

February 8, 2022

Jody Kreiman, Chair
Academic Senate

Re: Second Review (Revised Version): Academic Planning and Budget Office: Bruin Budget Model White Paper

Dear Chair Kreiman,

At its meeting on January 24, 2022, the Council on Planning and Budget (CPB) reviewed and discussed Academic Planning and Budget's revised version of the White Paper on the Bruin Budget Model (BBM).

Members shared the following comments about the revised document:

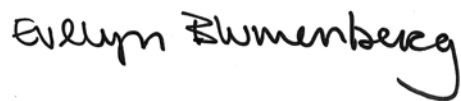
1. Gaps: Members were concerned about important areas of the BBM that are still not fully described. These include funding for faculty retention and faculty recruitment (through annual budget process), interdisciplinary work, and the BBM expenditure tax (e.g. the expenditure tax and premium services). They were concerned that decisions about these issues have been deferred.
2. Clarity: Members noted a lack of clarity with respect to particular areas of the BBM. For example, the General Fund Supplement will make units "whole" and by doing so may correct for disparities that occur when resources are distributed solely based on student credit hours (SCH). However, the White Paper does not describe the GFS in this way.
3. Clarity: Members remained confused about NRST and how the new flow of funds would benefit departments who attract and/or would like to attract international students. They proposed that the entire process and flow be spelled out.
4. Transparency: Members felt that there was a lack of transparency particularly related to the benefits and the costs associated with the underlying BBM incentive structure. For example, the BBM incentivizes the creation of self-supporting programs without recognizing the potential cross-subsidy of state and self-supported programs (and the tradeoffs between programs). Further, the BBM rewards SCH but does not directly weight or reward the production of quality research, teaching, and/or service contributions.
5. Distribution of funds: Members were concerned that Departments and other units may not be adequately funded since resources flow to the Deans.
6. Operational costs: Members asked about the implementation costs of the new BBM. Will CFOs need to increase their staffs? How much will implementation cost given the complexity of the

new model? Will this model increase the hours needed to do budgeting among both faculty and administration?

7. Uncertainty: Many members acknowledged that there are many questions that may not be answerable until after the new model is implemented. Perhaps the best approach is to anticipate and respond to potential pitfalls, since there is limited concrete evidence of how the model will play out in actuality.

If you have any questions for us, please do not hesitate to contact me at ablumenb@ucla.edu or via the Council's analyst, Elizabeth Feller, at efeller@senate.ucla.edu.

Sincerely,



Evelyn Blumenberg, Chair
Council on Planning and Budget

cc: Jessica Cattelino, Vice Chair/Chair-Elect, Academic Senate
April de Stefano, Executive Director, Academic Senate
Elizabeth Feller, Assistant Director, Academic Senate
Shane White, Immediate Past Chair, Academic Senate
Members of the Council on Planning and Budget