

March 12, 2014

COUNCIL OF DEANS

Re: Graduate Tuition in the Budget Model for 2014-15

Dear Colleagues,

We write to formally announce that the campus will implement a new methodology for allocating graduate tuition revenue beginning in the 2014-15 academic year. This has been one of the more challenging components of the budget model and for good reasons. Graduate education is at the heart of our research and instructional missions. Also, the interdisciplinary nature of graduate education at UC Davis is unique. As a consequence, examples from other institutions with similar budget models were not applicable to our graduate environment. Finally, the engagement from the campus community on this issue has been extraordinary. It is because of this extensive feedback and advice that we have developed a model that we think recognizes the involvement of all campus stakeholders.

The most recent white paper from Budget and Institutional Analysis (BIA) (version 2.1) describing the new methodology is available online: <http://budget.ucdavis.edu/budget-model/documents/BdgtModel-Working-Paper-Grad-Tuition-V02-1.pdf>. While some details still need to be addressed, the key decisions are summarized in Attachment I. Preliminary allocations resulting from these changes are displayed in Attachments II, III and IV. It is important to note that this decision is limited to graduate academic tuition. Discussions about changes to professional student tuition and self-supporting degree fees will be part of a future phase of the budget model.

A specific aspect of the new methodology that we are very excited about relates to the nonresident supplemental tuition (NRST). As you well know, NRST acts as a significant barrier for admitting international graduate students. To help alleviate this barrier, central campus will add more than \$2.5 million in graduate education support, beginning next year. The goal is to help graduate programs be in a position to consider applicants without the financial burden of the NRST in years two and three for international Ph.D. and M.F.A. students.

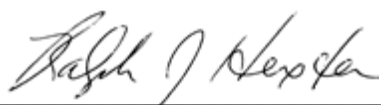
This new funding will be equivalent to the NRST for all pre-candidacy second and third year international Ph.D. and M.F.A. students. Funds will be distributed via two mechanisms: supplemental allocations to graduate programs (approximately \$2.1 million) and expansion of the graduate student researcher (GSR) buy-down program (roughly \$0.5 million). The supplemental allocations that will be distributed by Graduate Studies directly to graduate program are shown in Attachment III. These funds will be available to award as student support or to fund graduate course instruction in fall quarter. Also in fall quarter, the GSR buy-down program will be expanded so that 100 percent of the NRST for pre-candidacy second and third year international Ph.D. students and international M.F.A. students will be covered from central funds. Staff from Graduate Studies and BIA will provide additional technical information about this change in the coming weeks.

Finally, the implementation of this new budget methodology for graduate tuition includes a transition plan for the graduate programs that participated in the Master's Revenue Sharing Pilot. Attachment IV shows the 2013-14 one-time allocations and the preliminary base allocations for 2014-15. The preliminary base allocations are based on 30 percent of what was generated during year one of the pilot and 70 percent of what was generated during year two. These allocations will be revised next year based on 2014-15 enrollment levels.

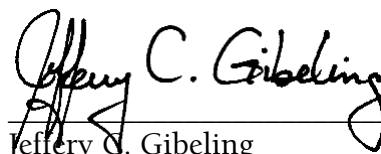
UC Davis is a world-class research university. In order to maintain that standing, it is vital that we continue to improve our ability to recruit and educate the very best graduate students from around the world. We believe these budget changes are important steps in achieving that goal.

Thank you for your counsel during the process of developing this new methodology.

Sincerely,



Ralph J. Hexter
Provost and Executive Vice Chancellor



Jeffery C. Gibeling
Vice Provost-Graduate Education and
Dean-Graduate Studies

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Attachment

c: Chancellor Katehi
 Academic Senate Chair Nachtergaele
 Graduate Council Chair Goodhue
 Graduate Program Chairs
 Associate Deans for Graduate Education
 Assistant Deans
 Associate Vice Chancellor Ratliff
 Director Albrecht
 Director Frasier
 Chief Administrative Officer Martin-Ocampo
 Principal Budget Analyst Stewart

Attachment I

The following tables summarize what will and will not change as a result of the implementation of graduate tuition in the budget model.

Changes for 2014-15	
Increase support for Ph.D. and M.F.A. students	<ul style="list-style-type: none"> Central campus will provide funding equivalent to the NRST for pre-candidacy 2nd and 3rd year international Ph.D. students and 2nd and 3rd year international M.F.A. students. Funds will be distributed to graduate programs (as separate allocations from Graduate Studies) and via an expansion of the GSR buy-down program.
GSR buy-down program	Beginning fall 2014, the GSR buy-down program will cover 100% of the NRST for 2 nd and 3 rd year international Ph.D. students not advanced to candidacy and 2 nd and 3 rd year international M.F.A. students.
Consistent fee remission policies for GSRs	Funding currently used to support fee remission for GSRs whose salary is paid with general funds (19900) will be decentralized. Funds will be allocated to units based on a two-year average of fee remission expenditures.
Allocation of incremental graduate tuition revenue	<p><u>Tuition</u> 67% to the provost 33% to the deans of the schools, colleges and divisions</p> <p><u>NRST</u> 100% of NRST from Ph.D. students and 50% of NRST from Master's students to provost 50% of NRST from Master's students to graduate programs</p>
Master's Revenue Sharing Pilot program	<ul style="list-style-type: none"> Incorporate the pilot program into the new allocation methodology. Programs would receive a direct allocation of 50% of NRST from Master's students. Programs that participated in the pilot will receive an ongoing allocation equivalent to what was generated during the pilot.
Disaggregate graduate tuition and provost allocation	<ul style="list-style-type: none"> Identify, by unit, the \$14 million of graduate tuition revenue that is already distributed in general fund base budgets. Distribute the GSR fee remission funds, thereby increasing the amount of graduate tuition revenue held by each unit. Going forward, incremental allocations will be identified as graduate tuition.

Attachment I, continued

No Change for 2014-15	
GSR buy-down program	<ul style="list-style-type: none"> • The 25% buy-down of tuition will continue for GSRs supported by extramural funds. • The 25% buy-down of NRST for GSRs supported by extramural funds will continue for master's students and 1st year Ph.D. students.
TA fee remission	Fee remission for teaching assistants and other instructional employees (readers, tutors, etc.) will continue to be funded centrally.
Graduate Program Fellowship Allocations	Graduate Studies will continue to distribute fellowship allocations (formerly called block grants) to graduate programs per the existing formula; metrics will be introduced for 2014-15.
Dean's Graduate Support Allocation program	Graduate Studies will continue to administer this program in collaboration with academic deans using existing methodology.
Internal fellowship competitions	Graduate Studies will continue to administer these programs using existing methodology.
Provost's Fellowships in the Arts, Humanities and Social Sciences	Graduate Studies will continue to administer this program in collaboration with academic deans using existing methodology.
Matching commitments for external fellowships	Graduate Studies will continue to administer this program per the existing methodology.
Post-candidacy NRST Fellowship Program	Graduate Studies will continue to offer non-competitive fellowships to mitigate the NRST for Ph.D. students during the 4 th and 5 th years after advancement to candidacy; this program began in 2013-14.

Attachment II

Revised 3/27/2014

**Graduate Tuition and the Budget Model
 Allocation Estimates for 2014-15**

Unit	Preliminary Base Allocation for Master's Pilot Transition¹	Decentralize Gen Fund GSR Support²	Identify \$14 Million Existing Base Budget³	Total Graduate Tuition 2014-15
Agricultural & Environmental Sciences	\$ 462,000	\$ 941,000	\$ 3,257,000	\$ 4,660,000
Biological Sciences	\$ -	\$ 152,000	\$ 1,281,000	\$ 1,433,000
Engineering	\$ 624,000	\$ 429,000	\$ 3,065,000	\$ 4,118,000
Humanities, Arts and Cultural Studies	\$ 31,000	\$ 277,000	\$ 1,110,000	\$ 1,418,000
Mathematical & Physical Sciences	\$ 494,000	\$ 114,000	\$ 1,826,000	\$ 2,434,000
Social Sciences	\$ 4,000	\$ 330,000	\$ 1,603,000	\$ 1,937,000
Education	\$ 2,000	\$ 61,000	\$ 1,031,000	\$ 1,094,000
Management	\$ -	\$ -	\$ -	\$ -
Law	\$ -	\$ -	\$ -	\$ -
Medicine	\$ -	\$ 34,000	\$ 164,000	\$ 198,000
Nursing	\$ -	\$ -	\$ 180,000	\$ 180,000
Veterinary Medicine	\$ -	\$ 72,000	\$ 477,000	\$ 549,000
subtotal	\$ 1,617,000	\$ 2,410,000	\$ 13,994,000	\$ 18,021,000
Graduate Studies	\$ -	\$ 153,000	\$ 6,000	\$ 159,000
Other units	\$ -	\$ 166,000	\$ -	\$ 166,000
subtotal	\$ -	\$ 319,000	\$ 6,000	\$ 325,000
Supplemental Allocations to Graduate Programs⁴				\$ 2,086,000
Total	\$ 1,617,000	\$ 2,729,000	\$ 14,000,000	\$ 20,432,000

¹Preliminary base allocations are calculated as 30% of year one and 70% of year two; allocations will be revised based on 2014-15 enrollments. Allocations for 2013-14 displayed on separate schedule.

²Based on two-year average of expenditures, 2011-12 & 2012-13

³Calculated based on enrollment of most recent six quarters (Spring 2012 to Fall 2013) - these funds will not be allocated; already exist in base budgets.

Includes an adjustment for SON to account for the fact that their base budget already contains a portion identified as graduate tuition.

⁴Based on three-quarter average of pre-candidacy, Int'l Ph.D. students from winter 2013 to fall 2014; excludes students supported by the GSR buy-down program

Attachment III

Graduate Tuition and the Budget Model
Supplemental Graduate Program NRST Allocations

Graduate Program	Supplemental Allocation¹
Agricultural & Environmental Chemistry	\$ 13,000
Agricultural & Resource Economics	\$ 100,000
Animal Behavior	\$ 20,000
Animal Biology	\$ 30,000
Anthropology	\$ 30,000
Applied Mathematics	\$ 30,000
Applied Science Engineering	\$ 4,000
Atmospheric Science	\$ 15,000
Biochemistry, Molecular, Cellular & Developmental Biology	\$ 10,000
Biological Systems Engineering	\$ 33,000
Biomedical Engineering	\$ 10,000
Biophysics	\$ 15,000
Biostatistics	\$ 5,000
Chemical Engineering	\$ 20,000
Chemistry	\$ 156,000
Civil & Environmental Engineering	\$ 128,000
Communication	\$ 45,000
Comparative Literature	\$ 20,000
Comparative Pathology	\$ 18,000
Computer Science	\$ 86,000
Cultural Studies	\$ 65,000
Economics	\$ 236,000
Electrical & Computer Engineering	\$ 135,000
English	\$ 10,000
Entomology	\$ 3,000
Epidemiology	\$ 40,000
Food Science	\$ 101,000
French	\$ 35,000
Geography	\$ 10,000
German	\$ 5,000
History	\$ 60,000
Horticulture & Agronomy	\$ 141,000
Human Development	\$ 3,000
Hydrologic Sciences	\$ 12,000
Immunology	\$ 5,000
Linguistics	\$ 5,000
Materials Science & Engineering	\$ 10,000
Mathematics	\$ 15,000
Mechanical & Aeronautical Engineering	\$ 55,000
Microbiology	\$ 15,000
Music	\$ 5,000
Native American Studies	\$ 15,000
Neuroscience	\$ 10,000
Nutritional Biology	\$ 20,000
Performance Studies	\$ 15,000
Pharmacology & Toxicology	\$ 25,000
Philosophy	\$ 15,000
Physics	\$ 72,000
Plant Biology	\$ 5,000
Plant Pathology	\$ 15,000
Psychology	\$ 15,000
Spanish	\$ 60,000
Statistics	\$ 35,000
Transportation Technology & Policy	\$ 30,000
Total	\$ 2,086,000

¹Based on three-quarter average of pre-candidacy, Int'l Ph.D. students from winter 2013 to fall 2014; excludes students supported by the GSR buy-down program

²Programs that had no 2nd and 3rd year pre-candidacy Int'l Ph.D. or Int'l M.F.A. students are not listed

Attachment IV

Revised 3/27/2014

**Graduate Tuition in the Budget Model
 Master's Revenue Sharing Pilot Program
 Allocations to Deans for 2013-14 and Transition to New Model**

Lead Dean & Graduate Program	Master's Revenue Sharing Pilot Program		Graduate Tuition Model
	2012-13 One-time Allocation	2013-14 One-time Allocation ¹	2014-15 Preliminary Base Allocation ²
Agricultural & Environmental Sciences			
Agricultural & Resource Economics	\$ 103,041	\$ 231,587	\$ 193,000
Animal Biology	\$ 35,191	\$ 74,668	\$ 63,000
Atmospheric Science	\$ 6,984	\$ 106,437	\$ 77,000
Child Development	\$ 4,688	\$ -	\$ 2,000
Horticulture & Agronomy	\$ -	\$ 28,624	\$ 20,000
International Agricultural Development	\$ 103,166	\$ 82,781	\$ 83,000
Textiles	\$ -	\$ 2,731	\$ 2,000
Viticulture & Enology	\$ -	\$ 30,734	\$ 22,000
subtotal	\$ 253,070	\$ 557,562	\$ 462,000
Engineering			
Biomedical Engineering	\$ 87,104	\$ 62,603	\$ 63,000
Computer Science	\$ 128,050	\$ 221,738	\$ 194,000
Electrical & Computer Engineering	\$ -	\$ 329,858	\$ 231,000
Mechanical & Aeronautical Engineering	\$ 22,356	\$ 135,853	\$ 102,000
Transportation Technology & Policy	\$ 42,398	\$ 34,219	\$ 34,000
subtotal	\$ 279,908	\$ 784,271	\$ 624,000
Humanities, Arts & Cultural Studies			
Art History	\$ -	\$ 16,863	\$ 12,000
Design	\$ -	\$ 26,531	\$ 19,000
subtotal	\$ -	\$ 43,394	\$ 31,000
Mathematical & Physical Sciences			
Biostatistics	\$ 8,438	\$ 89,886	\$ 65,000
Physics	\$ -	\$ 51,421	\$ 36,000
Statistics	\$ 94,703	\$ 520,816	\$ 393,000
subtotal	\$ 103,141	\$ 662,123	\$ 494,000
Social Sciences			
Anthropology	\$ -	\$ 1,680	\$ 1,000
Philosophy	\$ -	\$ 4,480	\$ 3,000
subtotal	\$ -	\$ 6,160	\$ 4,000
Education			
Education - MA (General)	\$ 8,400	\$ -	\$ 2,000
subtotal	\$ 8,400	\$ -	\$ 2,000
Total	\$ 644,519	\$ 2,053,510	\$ 1,617,000

¹2013-14 Allocations include an adjustment for 2012-13 based on final enrollment data

²2014-15 Preliminary base allocations are calculated as 30% of year one and 70% of year two; allocations will be revised based on 2014-15 enrollments.

³The Master's Pilot white paper: budget.ucdavis.edu/budget-model/documents/Academic-Masters-Tuition-Pilot-V02.pdf