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June 23, 2021

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Subject: Start-Up Loan for Self-Supporting Program (SSP) Creation on General Campus

This Start-Up Loan Program provides a mechanism for a General Campus academic unit to secure bridge funds to hire ladder-rank faculty or teaching professors in support of new Self-Supporting Programs (SSP) that report up through the Office of the EVC**.**

Background

When a UC San Diego academic unit launches a Self-Supporting Program (SSP), it is expected that the SSP will have significant instructional involvement from the unit's own ladder rank faculty and/or teaching professors. Moreover, SSPs are required to offset the cost of the faculty who participate in the program so as not to negatively impact state supported programs. See Self-Supporting Graduate Professional Degree Programs (SSGPDP) Policy

The revenue from an SSP can support an expansion of the permanent faculty, which in many cases will be required in order to establish and operate the program. From a workload and ramp-up perspective, it may be necessary to start the expansion of the faculty prior to an SSP's earning the necessary revenue to support the cost of the permanent faculty.

This document outlines a mechanism whereby a General Campus academic unit that is creating an SSP may request bridge funds through a loan from the Office of the EVC in order to hire faculty who will either directly support/develop a new SSP, or who will offset the FTE for existing faculty who are involved in SSP efforts.

Units developing other revenue-generating programs in need of similar start-up funding may find it useful to establish a similar internal loan process within a department [e.g., with revenues from an existing revenue-generating program assisting with the ramp-up of a new such program] or within a school [with the dean's office providing the loan]. Indeed we would expect a unit to first explore the possibility of an intra-unit or intra-school loan before approaching the Office of the EVC.

SSP's will likely need administrative and academic support prior to launch in order to navigate the planning and approval process, as well as preparing for the first cohort of students. Such hires are essential to the success of programs and should be part of the development plan. These hires are within the purview of the unit and/or cognizant Dean, and the funding should, where possible, be through an internal loan to the program.

Program

Subject to an approved financial plan for the SSP, the Office of the EVC may loan funding for faculty appointments to a General Campus academic unit, as described below. Approval of the financial plans is provided via the AVC for Educational Innovation and AVC for Resource Administration.

Loan:

The Office of the EVC would loan the SSP's home department the funding for salary and benefits for a fixed number of faculty FTE for up to three years using the following model

- The instruction needed to support an SSP is the responsibility of the department and the faculty of the department as a whole, rather than being the responsibility of any particular faculty person. Therefore the cost of the faculty FTE needed to support the program will be established as a proportion of the total faculty academic year base salary and benefits.
- For example, suppose that a department that presently has 38 faculty has established, through an approved financial plan, that an additional 2 FTE will be needed to operate a new SSP, bringing the total size of the department's faculty to 40 FTE. In that case, the department may request a loan covering an amount up to 2/40th, or 5% of the department's new total faculty academic year base salary and benefits.

The Office of the EVC would loan the home department funding for up to three years of start-up costs

- Since start-up is funded as expended, and newly hired faculty spend variable amounts over their first years, the loan would be the actual funding spent for up to the first three years.

Repayment:

Repayment of any loaned amounts will occur over a maximum of six years.

- The repayment period would start no later than year 4 of the program and would finish no later than year 10 of the program.
- The expected repayment amount in a given year would be 50% of the revenue beyond what is needed to cover the direct costs of the program in that year; exceptions can be requested for rapidly growing programs. Direct costs of the program include the faculty (as a fraction of total Department FTE cost as per above) and TAs providing instruction, student program staff, other direct course expenses, and financial aid to the students.
- Loans may also be repaid through other revenue, including certain one-time funds, funds from other SSP programs, or other appropriate revenue or savings.
- In the case where programs need to be scaled down or terminated, departments may absorb the SSP FTE liability through faculty separations or attrition. Note however that if the program continues at a smaller scale, the FTE required to maintain it at that scale cannot be supported through state-funded sources. Any already-expended salary, benefits and start-up paid for via this loan would need to be repaid via the above repayment scheme.

The following templates can be used to calculate total costs and effort required in creating a SSP.

EI_Financial_Model_Tool (formerly SAPD_Financial_Model_Tool): https://ucsdcloud-my.sharepoint.com/:x:/g/personal/mhayden_ucsd_edu/EX7XYqrBbp5NoeNS8NFTbMoBY3hWfvN4ascFob5tNoD23Q?e=2xpJOe

Online Program Effort Estimate: https://ucsdcloud-my.sharepoint.com/:x:/g/personal/mhayden_ucsd_edu/EZ-_oZgKxgVIqMczzGBoAl8BGreik4XwyVito1zoZskQQA?e=CjvdVT

With best regards,

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