TO: Russell L. Moore, Provost and Executive Vice Chancellor  
FROM: A&S Reorg Budget Working Group Members:
    Ann Schmiesing, Executive Vice Provost for Academic Resource Management and Professor of German
    Erin Hutchinson, Senior Academic Business Partner, Office of Budget & Fiscal Planning (October-December; replaced Carla Ho-a)
    Regina Houck, Director of Budget and Finance for Academic Affairs
    Amy Lavens, Associate Dean of Finance and Administration, College of Arts & Sciences
    Lisa Landis, Director of Employee Relations and HR Operations
    Paul Quist, Director of Budget, College of Arts & Sciences
    Blake Redabaugh, Institutional Research Analyst
    Elizabeth Fenn, Walter and Lucienne Driskill Distinguished Professor of Western American History
    Nicholas Flores, Professor and Chair of Economics
    Cora Randall, Professor of Atmospheric and Oceanic Sciences

DATE: February 10, 2020  
RE: Report of the A&S Reorg Budget Working Group

Dear Provost Moore:

This report presents the recommendations of the A&S Reorganization Budget Working Group, whose members were charged with the following during fall semester 2019:

I. Work closely with the College Structures working group to understand in detail the structural and programmatic changes that are being proposed;
II. Determine how the current College budget should be aligned to support the recommended new divisional structure of the College;
III. Identify opportunities to optimize the alignment of the resources of the existing College to better support the academic mission of the future state of the College and its divisions;
IV. Propose a plan to transition from the current A&S budget structure to the proposed future structure.

In its examination of items I-IV, the working group was further asked to identify challenges and opportunities that the proposed reorganization of the College might present. Broader budgetary issues (such as the College’s base budget) were beyond the scope of the working group’s charge. The working group notes, however, that separate conversations are underway...
regarding a CU Boulder budget model redesign, and that these conversations include examination of base budgets.

In what follows, we address points I-IV of the above charge in turn and then identify possible challenges and opportunities.

I. Work closely with the College Structures working group to understand in detail the structural and programmatic changes that are being proposed

Several meetings were held to enable the Budget Working Group to understand proposed structural and programmatic changes. These included the following:

- Co-conveners Carla Ho and Ann Schmiesing met with College Structures working group convener Mike Murray during summer 2019 to keep apprised of the Structures working group’s progress.
- Ho and Schmiesing also met with Professor Tricia Rankin and retired Senior Vice Provost Bill Kaempfer in summer 2019 to ask questions about the work of the Academic Reorganization Committee, which they chaired.
- Mike Murray attended a Budget Working Group meeting in October to apprise members of the Structures Working Group’s draft recommendations.
- Schmiesing and Provost Moore met with Murray and Structures Working Group member Professor Donna Mejia in October to receive an update on the Structures Working Group’s recommendations.
- Representatives from each of the working groups (Structures, Budget, Governance) met in October to apprise each other of progress.

The Budget Working Group’s ability to stay informed of the Structures Working Group’s progress was further facilitated by Lisa Landis, who served on both working groups. These various meetings and updates were particularly helpful to the Budget Working Group during the period before we received the draft report from the Structures Working Group on December 4, 2019.

II. Determine how the current College budget should be aligned to support the recommended new divisional structure of the College

A. Principles: To determine this alignment, Budget Working Group members identified budgetary and resource allocation principles that will be essential for a successful reorganization. These principles should apply to all levels of the College (unit, school, College) and include:

1. **Agency and accountability:** A successful reorganization will depend on enabling enhanced budgetary agency of school deans, as well as enhanced budgetary accountability at all levels of the College (unit, school, College).

2. **Transparency and trust:** Chairs, school deans, and the executive dean should arrive at a shared understanding of budgetary transparency as a means to build mutual trust. The working group recognizes that budgetary transparency does not mean that a line-by-line, granular College, school, or unit budget must be communicated. But we believe that there should nevertheless be greater communication of overall
College, school, and unit budgetary allocations and how allocation decisions are made. If an “Arts & Sciences Faculty Senate” is implemented, for example, the executive and school deans must communicate budgets to the senate’s executive committee and solicit its input as an advisory body. Transparency must occur at all levels (unit, school, college, university).

3. **Alignment of budget and related resources with mission**: The College of Arts & Sciences contributes substantially to CU Boulder’s statutory mission as a national public research university that offers “a comprehensive array of undergraduate, master and doctoral degree programs.” Delivery of a comprehensive array of programs presupposes that not every program in A&S, and indeed not every school within a reorganized A&S or every school or college at CU Boulder, will necessarily produce a positive net revenue.

4. **Alignment of budget and related resources with need, performance, and outcomes**: As part of aligning budget and related resources with mission, measurable teaching, scholarly work, and service performance-based outcomes in the units that comprise each A&S school must regularly be assessed. Assessing unit-level teaching, research, and service performance and outcomes should involve analysis of a variety of quantitative and qualitative measures and include consideration of disciplinary differences. In addition, linking budget allocation to fluid measures such as student demand that may shift with time will facilitate nimble repurposing of budget between schools and units.

5. **“Recyclability” as a means to balance autonomy of divisional budgets with the need for overall College budgetary flexibility and fungibility**: To align budget with mission while also ensuring that shifts in performance and outcomes are accounted for, Working Group members emphasized the need to balance budgetary flexibility and fungibility with budgetary autonomy. That is, budget held at the school level should in principle be “recyclable,” in the sense that aspects of school budgets should periodically be assessed for reallocation. As an example, vacated tenure-track/tenured (TTT) lines revert to the school or College, but the process of determining whether a position is returned to the unit or reallocated elsewhere in the school or College must take full account of the initial unit’s long-range plan. Similarly, operating budget allocation methodologies should respond to shifts in needs, plans, performance, and outcomes.

6. **Consistency**: With three schools unified in the liberal arts College, it is important that the leadership team collaborates and communicates effectively with a focus on eliminating or minimizing inequities, rather than creating them.

**B. Recommendations for budget alignment:**

1. The Budget Working Group recommends that the budgetary decision-making authority for the following be at the College **executive team level**:
   a. A&S central administrator and supporting staff salaries; and stipends for chairs, directors, and associate chairs
   b. Faculty scholarly work accounts
   c. DA-ICR (pass-through to units)
d. Startups and retentions

e. Unit operating budget allocations

f. Academic Program Allocation (APA) budgets (pass-through to units)

g. Space and infrastructure budget allocations

h. Faculty recruitment funding

i. Tuition remission allocations

j. Decisions pertaining to department-wide course load changes, which also involve discussion with faculty and Academic Affairs (Vice Provosts Faculty Affairs, Academic Planning and Assessment, and Academic Resource Management)

k. Changes in resource allocation, including continuing salary budget and faculty lines, between schools. To accomplish inter-school allocation/reallocation, new growth enrollment resources and a portion of vacated positions/salary budget will need to fall under executive team authority each year. The proportion of vacated resources need not be fixed in each year, but part of an ongoing College strategic resource plan.

2. The Budget Working Group recommends that the budget authority for the following be held at the school dean level:

a. Ongoing salary budget and faculty lines not subject to strategic reallocation noted in II.B.1.k.

b. Instructional budget for replacement teaching

c. Temporary budget that contributes to scholarly work and supports related expenses (e.g., budget for startup shortfalls, moving costs, retention packages, matching funds for equipment purchases, lab renovation)

Budget Working Group members recognize that budgetary decision-making must be compliant with relevant University policies; for example, the campus has policies related to space utilization and space allocation, graduate stipend base rates, and DA-ICR.

3. The Budget Working Group recommends development of a systematic method for reviewing, and adjusting as necessary, allocations of the existing budget. A systematic methodology should also be used for investment decisions as new budgetary funds become available.

III. Identify opportunities to optimize the alignment of the resources of the existing College to better support the academic mission of the future state of the College and its divisions

The Budget Working Group requests additional time to complete this aspect of its charge, so that it can more fully consider the details of the Structures Working Group report that it received on December 4. Preliminary Budget Working Group considerations and recommendations are as follows:
A. The identification of resource alignment opportunities depends on the review of staffing specified in IV.D. below. This review is necessary to determine areas in which the College might be able to “consolidate fractional work to provide more support to departments and free-up department resources” and “reduce unnecessary redundancy and improve efficiency” (Draft Structures Working Group report, p.13).

B. The A&S resource alignment review should consider opportunities and barriers not only within A&S but also across schools and colleges and between A&S and central campus units. For example, A&S’s existing resource contributions to non-A&S service units (e.g., HR, OIT) should be reviewed to 1) evaluate the degree to which these contributions streamline and enhance A&S and campus processes; 2) ensure that non-A&S units deliver on commitments; and 3) identify areas where improvements might be needed.

C. Budget Working Group members believe that resource alignment opportunities might exist in areas such as grant administration and IT support.

D. Budget Working Group members recommend that cost savings from any efficiencies realized at the unit/school/college level be retained at the same level (unit/school/College) at which the savings were realized.

IV. Propose a plan to transition from the current A&S budget structure to the proposed future structure

Working group members strongly recommend that any structural changes to A&S be made incrementally, with continual evaluation of positive and negative impacts. The working group believes that many of its recommendations pertaining to budgetary principles and decision-making can be implemented regardless of whether an executive dean/school deans structure is adopted. Working group members recommend that such changes be implemented before any new structure is adopted.

One outcome of the transition plan must be the development of decision-making methodologies for continuing and temporary budget allocations within the units and schools of the College.

The plan will address budget cycles and will clearly address such questions as:

- What data are evaluated?
- What information will be important to consider for investment decisions?
- What are the mechanics of the decision process?
- How will these decisions be disseminated in a consistent, timely, fully transparent manner?
The plan will conceive of necessary operating changes to shift from near-term reactive decision-making to strategic visioning and improved long-term planning. Ideally, this will create a liberal arts college structure that is more nimble in responding to trends and fostering successes.

The analyses listed below will be critical components of a transition plan and should proceed over the course of around six months. The transition plan will lay out how these analyses are inherent in the yearly budget process and decision-making methodology based on needs, inputs, and performance-based outcomes. It is critical that these analyses are not “one-off” but rather woven into the fabric of the College budget decision-making cycle.

Creating an informed, data-driven, transparent budget review methodology will ensure that the College continually analyzes changing environmental factors and incorporates these factors into unit, school, and College strategic planning and decision-making. Budget and related resource allocations should factor in cost and outcomes and should reward effective resource utilization. The committee feels strongly that the overarching theme above all of the following recommendations is that budgeting must be strategic with an eye toward the future. Strategic budgeting considers not only student demand and net changes in faculty and staff, but also recognizes important trends in higher education in the face of changing demographics and pressing problems for the state, the nation, and the planet. Strategic budgeting encompasses the analysis and consideration of support for emerging disciplines as well as new modes of interdisciplinary research and teaching.

A. The following are key inputs that must be included in the analysis of teaching needs and teaching resources.
   1. Review tenure-track/tenured (TTT) course loads in each unit and school to ensure that 1) course loads in each A&S discipline are generally in accordance with course loads at Association of American Universities (AAU) public peer institutions; and 2) that any reductions to course loads have A&S budgetary support, the input of the faculty, and approval at the College and Provost level (with review from the Executive Vice Provost for Academic Resource Management, the Senior Vice Provost for Academic Planning and Assessment, and the Associate Vice Chancellor for Faculty Affairs). The Budget Working Group emphasizes that it is not recommending increased teaching loads, but acknowledging that course load reductions have budgetary implications for units, schools, and the College that need to be understood.
   2. Consider A&S Instructor Task Force recommendations and assess their budgetary impacts in the context of the proposed reorganization.
   3. Review longitudinal headcounts of TTT, instructor/senior instructor, and lecturer/adjunct faculty in each unit to determine whether pronounced disparities exist with regard to disciplinary coverage or shifts in student demand, and to determine a plan for remediying such disparities over time. In conjunction with this, review longitudinal TA/GPTI budget allocations to determine whether disparities exist and to develop a plan for remediying any disparities as necessary over time.
4. Review longitudinal outcomes per unit and school utilizing quantitative and qualitative measures including, but not limited to, ARPAC reviews, major and minor headcounts, student credit hour production, retention and graduation rates, degree production, time to degree, graduate student placements, program rankings, and faculty honors and awards. Include consideration of student participation per unit and division in the Honors program, UROP, first-year seminars, and independent studies. Consider disciplinary differences and the mission of CU Boulder and the College of Arts & Sciences in reviewing teaching productivity.

B. The following are key factors that must be included in the analysis of allocation decisions pertaining to research/creative work.

1. Review research/creative work productivity and outcomes per unit and division, utilizing quantitative and qualitative measures including, but not limited to, ARPAC reviews, grants, Academic Analytics research data, program rankings, and faculty honors and awards.

2. Consider disciplinary differences and the mission of CU Boulder and the College of Arts & Sciences in reviewing research/creative work.

3. Other: Consider departmental (or disciplinary) national rankings, and other strategic and core disciplinary needs (e.g., emerging new disciplines and essential disciplinary areas).

C. Consider internal and external service levels at the unit and school level.

D. Review staffing levels, salaries, and staff position descriptions in A&S units to ascertain the existence of opportunities to better align staffing with the College’s mission and to determine where additional staff is most needed. Include analysis of A&S staffing levels in various positions as compared with staffing levels in other CU Boulder schools/colleges.

E. Review and analyze the outcomes of spousal and retention investments made in the College in recent budget cycles.

The factors and inputs above should be reviewed not only in isolation but also holistically, acknowledging that some departments will contribute more in certain areas than in others.

V. Opportunities and challenges

A. Budget Working Group members identified several opportunities that a reorganization might present, while emphasizing that almost all of these opportunities exist now and do not depend on reorganization into an executive dean/school dean structure. Members see opportunities to:

1. Enhance budgetary transparency and accountability at all levels of the College
2. Improve trust in leadership and shift to a shared vision of success among units and divisions
3. Increase divisional autonomy and accountability with regard to the budgets listed in II.B.2. above
4. Foster data-informed decisions with regard to College and divisional budgets
5. Improve understanding of how units might evolve their programs
6. Minimize inequities that can arise within the College when one division makes division-wide resource or budgetary policy decisions without consulting other divisions (e.g. decisions pertaining to course loads, chair compensation)
7. More tightly interconnect budget and resource allocations with ARPAC recommendations, especially to ensure that ARPAC recommendations are more actionable and implemented (for example with regard to planning for unit-level needs such as long-term TTT hiring plans)
8. Coordinate the College-level budget process with the campus-level budget process to facilitate the strategic allocation of resources
9. Evaluate feasibility of differentiated tuition structures
10. Evaluate feasibility of offering Bachelor of Science degrees
11. Invest in the leadership of the College through national searches

B. Budget Working Group members, whether individually or as a group, expressed several concerns associated with the proposed new College structure. Members were concerned that:
   1. The/a fundamental problem is the lack of additional resources to support the College, and that the reorganization will not address this
   2. The proposed structure as represented in the Academic Reorganization Committee report and articulated by the Structures Working Group might worsen instead of remedy some of the issues it intends to solve
   3. Any new College structure might be difficult and costly to implement and, once implemented, difficult to undo if it proves unsuccessful
   4. Hiring an executive dean and three deans of new A&S “schools” will be cost-prohibitive, or that the funds needed for such hires would be better spent on additional staff in A&S or on other A&S or campus needs
   5. The executive dean’s level of authority in relation to A&S school deans and other CU Boulder deans might be unclear
   6. Implementation of a successful reorganization might be challenging in part because A&S staffing levels appear to be below staffing levels in other CU Boulder schools and colleges (see IV.D. above)