



320 STEPHENS HALL
UNIVERSITY OF CALIFORNIA

May 13, 2021

PROFESSOR JENNIFER JOHNSON-HANKS
Chair, Berkeley Division of the Academic Senate

Re: CAPRA 2021-22 Budget and Policy Recommendations

The mission of the Committee on Academic Planning and Resource Allocation (CAPRA) is to advise the Chancellor and inform the campus on issues related to finance, space management, and academic planning. UC Berkeley continues to weather the global COVID-19 pandemic crisis, which has brought unprecedented public health and financial challenges to campus. However, there is good news on the horizon and campus is planning to resume in-person activities in the fall. CAPRA has been very impressed with how well our leadership has responded to the pandemic and worked with the Academic Senate to adapt to the times and make plans for the future. As we return to an in-person campus (with in-person meetings), CAPRA stands ready to provide useful direction to the administration and information to our colleagues across the campus.

The committee asks that DIVCO endorse these recommendations and forward them, along with DIVCO's endorsement, to Chancellor Christ and EVCP Alivisatos. We also request that Chancellor Christ provide a written response to the Senate no later than September 15th, 2021, detailing the extent to which our recommendations will be adopted.

Summary of Recommendations:

On the basis of our work this year, we encourage the administration and the Senate to collaborate in order to address:

1. The potential for creation of an internal "reserve bank" to help campus units weather short-term financial crunches;
2. Developing detailed information about the potential impacts of budget cuts, and ways to respond to them, through extension of "Project Align" or something like it to additional units;
3. Developing credible models of and data supporting the true cost of a Berkeley education.

4. Ensuring that long-term, large scale plans like those for Mills College and Moffett Field get realistic early review, to maximize the probability of positive academic and financial outcomes.

Background

The Committee on Academic Planning and Resource Allocation is charged by the Academic Senate with the following duties: CAPRA...

1. Confers with and advises the Chancellor on policy regarding academic and physical planning, budget, and resource allocation, both annual and long range.
2. Initiates studies in planning and budget matters, and if necessary authorizes establishment of ad hoc committees to pursue those studies.
3. Maintains liaison with other committees of the Division on matters relating to budget and planning.
4. Reports regularly to the Divisional Council and to the Division.

Together, these duties are the means through which CAPRA pursues its mission of ensuring that the UC Berkeley community collectively shepherds our resources—money, space, and time—as effectively as possible in order to advance research, teaching, and service. CAPRA seeks a holistic and systematic view of resource issues by, for example, attending to interrelationships between academic and space planning or considering the downstream effects of budgetary changes on departmental outcomes.

Updates on Recommendations from Last Year

The global pandemic completely transformed an already complex year for our campus. We (like all universities across the country) were in “survival mode,” and had to press pause on many new initiatives. That context colored CAPRA’s recommendations last year, and the administration’s response.

For FY 2019-2020, CAPRA made four major recommendations:

1. Rethink Finance Reform
2. Implement a regular Administrative Review structure
3. Broaden the scope of Academic Program Reviews
4. Work with Government Relations and University Development to form a new Senate-Administrative committee to get faculty more directly involved in advocating for public support of UC Berkeley

Campus administration did shelve Finance Reform while at the same time adding a \$65 MM budget cut for both 2020-2021 and 2021-2022. During the 2020-2021 academic year, CAPRA took a “deep dive” into the campus budget, gaining more detail about campus borrowing, the use of reserves by units, and updates from the development office and government relations about the capital campaign and state support. Many of these discussions have led to our current budget and policy recommendations. Another outcome was the formation of the joint Senate-Administration budget task force which began meeting in December 2020 (and included the

CAPRA Chair and Vice-Chair along with other Academic Senate members, several deans, CAOs, and other administrators). This committee, in CAPRA's view, has not been successful. The group is too large to be able to have productive conversations on Zoom. Instead, CAPRA thinks that more sustained contact with VCF Rosemarie Rae and her staff is much more productive and has allowed CAPRA members' questions about the budget and strategies to be answered and our ideas incorporated into financial decision-making.

We did not make any progress on creating a process for administrative unit review during 2021-2022 because the pandemic response appeared to be overwhelming most administrative units. CAPRA continues to believe that regular and systematic review of administrative units that includes Academic Senate engagement is important. In addition to enhancing the efficiency and effectiveness of those units, we believe regular review could help build understanding among Senate members of the contributions administrative units make to the campus mission, and the challenges they face. At the same time, CAPRA understands the administration's concern that review should not unnecessarily consume scarce time and energy, or duplicate measures already in place. For now, we encourage the administration to systematize a review process that engages outside experts in a way analogous to the External Review Committees used for academic units. We ask that the administration share with us any plans to review administrative units, engage us as the scope of each review is determined, and share with us the results of each review.

We continued discussion of the potential to improve academic program reviews. We believe that, as currently structured, those reviews provide an excellent picture of the "micro-level" health and challenges of each individual unit. We believe, however, that sustained successful academic planning also requires a clearer version of the campus-wide context in which individual programs are embedded. We applaud Vice Provost Alvarez-Cohen's incorporation of questions about the larger context in the latest round of academic program reviews, and look forward to seeing the results. We plan to work with VP Alvarez-Cohen's office and Senate leadership to identify other ways to improve the extent to which program or other reviews generate a big-picture look at the overall academic state of the campus.

Although the Senate Faculty Relations group has not been convened yet, we had a productive conversation with the heads of UDAR and Government Relations. We agreed that we needed new messaging to improve the narratives about why UC Berkeley merits greater investment from the state. One important distinction of UC in general (and UC Berkeley in particular) is the extraordinary research by our world-class creative faculty. This translates into enormous benefits for the common good and also gives students opportunities to be involved in research. A second important component of this line of argument is that the UC Berkeley student body has recently become significantly more diverse – and just when we have started to make progress on our goals of increased diversity, we are at risk of reducing the quality of a UC degree (in part) because the state is reducing investment in its students by refusing to acknowledge the rising costs of instruction.

In a similar vein, there has been serious contention among different UC campuses about "rebenching" – reconsideration of the formula by which the UC allocates funds among campuses. Changes in that formula could cause a drastic reduction in Berkeley's funding. In the interest of reducing conflict and building common cause to appeal to Sacramento to more fully fund UC education, we offer a recommendation below to more systematically study and model

the costs of both undergraduate and graduate education. We also encourage the administration to redouble efforts to communicate Berkeley's success in delivering graduate education to California's underrepresented communities, and the benefits that provides.

CAPRA Recommendations for 2021-22

This year we offer four recommendations:

1. Investigate the feasibility of, and if possible create, an internal “reserve bank” to help academic units weather short-term financial stress. A substantial amount of money currently sits in reserve in campus accounts. These reserves are important; they may be held against emergency needs or intended for projects or events that are anticipated but not yet underway. Some of them are tightly restricted, others less so. If there were a practical way to share some of these reserves in the short term, they could potentially help tide the campus and less well resourced units over through short-term economic downturns. We recommend that VCF Rosemarie Rae work with CAPRA to understand the barriers to a successful “reserve bank,” identify ways to surmount or remove those barriers, and if possible create a short-term program to help units deal with budget shortfalls over the next 2 to 5 years.

2. Encourage units to study in detail the impacts of budget cuts, and options to grow revenues or cut costs with least feasible damage to their academic mission. CAPRA was impressed by the College of Chemistry's Project Align, in which the College gained a deep knowledge of its financial footing and worked together to figure out ways the College could both save money and increase revenue and still fulfill its academic mission. We think that this project was the first example of a true “impact analysis” that CAPRA has been advocating for many years in our disagreements with Finance Reform and cuts to the central allocation. We are also impressed with the way the College used a form of scenario planning, considering alternative cuts and the impacts they might have. We request that the campus continue these efforts with additional academic units; CAPRA would be willing to assist the administration further by working with the dean of a different unit and thinking hard about how to apply Project Align's methods to different units on campus.

3. Develop credible models of the true cost and resourcing of instruction. The cost of instruction is key to UC arguments for increased state support. Currently the state funds undergraduate instruction at substantially less than its real costs, according to VCF Rosemarie Rae (and other campus and systemwide officers). At the same time, the state legislature is pressuring UC to enroll more in-state undergraduates, further stressing campus budgets. CAPRA believes that credible, detailed figures showing the real cost of a high-quality UC education might support more fruitful discussions, at the campus and systemwide level, with the legislature and the Regents about enrollment, state funding levels, and tuition. What is needed is to understand not only what undergraduate instruction costs different units on campus but also how those units resource those costs. CAPRA was intrigued by Project Align's efforts to quantify the difference in the cost of instruction for Chemistry and Chemical Engineering undergraduates as well as compare it to other universities. The COC reported getting wildly disparate data from peer institutions and had difficulty benchmarking its own estimates of costs. It would be good to get more details on what measures they used to try to calculate the cost of instruction. Dean

Clark appeared to be willing to engage with CAPRA about this issue. We ask that the administration work with us on this question by supporting VCF Rosemarie Rae, the Vice Chancellor of Undergraduate Education, and the CAOs to provide the necessary data in order to develop realistic and fair financial analyses of undergraduate instruction across campus.

4. Engage CAPRA and the Academic Senate more pro-actively on **financial and program planning for large-scale, long-term projects like the Mills College expansion and the Moffett Field project, and add real estate expertise to the campus team.** CAPRA recognizes the exciting opportunities afforded by the Mills and Moffett Field projects but also sees substantial potential financial and programmatic risks. We have seen very limited data on the financial models supporting these efforts. We ask that the administration work more closely and more transparently with CAPRA for all large-scale, long-term projects. We believe the Senate can provide a useful outside perspective on these sorts of projects that can strengthen the planning process and help ensure the best possible budgetary and academic outcomes. We request that the administration share draft plans as early as possible, and engage us on the merits and potential pitfalls of partnerships with other entities as early and as fully as possible. We also note that, while campus has some real estate expertise on its Capital Projects team, these two new ventures involve huge real estate deals that may require additional people with experience in these kinds of projects. We recommend that campus make sure it has the necessary expertise in-house to fully evaluate these prospective deals.

CAPRA looks forward to working closely with campus leadership as we move into 2021-22.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Fine', with a stylized flourish at the end.

Paul Fine, Chair
Committee on Academic Planning and Resource Allocation