



July 14, 2015

David Eaton, Dean and Vice Provost, Graduate School  
Chair, Graduate School Council

Dear Dave,

When the university adopted Activity-Based Budgeting in 2012, there was an understanding that ABB policies might need to be revised in light of experience, and an ABB Review Committee was established to monitor the operation of ABB and to recommend policy changes when needed.

Several of the ABB issues that have come to the attention of the Review Committee have implications for the academic and research missions of the university that go well beyond the mandate of the Review Committee, so the committee asked the Faculty Senate and the Board of Deans and Chancellors to develop policy recommendations. We have decided that, as a start, these issues should be taken up by existing councils.

We're writing to ask the Graduate School Council to address the appropriateness of the way graduate student tuition waivers are handled under ABB.

Currently, if a graduate student is employed as a TA or RA in a college or school other than the one he or she is enrolled in, part of the compensation includes a tuition waiver. Because the ABB methodology for assigning tuition revenue is based on net operating fee revenue, these waivers represent foregone revenue for the enrolled college or school. Ever since the establishment of the ABB system, there has been persistent concern that this foregone revenue represents a substantial loss for colleges whose students often are employed by other colleges. On the other hand, if the waivers were charged to the employing college, that might raise the cost of hiring graduate students so high that it could serve as a disincentive to hiring any students at all.

Please consider whether the ABB incentives and disincentives for cross-college hiring of graduate students—and also those for hiring postdocs vs. graduate students—are appropriate or inappropriate from the point of view of supporting the university's educational and research missions, and if inappropriate, how they might best be modified.

In your discussions, please consult with any relevant stakeholders, including at least the following:

- The Office of Planning and Budgeting (Sarah Hall)
- The deans, faculty councils, and student advisory councils of any colleges that have significant numbers of graduate students hired as TAs or RAs by other colleges, or that hire significant numbers of such students
- The Board of Deans and Chancellors (Sandy Archibald)
- The Faculty Senate leadership (Kate O'Neill, Norm Beauchamp, and Zoe Barsness)
- The Faculty Council on Faculty Affairs (Gordon Watts)
- GPSS (Alex Bolton)
- UAW Local 4121 (David Parsons)

We've attached two documents that might help you get started thinking about the issues:

1. A report prepared for the ABB Review Committee by a prior working group in 2013
2. A policy statement on collaboration prepared as part of the university's Sustainable Academic Business Plan, and endorsed in May 2014 by the Board of Deans and Chancellors

As you evaluate whether ABB has undesirable effects, please advise whether solutions require fundamental changes to or exemptions from ABB principles, or whether they might be alleviated by administrative guidelines on how to work around unintended problems efficiently.

We would appreciate it if you could provide the three of us (O'Neill, Archibald, and Hall) with a report on your findings, at least in preliminary form, by the end of Autumn Quarter 2015. Please let us know if you have any questions.

Sincerely,



Kate O'Neill  
Chair, Faculty Senate  
Professor of Law



Sandy Archibald  
Co-chair, ABB Review Committee  
Chair, Board of Deans and Chancellors  
Dean and Professor, Evans School of Public Policy and Governance



Sarah Hall  
Co-chair, ABB Review Committee  
Assistant Vice Provost, Office of Planning and Budgeting

/nlb

Attachments: ABB Review Committee Report 10/28/2013  
Statement on Collaboration, May 2014