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June 4, 2020

COUNCIL OF DEANS

Re: Undergraduate Budget Model

Dear Colleagues,

I am writing to provide a decision on a change in the Undergraduate Tuition Revenue (UGTR) allocation methodology.

As you know, improving student success outcomes is a priority goal for our campus. Our strategic plan, “To Boldly Go,” includes this goal, and the Chancellor has clearly communicated his strong commitment to and expectations around meeting this goal at UC Davis. It is also an important area for improvement in the campus’ most recent Western Association of Schools and Colleges’ report. The campus has begun efforts to improve student outcomes with initial investments in student success initiatives as part of the 2019-20 budget, and we have already committed to increasing these investments in 2020-21 even as we need to reduce expenditures in other areas. Achieving this goal will require a shared commitment between central campus and units to greater investments in these areas. In my discussions with you earlier this spring, I shared the Chancellor’s desire to tie budget allocations to this effort. Rather than incorporating student success metrics into UGTR as a budget model metric, a strategy you did not support, the campus will take a simpler, more central approach. This approach will allow UC Davis to invest in changes designed to meet student success goals while providing continuity of the current budget model approach which allocates resources largely on the basis of workload.

Beginning with 2020-21 UGTR allocations – that is, the allocations schools and colleges will receive this summer based on their metrics from the past two years – schools and colleges will receive funds based on the existing workload metric and allocations and a separate allocation will be made to central campus that will be used to fund student success initiatives. Examples of student success investments include increased tutoring, changes in our approach to writing support, technology systems that will support better planning and advising, and investments in college-specific needs. The existing \$257 million pool of UGTR – about \$180 million of which is held by deans – will continue to be allocated to the colleges and schools following the process that has been used for eight years now. This \$180 million pool will be held flat and redistributed among the colleges and schools based on their workload metrics. Any growth above this pool that previously would have been allocated to colleges and schools will be held centrally for use in student success investments.

For the 2020-21 UGTR allocation specifically, in light of the uncertainty wrought by COVID-19, there will be a critical adjustment to this approach. For 2020-21, only half the anticipated revenue increase (half of \$5.5 million, or \$2.8 million) will be held centrally and earmarked for student success investments. This will be in addition to the \$1.7 million that was already set aside for this purpose in the campus budget framework. The remaining half will be held in reserve in the event that enrollment decreases sharply in Fall 2020 due to COVID-19 and the estimated revenue increase does not occur. While units should plan on this approach, the

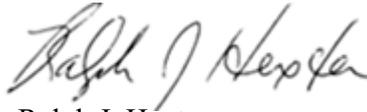
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campus may choose to reconsider in the future if or when circumstances change or more information is known about enrollment and revenue outcomes.

Sincerely,



Ralph J. Hexter

Provost and Executive Vice Chancellor

- c: Chancellor May
- Academic Senate Davis Division Chair Lagattuta
- Academic Senate Committee on Planning and Budget Chair Palazoglu
- Vice Chancellor Ratliff
- CFBO Frace
- Assistant Vice Chancellor Mangum
- Assistant Deans
- Principal Budget Analyst Willoughby