

Instructional Needs Funding Post-2020 Initiative

In 2012-13, the campus established an ongoing allocation of Instructional Needs (IN) funding in recognition of the continued need to make strategic decisions in undergraduate course offerings and address situations where the incentive-based budget model would not always provide the necessary level of support as undergraduate enrollment grew significantly in the context of the 2020 Initiative. In 2013, Undergraduate Education (UE) and Budget and Institutional Analysis (BIA) developed a framework of principles and funding priorities to take into account interactions with the Undergraduate Tuition Revenue (UGTR) budget model, enrollment growth, and crucial curricular needs.

IN funding was intended as “hotspot” funding for courses that need to be offered or expanded in order to meet demand without requiring colleges to fully support the course before it begins to generate funding through the UGTR budget model. IN funds are managed in a central campus account with a base budget allocation and distributed to colleges for annual one-time uses to ensure that instructional needs for all students can be met during the academic year. The Office of the Vice Provost and Dean of Undergraduate Education approves funding requests submitted by college Dean’s Offices annually, although requests may be made at any time as critical needs for additional sections are identified. Units may request IN funds for expenses required to add instructional capacity, such as adding teaching assistants or lecturers, or supporting equipment or supplies necessary for additional lab sections.

Instructional Needs funding has been available for six years and has allowed the campus to address hotspot needs during the campus’ period of significant enrollment growth. As this swift growth has passed and undergraduate enrollment growth is flattening, curricular needs will change. The purpose of this document is to articulate a framework and process for providing Instructional Needs funding to meet curricular challenges the campus is facing going forward.

Instructional Needs’ Role in an Incentive-Based Budget Model

Incentive-based budgets are designed to allocate resources directly to the units or activities responsible for generating the revenue instead of holding most or all of the resources at the central campus level. The UC Davis budget model is a hybrid approach that uses both formula allocations and strategic decisions to allocate resources via multiple “modules” that allocate different sources of funds. The Undergraduate Tuition Revenue (UGTR) module (hereafter simply referred to as “the budget model”) is complemented by the Instructional Needs pool to address one-time undergraduate instruction needs that would not otherwise be met via the standard budget model.

Principles. Before delving into the specifics of instructional needs funding in the budget model, it is important to reiterate the overarching principles of the UC Davis budget process:

- 1) Establish a sustainable funding model with incentives that advance the strategic plan.
- 2) Advance and encourage campus strengths and priorities such as interdisciplinary scholarship and internationalization, as well as boost economic development.
- 3) Be transparent, linking authority with accountability.
- 4) Be as simple as possible to understand, administer, and implement; rely on common and easily available data sources.
- 5) Encourage creativity and responsible risk-taking while providing for reasonable reserves and oversight.
- 6) Balance local autonomy with a strong sense of unity in vision and values.
- 7) Provide mechanisms for investments in fresh ideas at all levels.
- 8) Provide for reasonable transitions and bridging strategies.

Additionally, specific to instructional needs funding, the model should:

- 1) Recognize that budget model funds are distributed at the unit level and that responsibility and authority for management of the full portfolio of courses is at the Dean's level, and the Dean is ultimately responsible for balancing shortfalls in some classes or departments with overages in others.
- 2) Recognize that since the metrics to determine the budget model distribution are for prior years, budget model funding to a unit may lag an increase in student demand and therefore some transition funding may be appropriate.
- 3) Allow units to prioritize instructional resources with undergraduate student success being a high priority.

Undergraduate Tuition Distribution. In the UGTR budget model, undergraduate tuition revenue is allocated to schools and colleges based on a formula. The formula for allocation is 60% based on student credit hours (SCH), 30% based on degree majors and 10% based on degrees awarded. The metrics are based on the averages of two prior years; for example, the 2020-21 distribution uses 2018-19 and 2019-20 SCH and degree majors and uses 2018-19 degrees awarded (2019-20 degrees awarded data are not available in time to be used in the model). The metrics are applied to the projected 2020-21 undergraduate tuition revenue. As of 2020-21, total tuition revenue in the UGTR budget model will remain unchanged, though an individual college or school's resources will increase if enrollment and teaching activity increase relative to the other colleges and schools and vice versa. Thus, if additional sections and/or seats are provided in courses having high student demand, the increased SCH will lead to increased budget model funding that should sustain course availability in most cases, though since the metrics to determine the distribution are for prior years, the budget model funding to a unit may lag an increase in student demand.

The UGTR model is a revenue distribution model, rather than a cost allocation model, and therefore does not consider whether the funding allocated is sufficient to cover the costs of instruction. The extent to which any individual course can be supported by the revenue

generated by the enrollments in that course is a function of the cost of offering the course and the size of the course. All college and school Deans are expected to manage their course offerings as a portfolio and provide critical courses addressing the instructional needs of all students. Funding derived from some course offerings will exceed the associated costs and the positive net revenue from these courses will help offset the cost of providing other critical courses that are net revenue negative.

Current Purposes and Management of IN Funding. As noted earlier, the budget model is a hybrid approach that uses formula allocations and strategic decisions; the IN funding is a component of the strategic decisions. As of 2020-21, the Provost provides a base allocation of \$300,000 of IN funding to the VP-UE, available to distribute to the colleges other than the College of Letters and Science¹ on a one-time basis to ensure that instructional needs for all students can be met. Examples of the type of costs that can be funded include lecturers, TAs, readers, instructional lab coordinators, and materials.

The objective of the IN funding process has been, and continues to be, ensuring the availability of courses needed for students to meet degree requirements on a timely basis. Course availability, in turn, improves time-to-degree. The IN funding process must interact properly with the budget model, by providing funding only when the amount generated by the model plus appropriate carryforward balances already in the college are projected to be inadequate for the necessary instructional investments.

Instructional Needs Course Funding Priorities

IN funding priorities are to be based on the college Dean's ability to fund the college's portfolio of courses as a whole and the extent to which a course assists students in meeting degree requirements. Along with the College's ability to cover the cost or at least a reasonable part of the cost, the following list should guide IN funding decisions:

- 1) Freshman-level courses required of large numbers of students.
- 2) Freshman level courses that are prerequisites for staying on track in majors chosen by large numbers of students.
- 3) Undergraduate courses at any level that are degree requirements in a major in another college or department but that cannot be sustained by their own college or department.
- 4) Lower division courses offered in a department required by large numbers of students majoring in another department but which are generally not prerequisites for courses in the major.
- 5) Upper division courses expected to be impacted due to a large influx of transfer students.

¹ Base funding has also been provided to the College of Letters and Science to manage their Instructional Needs requests independently.

In all cases, the need requested should be one-time, not ongoing or structural, and not due to internal allocation methodology decisions in the College or department.

The following would not be considered for IN funding:

- 1) General education (GE) courses that are extremely popular with students, but many alternative courses are available to meet the GE requirements. Examples include nutrition NUT 3, food science and technology FST 3 and FST 10, and human development HDE 12.
- 2) Courses intended for majors, offered by the department administering the major and not required of students from other majors. If an analysis of course delivery and portfolio management within the unit shows that there are insufficient funds to support them, the unit could request Provost Allocation funding.
- 3) Courses with restricted faculty availability.
- 4) Courses seeking to change curriculum or pedagogy.
- 5) Instances in which department or college funding models do not provide sufficient funding.

Requests for IN funding should be submitted by a Dean's office to the VP-UE using the template provided on the Instructional Needs website at <https://ue.ucdavis.edu/faculty/instructional-needs-funding>. Note that all requests should be completed according to the given directions and including explanations of how the course fits into course funding priorities, as well as an explanation of why the funds managed by the College (budget model funds plus appropriate carryforward and/or other fund sources) are not adequate to meet the course demand.

The criteria for approving a request for IN funding include:

- 1) Funding priorities described above.
- 2) An assessment of the college or division's resources, especially tuition distributed through the budget model, college base funding, other colleges fund sources, and carryforward balances.
- 3) Availability of IN funding.

The VP-UE office will communicate a decision to the requesting College, as well as a maximum commitment in the case the request is funded.

Additionally, by the fifth week of the quarter in which the supported course is being offered, the Dean's office is required to provide a short report of the results achieved. The report should provide detail regarding the final costs of the request was intended to cover, the number of additional credit and non-credit sections added, and the resulting SCH increase. The template for this report is also found on the Instructional Needs website at <https://ue.ucdavis.edu/faculty/instructional-needs-funding>. Funding will be based on

actual expenditures up to but not exceeding the IN commitment and will be allocated at year end.

Conclusion

IN funding continues to play a small but important role in meeting course demand at UC Davis. The understanding of the interaction of IN funding, the budget model, and other college resources should facilitate administration of the funds and help colleges and divisions develop effective strategies to work within the budget model and colleges' all-sources funding environments to meet student course demand to lead to timely completion of degree requirements.