

UNIVERSITY OF CALIFORNIA

Its Partnership Agreement Could Be Improved to Increase Its Accountability for State Funding

Audit Highlights . . .

Our review of the University of California's (university) partnership agreement revealed the following:

- Of 22 objectives included in the agreement, 9 contain outcomes that identified quantifiable and clear targets to measure improved performance, and 13 do not. Thus, the university's ability to demonstrate its success in using state funds to achieve the objectives is limited.*
- The university's expenditures for support salaries increased at a faster rate than its expenditures for academic staff salaries within instruction, research, and public service between 1997 and 2001—two years before and three years after the partnership agreement went into effect.*
- Certain factors have an impact on the 4.8 primary course-to-faculty ratio the university agreed to maintain as part of the partnership agreement. For example, we found that 13 percent of the primary courses taught by regular-rank faculty had enrollments of two students or fewer.*

REPORT NUMBER 2001-130, JULY 2002

The University of California's response as of July 2003

The Joint Legislative Audit Committee (audit committee) requested that the Bureau of State Audits conduct a comprehensive audit of the University of California's (university) performance under the partnership agreement. As part of the audit, the audit committee asked that we evaluate the effectiveness of the methods the university has established to allocate the increased state funding it receives and the procedures it has developed to measure campuses' performance in meeting the goals of the partnership agreement. In addition, it requested that we compare university expenditures before and after the partnership agreement to determine how the university has allocated and expended its increased state funding. Further, we were to determine whether the university has implemented a state-supported summer term with services similar to the regular academic year, and we were to analyze the university's annual Undergraduate Instruction and Faculty Teaching Activities report (instructional report) for the past three years and present conclusions reached on any trends we identified.

Finding #1: The university cannot fully measure its accomplishments because the partnership agreement does not always establish measurable and clear targets.

In May 2000, the university and the governor entered into a four-year partnership agreement encompassing fiscal years 1999–2000 through 2002–03. The overall intent of the agreement was to provide the university with funding stability in exchange for its progress toward meeting certain objectives included in the partnership agreement. As a result, although the Legislature is not a party to the partnership agreement, the Legislature and the governor appropriated additional state funds during the first two years of the partnership agreement that they expected the university to use, in combination with

existing resources provided by the State, to accomplish objectives identified in the partnership agreement. However, although the partnership agreement contains clear and measurable targets for some of the objectives it outlines, it does not contain such targets for many others. Therefore, the university's ability to demonstrate its success in using state funds to achieve the partnership agreement's objectives is limited.

Specifically, in our review of the 22 objectives specified in the partnership agreement, we found that only 9 contain outcomes that identify quantifiable and clear targets to measure improved performance. For the other 13 objectives, the partnership agreement does not identify clear and measurable targets, even when the objectives lend themselves to the establishment of such targets. For example, 1 objective states that beginning in 2001, the university should increase the percentage of students from low-participating high schools who enroll in the university. A target for this objective might identify a specific percentage and establish a deadline for the university to reach it, while stating that the university could revise these goals as circumstance warranted. However, the agreement contains no such target.

We recommended that the university propose establishing clear and measurable targets when preparing future partnership agreements. These targets should allow the university to better assess its success in meeting the objectives of the partnership agreement. In addition, if the university is concerned that it will be expected to meet a measurable target when it has not received the related funds or when factors outside its control impede its progress, it should propose that as circumstances change it can revise the targets.

We also recommended that the university confer with the governor and the Legislature to determine whether having the Legislature provide input on objectives and measurable targets for future partnership agreements might be beneficial.

University Action: Pending.

The university indicated that it would consider our recommendations relating to future partnership agreements if a new agreement is negotiated.

Finding #2: The university has spent more of its increased state funding on support staff than on academic staff.

Although the university's primary mission is to teach and conduct research in a wide range of disciplines and to provide public services, it increased its expenditures for support staff salaries made out of its general operating funds at a greater rate than it increased its expenditures for academic staff salaries within instruction, research, and public service between 1997 and 2001. Only 44 percent of its increase in salary expenditures during this time related to these academic salaries, while 56 percent related to support staff salaries. Moreover, the proportion of employees that the university hired in certain support classifications using general operating funds over the five-year period was much greater than those it hired in certain academic positions, despite its nearly 13 percent growth in enrollment. The majority of the increases in the university's expenditures occurred in five job classifications, four of which were support classifications. The number of full-time equivalent (FTE) professorial-tenure employees at the university grew by 504, or 10 percent, while the number of its FTEs within advising services increased by 532, or 59 percent, and the number of its FTEs within fiscal, management, and staff services increased by 2,075, or 43 percent.

The hiring of both academic and support staff may have contributed to achieving the partnership agreement objectives, and the university's hiring decisions may have appropriately reflected its needs. However, because the partnership agreement does not contain objectives or measurable targets that identify the areas in which the university believes growth in positions is necessary, the Legislature and the governor may not be able to evaluate whether the university's decisions reflect the intent of the agreement. The addition of such targets to the partnership agreement would increase the university's accountability for its use of state funds and would enable both the State and the university to better monitor the proportion of increased funding spent on academic and support salaries.

We recommended that the university confer with the governor and the Legislature to determine whether it would be beneficial to establish targets to evaluate how the growth in academic and support positions and spending are consistent with the priorities of the partnership agreement. For example, the university could establish targets that address the growth and positions it believes are needed in such categories as professorial-tenure faculty, other faculty, fiscal staff, clerical staff, and managers to meet

the objectives of the partnership agreement. In addition, the university should confer with the governor and the Legislature to determine whether it is beneficial for the university to report on the actual growth that has occurred compared to the targets.

University Action: Pending.

The university indicated that it would consider our recommendations relating to future partnership agreements if a new agreement is negotiated.

Finding #3: Two factors have an impact on the primary course-to-faculty ratio.

The university compiles certain ratios involving the teaching activities of regular-rank faculty in its annual instructional report, which responds to inquiries made by the Legislature and also addresses one of the objectives included in the partnership agreement. According to that objective, the university in effect agrees to maintain an average workload of 4.8 primary courses per faculty FTE per year. The university defines primary course as a regularly scheduled, unit-bearing course usually labeled as a lecture or seminar. The university's instructional report states that for academic year 1999–2000, the university's primary course-to-faculty ratio was 4.9, exceeding the agreement's requirement.

However, two factors have an impact on the primary course-to-faculty ratio. First, our analysis shows that one- and two-student primary courses represented 0.7 of the university's 4.9 ratio in academic year 1999–2000. Although no requirement exists regarding the minimum number of students in a primary course, having a significant number of small-enrollment primary courses could affect a student's ability to graduate in four years. Second, because Berkeley's faculty apparently teach more primary courses than the faculty at any other campuses when Berkeley's data are converted from a semester to a quarter basis, the higher number of courses taught by Berkeley's faculty affects the university-wide ratio. However, in the instructional report, the university does not discuss the impact of Berkeley's faculty teaching more primary courses.

To ensure that the Legislature and the governor have a complete understanding of the factors influencing the primary course-to-faculty ratio included in the instructional report, we recommended that the university disclose in its instructional report the workload of its regular-rank faculty by the number of students

enrolled in courses. In addition, it should disclose that Berkeley's faculty teach more primary courses on a quarter basis than the faculty of other campuses and should communicate the impact that Berkeley's data has on the university-wide ratio.

University Action: Pending.

The university stated that it plans to report information about class sizes for regular-rank faculty. It also indicated that future instructional reports would address the impact on the universitywide ratios of converting semester data to quarter equivalents.

Finding #4: The campuses could not demonstrate that they correctly classified many of the one- to two-student primary courses we reviewed.

Our analysis of a sample of the one- to two-student courses offered by the university in academic year 1999–2000 found that the campuses were unable to demonstrate that they had correctly classified 33 percent of them as primary courses. As discussed previously, the university defines primary courses as a regularly scheduled, unit-bearing course usually labeled as a lecture or seminar. On the other hand, independent study course is defined as a unit-bearing activity for which students receive credit toward their degree, but it is not regularly included in the schedule of courses and usually focuses on independent study or special projects by arrangement between a student and faculty member. Seminars and lectures typically have higher enrollments, whereas independent study courses involve one student or a small group of students. The university calculated the primary course-to-faculty ratio by dividing the total number of primary courses by the number of regular-rank FTE faculty. Therefore, if the campuses incorrectly classify primary courses as independent study courses or vice versa, it affects the accuracy of the ratio.

Although nothing precludes the university from providing primary courses with enrollments of only one- to two-students, we focused our review on these courses because we believed these courses were likely to have the highest risk of misclassification because independent study courses generally have low enrollments. We reviewed 240 primary courses with enrollments of only one to two students at the eight campuses that are included in the university's instructional report. We found that the campuses

were unable to provide sufficient support to demonstrate that they correctly classified 79, or 33 percent, of the 240 courses in our sample.

When we asked the university whether it offers guidance to the campuses or verifies the data used in the instructional report, the director of policy analysis responded that the university annually provides instructions and definitions for the campuses' uses in classifying courses. The director of policy analysis also stated that the university trusts the campuses to provide accurate information and does not verify the data included in the tables. However, we found the guidance the university provides to the campuses to be very general and subject to interpretation.

We recommended that the university perform the following actions:

- Clarify the definitions of primary course and independent study course in the instructions it provides to the campuses.
- Ensure that the campuses consistently interpret the definitions of primary course and independent study course by periodically reviewing the campuses' data for accuracy and consistency.
- Review more closely the existing classifications of courses and make corrections where appropriate. This review should include, but not be limited to, primary courses with low enrollments.

University Action: Pending.

The university stated that based on the recommendations of its Task Force on Faculty Instructional Activities (task force), it plans to report each course using the following categories: faculty-designed instruction, faculty-supervised group instruction, and faculty-supervised tutorial instruction. An implementation task force, which will include the Academic Senate and campus representatives, will work with staff from the university's Office of the President to develop clear operational definitions for each category. Finally, the university also indicated that it will periodically review the campuses' data and categorization of courses under the new reporting scheme for accuracy and consistency.

Finding #5: The instructional report does not address the workload of non-regular-rank faculty and miscellaneous instructors.

Non-regular-rank faculty and miscellaneous instructors—adjunct professors, lecturers, teaching assistants, retired faculty, and others—teach a significant number of the university’s primary and independent study courses. However, the partnership agreement does not address the workload ratios for non-regular-rank faculty and miscellaneous instructors, and the university does not address these staff in its workload-by-FTE table in the instructional report. We found that non-regular-rank faculty teach 30 percent of all primary courses and have a primary course-to-instructor ratio of 8.5. The miscellaneous instructors teach 16 percent of the primary courses, but we were unable to determine their workload ratio because the university’s system was not designed to capture certain data used to calculate the ratio.

In light of the partnership agreement’s objective of graduating students in four years or less, it would seem appropriate for the university to also provide the Legislature and the governor with information regarding the workload ratio for all of its instructors, not just its regular-rank faculty. In fact, the partnership agreement could be expanded to include objectives and measurable targets that specifically address the workload of these staff. The Legislature and the governor would then have a more complete picture of the workload of all instructors and could more appropriately evaluate that workload to determine whether fluctuations occur that may affect the ability of students to enroll in the classes they need to graduate.

We recommended that the university propose expanding future partnership agreements to include objectives and measurable targets that address workload ratios and course enrollment levels for all regular- and non-regular-rank faculty and miscellaneous instructors. Additionally, the university should disclose in its instructional report the course-to-faculty ratio for non-regular-rank faculty and the workload ratios for miscellaneous instructors. Similar to our recommendation for regular-rank faculty, the university should also disclose non-regular-rank faculty and miscellaneous instructor workloads by the number of students enrolled in courses.

Finally, to enable it to calculate and report the workload for miscellaneous instructors, the university should develop a method to capture the FTE data related to these instructors.

University Action: Pending.

The university stated that the recommendations relating to future partnership agreements will be a matter of negotiation with the governor. However, it indicated that in future reports on instructional activity, the university plans to include course-to-faculty ratios and information about class sizes for non-regular-rank faculty. Finally, the university stated that it considered carefully how best to capture the FTE associated with several groups of miscellaneous instructors and it has found that it can capture the FTE for some of the groups. However, it also indicated that for other individuals, such as professional staff researchers, it is impossible to determine the exact portion of their FTE related to instructional activities without an extensive audit of their time. Because of the expense associated with doing that, the university would prefer simply to report their instructional activities as a whole, rather than per FTE.