
3. ***Specific obligations and responsibilities follow the resources and authority***

Within these primary principles current practices assume the following (category specific expectations highlighted in the detailed section):

1. ***Internal reallocation is the primary source of funding for divisional priorities***
2. ***Resources must be managed internally to meet obligations and goals***
3. ***Divisions handle ALL day to day operational expenses;***
4. ***Don't sweat the small stuff – limit requests for central funds for large projects consistent with campus goals and academic plans***
5. ***Clear cost-sharing expectations for big-ticket items such as start-up (where center pays 80% of cost after division pays first \$50K) and renovations***
6. ***Increased central focus on outcomes***
7. ***Limited oversight of daily financial management from the center***

MAJOR CATEGORIES OF ALLOCATION AND EXPENSE

1. Faculty
 - a. Ladder faculty
 - b. Temporary academic staffing
2. Teaching assistants
3. Graduate student support
4. Instruction and Research support
 - a. Staffing
 - b. Facility maintenance and renovations
 - c. Supplies, equipment, etc.

Abridged Timeline of Resource Realignment

Timing	Action	Shift in Responsibility to Division	Magnitude of Annual \$\$ Shift (incremental IX funds) ²	
			To Divisions From Center	
Late 1980's	Divisions keep all faculty leave and sabbatical savings	Cover all course replacements due to leaves and sabbaticals; pay all salaries associated with medical and family leaves; responsible for all merit and range costs associated with lecturers and other temporary faculty. Manage for replacement or redeployment of open faculty positions; manage one-time savings for instruction and other support	\$300K to \$1M per division \$250K to \$1.2M per division	\$2.4-2.8M
Early 1990's	Divisions keep <i>all</i> staff turnover savings	Cover <i>all</i> staff equity, stipends, hiring, and reclassification costs; manage tradeoffs between cost of new hires and reorganization/compensation of existing staff	Unknown but likely sizable	Unknown but likely sizable
Early 2000's	Merit dollars for staff allocated as block to divisions	Cover all staff merits; manage merit dollars with staff turnover savings to meet organizational and staffing development/promotion objectives	Varies depending on dollars available from State	Up to \$XXM
	Permanent budgets associated with temporary academic staffing (TAS) allocated to division	Integrate with other sources (open provisions, faculty leave and sabbatical savings) to manage curriculum.	N/A – moved ongoing commitment to divisional budgets	
	Allocate <i>new</i> faculty positions in advance of hire	Address highest priority instructional needs and set dollars aside for start-up and other one time instruction and research needs	\$52K to \$640K per division	\$250K-\$1.2M
	Divisions retain faculty turnover savings up to Prof III	Share in faculty start-up costs and cover all faculty upgrades and off-scale salaries (exceptions include SOE during rapid growth phase and some TOE appointments)	\$0 to \$200K per division (net upgrades)	\$300K-\$600K
	Allocate 40% of incremental Opportunity Funds back to division where generated	Support research needs of faculty; third source of funds for faculty start-up share	\$0 to \$167K per division	\$90K-\$250K
	Establishment of Instruction and Resource allocation Methodology	Manage staffing and other support requirements (facilities, equipment, services, course support etc.)		

² Savings expressed as 1X for first year only – if generated by permanent savings, cumulative savings over time will be compounded

Simplified Compendium of Academic Resources – Sources and Responsibilities¹

Category	Subcategory	General Description	Sources and Distribution of Expense		Who Decides	
			Division	Central	Division	Central
Ladder Faculty	Hiring	Faculty are hired from a combination of open provisions in the division and new allocations when available	Vacated positions stay within divisions. Have access to both new positions from center plus open provisions	Central provides new positions per CPEVC targets.	Dean requests recruitments; final approval for non-tenured hires up to Asst Prof III	CPEVC approves recruitment plan; final approval on ALL hires above Asst Prof III
	Merits and promotions	Faculty periodically undergo review for merit and/or promotion		Central funds pick up all costs; use UCOP designated funds plus turnover savings	Dean forwards recommended actions to CPEVC; Delegated authority to hire Asst Prof to step II-IV and some off-scale	CPEVC approves Asst Prof VI and above; ALL accelerated and greater than normal; Mid career appraisals of Asst Professors
	Range adjustments	Range/equity adjustments are available when funding provided from State		Central funds from UCOP allocation		Automatic per UCOP guidelines
	Turnover savings (TOS)	Savings accrue from faculty separations	Retains all TOS up to Prof III	Central recoups TOS greater than Prof III		
	Salary upgrades for new appointments	Salary upgrades are required for tenured hires and off-scale salaries	Cover all off-scale salaries at hire and most upgrades	Share costs of exceptional TOE upgrades; cover cost for hires from new provisions in SOE	Negotiates and decides all salaries at hire w CAP consultation up to off-scale limit	Approves recruitment level and exceptional upgrades at hire;
	Start-up	Personal start-up for newly hired faculty; includes equipment, GSR's, facility renovations, moving and recruitment costs, housing etc.	Covers first \$50,000 + 20% above per hire; uses salary savings from open positions and TOS and external sources e.g. equipment matching, UOF etc.	Provides 80% of costs above first \$50K per faculty FTE	Initial budget approved per recruitment process; flexibility to move dollars around in final negotiations with hire	Approves initial budget; no participation in final offers unless augmentation approved
	Mortgage Origination Program	University funded loans for faculty and admin housing purchases	Covers costs from line of credit	Small central reserve to augment divisions and for central academic administrators	Makes most all decisions	Decisions re augmentation and exceptions
	Retention	Negotiated agreements to counter offers from other institutions for key faculty; similar to start-up	Generally covers initial costs; increasingly comes to center for assistance; tap any one-time sources in division	Generally ad hoc participation – propose 50:50 split on large packages over XX?		
	Academic Admin Replacement	Compensation to divisions for loss of teaching contribution of faculty recruited internally to administrative position (no compensation for external recruits)		Provides salary dollars equivalent to entry level Asst Prof, pro-rated per percent time of admin appt;		Recruits and appoints position
Academic Senate Course Relief	Course relief provided in return for pre-specified Academic Senate responsibilities		Provides support from centrally held faculty reserves		Academic senate makes appointments; CPEVC decides budget	

¹ This provides a general view of allocation policies and decision streams; there are always exceptional cases that may arise to challenge these practices

Quick look at who has the money

Category	Subcategory	Division	Central
Ladder Faculty	Hiring/Salary	██████████	
	Merits and promotions		██████████
	Range adjustments		██████████
	Turnover savings (TOS)	██████████	
	Salary upgrades for new appointments	██████████	
	Start-up	██████████	
	Mortgage Origination Program	██████████	
	Retention	██████████	
	Academic Admin Replacement		██████████
	Academic Senate Course Relief		██████████
Temporary academic staffing	Faculty Hiring	██████████	
	Reappointment increases	██████████	
	Range adjustments		██████████
	Turnover savings	██████████	
	Salary upgrades (at initial hire)	██████████	