

Annual Report for 2008-2009

Committee on Budget and University Priorities

The Committee on Budget and University Priorities met seven times during the 2008-09 academic year. In addition, there was one meeting that involved a subcommittee of Committee members and Arts and Sciences deans. The chair of the committee also met with members of the administration on two separate occasions, including one during the summer of 2008. The Committee has submitted a set of recommendations to the Deans based on our findings in these meetings as described below.

Two major forces shaped the committee's agenda for the year. The first was the commitment made in the previous year to investigate three specific policy issues that, while they have important budgetary implications, are not resolved in a manner that is transparent to faculty, including department chairs. These are: 1) policy regarding the disposition of surplus funds generated by Summer School classes; 2) policy regarding financial aid for graduate students, especially Master's level students; and 3) policy regarding the award of course releases.

The second factor shaping the Committee's agenda was its traditional review of general budgetary allocations. However, this issue was dominated this year by the need for unusual austerity resulting from the very sharp downturn in asset prices and economic activity. We describe our deliberations and any resultant recommendations with respect to each of the issues considered below.

Summer School Funds and Organization

In connection with the three items that shaped the Committee's initial agenda, we begin with our review of the disposition of funds generated by Summer School classes. Each year, virtually every department in AS&E offers summer classes as part of its overall pedagogical program. These classes may be at the graduate or undergraduate level. While for the most part, graduate students pay for their classes as one overall payment, independent of when the class is taken, undergraduate summer classes typically generate additional tuition revenue beyond the standard semester fee. For most, if not all departments, the incoming tuition revenue exceeds the department's incremental costs (largely salary) so that there is a surplus. The disposition of this surplus is presently determined by a complicated formula, a number of features of which are worth noting. First, the formula itself is neither well nor easily understood. Few departments appear to have any real understanding of this procedure. Second, the formula severely weakens the link between the total surplus generated by a department's summer classes and the funds the department is eventually returned. To begin with, the vast bulk of the Summer School surplus is retained by the summer school and the central administration. On average, departments are given back only about four or five percent of the surplus they generate. At the margin, the link is probably even weaker so that \$1,000 in additional tuition revenue typically generates less than \$40 in net returns to the department. Finally, and as noted above, for a number of graduate programs, such as education, summer school classes are an essential part of their program. Yet graduate student tuition is typically charged as one lump sum for a degree. Thus, for example, a graduate student might be charged \$36,000 for an MA in education. If however, that student fulfills some of her course requirements with summer classes, the tuition revenues associated with those classes are effectively removed from the graduate program and placed into the Summer School program.

In the view of the Committee on Budget and Priorities, debate over the features of Summer School funding just described reflect a larger debate over two different visions of the Summer School program. In one vision, the Summer School is something like an additional campus that stands above the departments in order to organize a general educational program run during the summer months. An alternate vision is that it is the departments that determine the summer

classes they wish to offer as part of their pedagogical mission, and the Summer School then that serves the departments by helping to implement and coordinate those goals. The Committee does not take a position on which vision is more appropriate. It does note however that the current funding practice is more in line with the first of these two visions. More importantly, we note that this organizational choice is not one that has been explicitly reviewed. We therefore recommend that the Administration actively consider the organizational arrangements regarding the Summer School. We further recommend that, especially in the current climate of austerity, where cost-cutting has been so much of the focus, that any review of the Summer School organization be one that considers ways in which departments are given more of an incentive to generate revenues.

Graduate Student Financial Aid

As Tufts has raised its research aspirations and profile, its graduate program policies have taken on renewed importance. In this regard, policies regarding the financial support of graduate students have particular significance in that they are crucial both in attracting a highly qualified student body and in sustaining the graduate research that is so central to the success graduate students achieve. Moreover, unlike undergraduates, graduate students are typically admitted to a particular graduate department or program. Hence, policies regarding the financial support for graduate students can translate into policies regarding support for a specific discipline or curriculum.

In recent years, there has been significant evolution in the policies governing graduate student financial support. First, support for doctoral students now covers 100 percent of tuition fees. The only exceptions to this are in the few professional doctorate programs such as that offered by Occupational Therapy, or certain cases in Engineering. Second, the health fee and 50% of the cost of health insurance is covered for doctoral students in the Graduate School of Arts and Sciences (GSAS) for five years. For Engineering graduate students, this support for health care costs is tied to work as either a Teaching Assistant or Research Assistant. Third, grant proposals involving graduate students in research are expected to include a budget request covering 15 percent of annual tuition of each graduate student for each year of the grant's duration as well as to cover fully the student's health care and health fee cost. This change came first in Engineering. It will become a requirement for Arts & Sciences grant proposals as of September 1, 2009. Finally, Master's programs in Arts & Sciences are expected to award incoming students with no more than a 50 percent tuition scholarship on average.

The subsidy of health insurance and coverage of health fee for doctoral students in GSAS was facilitated by a change in billing so that instead of charging doctoral students roughly \$36,000 over three years GSAS now charges roughly \$22,000 over five years. Under the earlier arrangement, the absence of a billing mechanism for the fourth or fifth year made it difficult to subsidize health coverage support to graduate students in those years of their program. The new billing arrangement addresses this difficulty as well as making it possible to capture the 15 percent annual tuition charge to grants.

The recent change requiring that research involving graduate students and supported by external funding charge tuition support in the budget has met some resistance from some faculty. Presumably, the source of this resistance is that it makes grants more expensive. However, both the Dean of Engineering and the Dean of the Graduate School of Arts & Sciences, as well as other administration personnel cited numerous instances demonstrating that this practice is the norm at virtually all research institutions, including in particular, those in Tufts' peer group. Moreover, they further argued that this practice was critical in generating the funds needed to attract and support qualified graduate students. Without taking a formal position on this issue, the Committee does recognize that linking external funding received in connection with graduate

research to graduate program needs is consistent with the provision of clear incentives and guidelines for decision-making.

The recent enforcement of GSAS policy that annual tuition scholarship for Master's students average no more than 50 percent across the Master's students within a given program has also aroused some controversy. In practice, this has meant that some relatively small Master's level programs that were able to attract students only by offering 100 percent tuition scholarship are no longer viable. Thus, the elevation of this policy from a somewhat informal guideline in years past to a much more binding constraint now has had a budgetary impact on a number of programs, especially those in eight A&S departments for which Master's level students are the only graduate students. It is worth noting that Masters programs in the more clearly professional graduate departments in A&S, i.e., Urban & Environmental Policy, Education, Occupational Therapy, the average tuition scholarship is set at a lower rate, roughly 40 percent. Similarly in Engineering the average tuitions scholarship for Masters students who are not RA's or TA's is 40 percent.

Discussions with administration representatives make it clear that any consideration of financial support for Master's level students is complicated by the great variety of roles that such education plays at Tufts. The Master's degree can be a professional degree that enhances career opportunities similar qualitatively speaking to either an MBA or a law degree. For such professional degrees, large tuition scholarships are relatively few and most students pay all of the tuition charge. In effect, the degree is an investment and the student's higher subsequent career earnings are the returns that justify and pay for that investment.

For other departments, the Master's degree is often the stepping stone to a Ph.D. program. When this doctoral work is continued at Tufts, then granting a generous tuition scholarship to the Master's student may make some sense in that it is almost equivalent to the 100 percent tuition scholarship granted new Ph.D. students as described above. However, often the later Ph.D. program is pursued by the student at an institution other than Tufts. If the training the student receives through the Master's program at Tufts is accompanied by a large tuition scholarship then this policy effectively translates into a subsidy for Ph.D. programs at rival institutions.

Many Master's programs in AS&E fall somewhere between the professional degree function and pre-doctoral programs just described. Terminal Master's level programs such as those in Engineering, Economics, and Mathematics provide both career enhancement and doctoral preparation. In addition, these programs also offer students an opportunity to enrich and deepen their earlier undergraduate learning and a chance to explore possible career paths. It should also be noted that all of our Master's level programs bring to the university a talented and enthusiastic group of young students ready to share their training as either Research Assistants or Teaching Assistants.

Given the diversity of roles that Master's programs play at Tufts, the Committee believes that no one policy is likely to fit all programs. However, if there was one policy that was broadly applicable, it is not clear that it would be the 50 percent rule. In this respect, the Committee would like to note that although tuition scholarship is viewed as a cash expenditure, it could instead be viewed as a reduction in the price paid for the degree by a particular student. Viewed in this way it is possible that granting tuition reductions so that incoming students pay, say, only 30 or 40 percent of the full tuition charge (i.e. an average tuition scholarship of 60-70%) could conceivably yield sufficiently more (and better qualified) incoming students while simultaneously increasing the University's total net tuition revenue. Since GSAS annual gross tuition revenues are over \$14 million, even a small percentage gain in yield could translate into a significant revenue gain.

Of course, the Committee recognizes the economy and transparency that accompanies simple and easy-to-understand rules on the award of tuition scholarship. Moreover, it is clear that tuition support at the Master's level at the 100 percent rate offered to doctoral students is not sustainable.

However, the Committee believes that if there is sufficient capacity in a Master's program for additional students, then some experimentation with the 50% rule could be warranted. As noted in our discussion of the Summer School, the current financial climate has focused much attention on cost-cutting measures. As these become exhausted, alternative policies that may not only enable Tufts to attract better graduate students but that also enhance net revenues should be considered. Therefore the Committee urges the Engineering and Arts & Sciences administrations to explore alternative tuition policies at the Master's level with a view to increasing both Tufts competitive and financial positions. This may be done on a program by program basis. As in the Summer School case, such a change would permit a better union of decision-making authority with those who have the best information regarding the impact of their decisions. Further, by allowing programs to share in some of the gains that an alternative tuition policy may bring, such a change creates the incentives for departments to pursue those innovations.

Course Release Policy

As the research aspirations of both the University and its faculty have risen, so has the need for time to pursue scholarship also increased. One result of this has been a rising proportion of faculty who teach less than four classes during the regular academic year. Since for the most part the classes that these faculty would have taught are still offered, these reduced teaching loads have significant budgetary impact including not only the salary costs for replacements but often non-trivial hiring costs, as well.

Perhaps just as troubling as the total budgetary impact, however has been the somewhat chaotic nature in which the increased course reductions have been awarded. To the somewhat standardized policy of granting course relief for performing key administrative duties, such as serving as department chair, a long list of course reduction awards has grown. Faculty have been granted a course release for participating in workshops and serving on committees. In some cases, faculty have been granted releases for directing graduate programs or for teaching large classes. Sometimes, co-teaching a class with another faculty member has been considered a full course load. Perhaps most often, course releases have come as part of a negotiation to attract or retain faculty. In many of these cases though, the precise duration or conditions of the course reduction have not been fully articulated.

The Engineering School has taken major steps to regularize teaching workloads. Its Faculty Workload Expectations are spelled out in detail on the School's web site. These details include explicit research achievements necessary to maintain a three-course teaching load. They also make explicit the course load reduction offered to new assistant professors as well as the duration of that reduction.

Given the many more departments in Arts & Sciences and the great diversity in these disciplines in terms of the relative importance of journal versus book publications, the presence of a graduate program, and the availability of outside funding, it is understandable that no detailed and standardized policy regarding teaching load expectations has been developed in A&S comparable to the one in Engineering. However, the Committee urges the Administration to begin working with the Arts & Sciences faculty to begin developing at least some broad principles regarding the standard work load and reductions from it. Apart from helping to resolve clear issues of equity, a set of straightforward rules that recognize the budgetary impact of course reductions would also help provide a framework that facilitates rational budgeting and personnel decisions.

The 2010 Budget

Of course, throughout the 2008-09 academic year, the ever more challenging budget situation was never far from the Budget & Priorities Committee consideration. At least part of every meeting with administration officials addressed some of the unfolding financial crisis and its implications

for the University. In this respect, it is safe to say that the central objective of the administration—as stated repeatedly by various deans and reflected in the 2010 budget—has been the goal of maintaining and enhancing the core mission of the university. In practice, this has meant maintaining undergraduate financial aid, which is unique as the only major budget item this year for which spending will increase, and retaining current faculty and staff personnel at current levels to the fullest extent possible.

This is not to say that there were not significant cost-cutting measures. The ability to pursue a needs-blind admissions and aid policy—achieved so recently—has been somewhat compromised by the financial crisis. Similarly, a widespread freeze on wages and salaries was implemented and a number of positions were left unfilled. For the first time in approximately seven years, the library budget was actually reduced by an amount roughly equivalent to its annual book purchases. Some long-standing programs such as Writing Across the Curriculum and the Critical Thinking have lost their funding entirely. Non-compensation budgets have also suffered.

The Committee believes that the continued competitive health of the University requires the recruitment of a highly qualified and diverse undergraduate student body. We therefore applaud the 12 percent increase in undergraduate financial aid reflected in the 2010 budget. Given that tuition costs have continued to rise and given as well the income losses that many families have recently suffered, the committee recommends that efforts to maintain financial aid and restore Tufts' ability to pursue a fully need-blind admissions policy receive the highest priority.

With respect to faculty salaries, the Committee notes as it did last year that only limited progress has been made on the goal of moving Tufts faculty salaries into the 80th percentile of all institutions across all ranks. Offering salaries and course loads that are competitive with what highly qualified scholar-teachers can earn elsewhere is also essential to Tufts' success. The Committee therefore recommends that the administration also give very high priority to insuring that Tufts offers the compensation necessary to compete with our peer institutions for highly qualified faculty.

Finally, it has become very apparent to the Committee that there are substantial questions regarding the information technology support needed for a modern research university. As noted above, the library's ability to maintain its book and journal collection has been weakened by this year's budget crisis. Even greater doubts have grown regarding the computing and communications technology available on campus. While the Committee plans to pursue these issues more fully next year, it is safe to say at this juncture that restoring the library to actual budget growth and greatly strengthening the information technology system also deserve some precedence.

The committee wishes to thank Jillian Dubman for her continued role in assisting the committee with its meetings.

For the committee,

Dan Richards
Professor of Economics
Chair, Budget and Priorities Committee, 2008-2009

Faculty: A. Blumer, P. Cebe, C. Georgakis, F. Gonzalez, D. Richards (Chair), C. Romero, J. Taliaferro, and K. Portney (Exec. Comm.); Graduate Students: R. Heustis, J. Xylas;
Undergraduate Students: M. Al-Chalabi, L. Levine, M. Shpanka, S. Silverman; Ex Officio: L. Abriola, L. McIntosh, L. Pepall, S. Sahagian, P. Stanton, R. Sternberg.