

ABOG 2010

Conference Notes

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AS EDUCATION GOES, SO GOES THE FUTURE OF CALIFORNIA

Nathan Brostrom, Executive VP, Business Operation: UCOP

UC is built on twin pillars of Excellence and Access and is an “engine of transformation” for the economy

History:

- UC’s impact on the State of California. CA. is the 7th largest GDP in the world, & 7 of the top 50 campuses worldwide are UC campuses
- For the past decade the State has been disinvesting from public education vs. its previous history of investing in education.
- In the decade before the recession (2000-2008) when State revenue was growing up to 30%, State funding for UC was only 2% while Corrections/Prisons received 50%, Health & Human Services 30%, and K-12 the balance. Almost all of State income during boom years went to these areas.
- In 2007-08 \$3.3B was spent on higher education, in 2009-10 \$2.6B was spent. This is a 20% reduction in 2 years.
- For next year’s State budget, less than 20% is discretionary funding w/less going to UC. In the past 20%-30% or more was discretionary funding.
- UC has an unreliable partnership with the State at this time. When the State is doing well UC receives funding, when the State is not doing well, UC is the first and easiest to be cut.

Current factors:

- Soon pension contributions will re-begin for the 1st time in years. No State funds are provided to offset the pension plan, as was the case in the past.
- No capital funding from State funds is provided for ongoing maintenance.
- Term limits are hurting the California economy. The history, knowledge and understanding of the cyclical nature of finances does not remain constant, as legislators don’t stay long enough to learn the intricacies of the cycles and UC’s value to the California economy.

Strong components:

- UC is a \$20B enterprise and the State only constitutes 13% of that funding. Research is vibrant (\$4.9B or 29% of UC budget); research spawns new industries including 1400 new inventions every year and 40-50 new companies each year with \$120B in revenue. UC trains 20% of the nations’ graduate students. UC has 10 hospitals on 7 campuses with Medical enterprise + clinical practice = \$9B plus it provides public service (40% of patients are either uninsured or on Medicaid); and it provides healthcare for inmate population. Labs draw federal support. Private philanthropy (\$1.3B) is raised.

Direction:

- Goal is to have a steady-stream state of guaranteed State funding, a reliable revenue source not subject to roller-coaster changes.
- In spite of the State funding problems, the recession, lack of funding, UC will strive for excellence and access.

Actions needed:

- More aggressive persistence in advocating for State funds which ARE available. State revenues increased the past 4 months; there are funds to advocate for.
- Grass roots coalition of staff, students, alumni, the public to convey greater understanding to the Legislature and the public of the “investment” value that UC provides California, vs. UC being perceived as an “appropriation and cost” to the State.
- Push for support of the governor’s January 2010 budget plan with a \$370M increase to UC, which would restore the \$305M previous UC cut and cover \$65M for student increases).
- Build new and more sustainable funding models with the State to ensure consistent, reliable funding. The Governor proposed 10% (from 6%) funding increase to education while reducing funding to prisons, indicating his awareness of the inequity.
- Build a sustainable funding model for UC regardless of funding stream. Enhance UC’s process for developing funding strategies including: more innovative debt strategies; asset management; financial models to direct philanthropy funds to critical areas; expand in IDR, promote self-sustaining programs.
- Reorganize our business model and processes: reduce expenses and increase quality of services provided. Insure the maximum amount of dollars is flowing to teaching and research, not administration. Recommendations: IT, procurement, synergies and economies of scale (consolidate systems/processes), one payroll system, regional data centers, common HR system, alternative energy plans, student functions.
- Leverage opportunities we have as a 10-campus system. Share best practices. UCOP needs to be a single face with consolidated asset management. CDL, which benefits scale and size; otherwise support each campus.

Questions:

Q: How will UCOP deal with the Legislative turnover?

A: Pres. Roosevelt in his 2nd Inaugural Address said: “Warm hearts, cool heads, practical purpose.” We must engage a broader range of stakeholders. Recent student protests in Sacramento on fees had a good impact and made the Legislature take notice. UC has no room to go to further increase fees. Even with fee increases, funding is not keeping up with our needs. We must show the Legislature the impact on the CA economy: for every \$1 spent on a UC student, \$14-15 is yielded. We must be more sophisticated in how the UC investment impacts students, business, the State, and the nation.

Q: Faculty governance is a pro and con. What are you doing to educate the faculty to the reality of the budget situation?

A: The faculty have a lot of expertise and if harnessed and channeled, they are a great resource. They need to be educated on the need for strong administrative support and how it impacts their ability to perform when cuts are implemented on the administrative side. Private counterparts are doing what Academic Council has opposed in past: i.e. terminal degrees, extension programs. We should better leverage our ‘brand’.

Q: What new revenue lines for UC are you considering?

A: UC needs a steady state, consistent funding amount from the State, like a fixed sales tax. There are several taxes that will expire. These taxes could be redirected to Cal State and UC. Taxes are a steady revenue stream source of funding, which rises 3-5%. We don’t need high growth, just steady and reliable funding streams. President Yudof has ideas on federal funding, such as Indirect Cost Recovery (ICR). UC is 15-18 points lower on ICR than our national counterparts including Harvard and Stanford. Previously this was viewed as a good thing (i.e.

lower cost, higher fund rate, more research), but now it's questionable if we can't support our services based on the current rates. Also we're looking at federal support. A certain number of Pell Grants would receive a certain amount of federal funds. Let's get more aggressive about waivers – not to research and private funding institutions. “Waivers are made at too high a level.” Idea: increase funding for those campuses with over 25% Pell Grants. Let's take funding streams and focus on core services. We need to increase philanthropy funding with less restrictions. At UC 90% of funds in this category are restricted, at other universities 50% are restricted. These restrictions inhibit how we can spend funds. IDC rates at UC are only 50-55% yet at private universities' the rates are much higher. The ICR for some granting agencies like McArthur put a 15% cap on ICR but allow adding administrative salaries as a direct cost. We must look at this for the future. Another thought: if UC is being approached by the California prison system to assist in figuring out a better system of prison reform, what will UC receive in return for our invested time? And will the savings the State makes for a more efficiently run prison system go back to the State or go to UC for having developed it?

Q: You mentioned disproportionate State funding for K-12 and an increase in State funding for K-12. Public education ranked low so what do you think about CA achieving goals for excellence, and how would K-12 funding be affected by increased funding to UC?

A: Incredibly important point. UC needs a pipeline of quality students. We need to partner with K-12 and research and teaching to maintain the pipeline. Didn't wish to imply that K-12 funding is high, but that K-12 funding is a reliably funded source. Because of Prop 98, they are guaranteed 40% of State revenues. At some point the State needs to look at how it funds itself. The State has structural problems that will span the next 4-5 years. Using other States as an example, normally a State funds itself 1/3 from property taxes, 1/3 from sales tax, 1/3 from income tax. But in California 60% of the income tax comes from residents with higher income tax brackets, and the balance of the 3 areas is off. As part of our public service, UC needs to look at programs to enhance K-12 education (e.g. Preuss School) and look at our graduates entering into the teaching mission (which used to be purview of Cal State).

Q: Could you please comment on UCOP's role in negotiating union contracts?

A: Undertaking new strategy: be much more strategic and rigorous about our labor negotiations. In the past we've been 'Whip-sawed' by State and labor unions. UC needs to focus on closing contracts and managing to the contract, but benefits may be open issues. Don't get into reopening negotiations. Manage to the contract, and get the Regents uninvolved.

Q: What is your candid perspective of UC being a newbie at UCOP?

A: Pledging to be on campuses more – get better at meeting with campuses, staff assembly, etc. Culture change: no one is interested in command/control system. Have a single financial statement, a single face to capital markets. But each campus is so different; we must also be a culture of service. New process being reviewed: give all State money directly to the campuses without any upfront tax, then UCOP will charge a flat fee. Instead of 17 different revenue streams that we now tax 17 different rates.

Q: What considerations are being made by UCOP as to the long-term repercussions of union contract negotiations and the realities experienced at the campus levels when one negotiated contract might affect another, and what communication occurs between UCOP and the campuses in the negotiation process?

A: We have representatives from each campus on the negotiating team and consult with all UCOP resources. With the recent UPTE negotiated contract, the offer presented was accepted by UPTE when UC thought we were at impasse, so it was unexpected. My approach is to have an

employee strategy, not a labor strategy, to think long-term strategically and focus on the employees, not unions. There's been a focus on represented rather than non-represented employees. Not let our issues with labor impede doing positive things for the rest of the employees. EX. Work/Fit program at Berkeley. What is best employment strategy to keep top professionals on campus?"

Q: What damage control is now being done to correct the inequity with regard to the recent UPTE contract as it relates to non-represented employees?

A: The UPTE contract is a very good contract, less than 3% a year increase to employees. Many employees are on contracts and grants. Understands there is an inequity – as part of budget process, we're ending furloughs and we are looking at an across-the-board salary increase to non-represented employees. He's been asked by President Yudof to cost this out.

Q: Who is watching out for the interest of non-represented staff?

A: President Yudof feels very strongly about this. Will look into this. Discussion about 'Operational Excellence' and UC Commission on the Future.

Q: What if the Governor's budget doesn't go through, what is UC's budget strategy?

A: Thinks we'll get an increase, maybe not all \$370M. We have support of the governor and legislature. We also have recent fee increases plus increase to non-resident students acting as a plus for us. The governor's May 15 budget revise will be a good indicator.

Q: What can we do? We have great value to our constituencies but they don't know it!

A: Advocacy. Write to your legislature, play a proselytizing role on campuses, leverage positive advocacy from students. In some ways UC is a victim of it's own success. The public sees the inventions, med centers, receive medical care as patients, and assume there's a revenue stream and therefore UC doesn't need the tax money. It's a tough balance, to highlight our strengths while defining our need for funding.

Q: Is UCOP mandating some of these centralized services?

A: Rather than take a technology approach to drive the process, UCOP is asking campuses to define their common business practices and from there, define the technology needs. A question to ask: Does it make sense to have one payroll system for all of UC or 11 different systems?

Q: In Academic Affairs we are planning for budget cut scenario's for 2010-11 at 10-15-20%. The span between these cut scenarios could be catastrophic. Now we wait to find out how bad this year's cuts will be, they have been proposed to be the worse. What can you tell us?

A: We think this year may be mild compared to last. Not a rebound by any means but hopefully not as bad as projected.

Q: Will the furlough program continue? We hear that it won't but wonder how financial gaps can be met without it?

A: President Yudof has been pretty clear that furloughs will end. Of course, we can't predict unforeseen issues, but if everything continues as is, the furloughs will end this year.

FUTURE FUNDING STRATEGIES FOR THE UNIVERSITY OF CALIFORNIA

- I. The Budget Gap
- II. Commission on the Future
- III. Funding Strategies Workgroup:
 - a. Identify, promote, and adopt best practices in admin efficiencies
 - b. Revise ICR practice and policy for non-federally funded research
 - c. Improve ICR rates with fed strategies

Ongoing Budget challenges:

- Gap in state budget funds
- Mandatory costs (i.e. union contracts, faculty merits, increases to health insurance, etc.)

Gap fillers:

- Debt restructuring (our debt is heavily front-loaded)
- Fee revenue
- Admin cost savings
- Operational expense initiative (UC Berkeley pilot)

Challenge: convince people that this downturn is different from the ones in the past. Periodic economic bumps in road in early 80s and 90s. This time's different because: 1. Big rollover is really not going to rescue us (operational shortfalls will continue many years into future) 2. Need to restart pension contributions and need to grow 10-12-14% (discussions about what's sustainable: 8-12% employer costs best estimate).

COMMISSION ON THE FUTURE (COTF): "Re-imagine the University"

<http://ucfuture.universityofcalifornia.edu>

Funding Strategies (1 of 5 workgroups): We don't want to become a private university. Our great legacy is accessibility (PELL grants) - great research institution plus accessible. Want to improve our relationship with state of CA, not sever it.

9 recommendations:

1. Develop grassroots advocacy campaign. New era/need to do it a lot differently than past. Mechanism has to ramp up and be kept up so that every new member coming in needs to get message. All engaged with local officials in local partnerships.
2. Implement a best practices system. Be common where we can. Our funding model may be misaligned with our efficiency goals.
3. Revise ICR policy for non-federally funded research. Total cost recovery is our principle. Core funds subsidize research. Significant revenue potential.

4. Improve ICR rates with federal agencies. Total cost recovery is our principle. Successful comparators have a dedicated negotiating team. Significant revenue potential.
5. Develop multi-year tuition planning framework. Create an integrated planning framework. Change misleading nomenclature. Increase predictability.
6. Increase non-resident enrollment. Significant revenue generation. Positive impact on the state (and undergraduate experience). Market headroom. Success at comparator institutions.
7. Advocate federal Pell PLUS augmentation grants. Preservation of quality. Graduation rate component. Core operations precedent. Combat economic stratification.
8. Examine faculty compensation plans. Existing precedent. Use of non-core funding. More extensive use of contract and grant funds. Would augment/replace use of core funds.
9. Allow possibility of differential tuition by campus. Rationale: increase revenue capacity. Existing cost differentiation. Precedent in other states. Discounts rather than add-ons. Challenges: perception issues. Inclination to move to the maximum. Integrate with resource allocation efforts. Implementation: differential for non-resident enrollees only (start here).

QUESTIONS:

Q Will the \$900 million get lost like the lottery money?

A. “Student fees stay on campuses.”

Q Funding gap of \$270M only. Is this too ambitious?

A. “Who knows what will happen in May/June. I like our bargaining position this year much better than last year. We’re good with what the Governor gives us. Also working on Plan B, and C and D. End furloughs Aug 31st. If worse comes to worse (i.e. a decrease in funding), that would put us in a pretty tough position.”

Q So furloughs could still be on the table?

A. “Never say never, but it’s been made clear furloughs are the last option.”

Q Did furlough plan actually amount to what you needed?

A. “Made a huge difference. Not the total amount though. Bargaining Units won’t be fully recovered for a year – CUE, AFSME. Assumed amount was reduced after the Med Centers said they were not participating (excluded because different pot of money). SOM was included.”

Q If ICR shot up, faculty would stop supporting graduate students – that would be another hole to fill (get 11 cents on the dollar).

A. “Everything’s related. New funding model, IDR has disproportionate rate. Hope is that as IDR is not retained at UCOP, campuses will come out ahead.”

Q Mandatory costs – faculty merits/healthcare? Aren’t faculty merits in our control?

A. “Yes, but \$35M is set aside based on plan implemented 2 years ago.”

Q Can faculty merits be re-evaluated?

A. “He asked this same question in meeting, but didn’t win.”

Q Are you thinking of bringing staff merits up to market?

A. “Message being heard. President very sensitive to this issue. He hopes replacement incomes come through.”

Q Differential treatments/fees shared among campuses – how determined?

A. “Many details yet to be determined. Devil in the details. Not effective 2010-11. 2011-12? Maybe.”

Q What is the plan to fund OP?

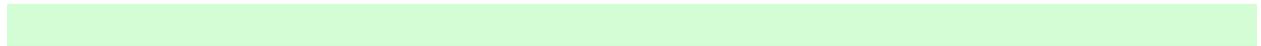
A. “17 different fund sources. IDR is disproportionately charged/others low charge. System is to have amount based on total revenues in the system, and then a charge is handed down. About 1/3 of 1% of all programs. Example, your piece is \$30M. Might give a break to certain areas. Broad-based set of revenues.” Does it include our operating budget money? “Yes.”

Q More non-residents and foreign students here. If so, what about other low income students?

A. “Low income from other states don’t consider UC.”

Q Furlough Program – we hear ‘no more furloughs’. Fear – what does that mean? Cuts can come at discretion of campuses = increased layoffs.

A. “That is one possibility. No restoration of funds. May Revise last year shocked everybody. Furlough was about trying to not cut so deeply into our core that we can’t recover. Unions ripped us to shreds. I (Peter Taylor) Left investment banking because I was tired of laying off my friends and colleagues. Personally, if it is a choice between layoffs or furloughs, I’d vote for furloughs.”



BASIC OR APPLIED? APPLIED and BASIC!

Decades of Lessons from a Professional Who Happens to be a Researcher Norm Ellstrand, Prof of Genetics & Geneticist: UC Riverside

NOTE: This ABOG presentation was humorous and well-received, a personal perspective from a researcher that learned to successfully balance between Basic Science and Applied Science, lessons gained from an administrative viewpoint and a researcher's viewpoint. A presentation that was difficult to take notes, the following contains the presenter's bullet points to himself for the engaging one-hour presentation.

The dilemma

Is it [a dilemma]? A hybrid approach

Misconceptions or not? Some empirical data

Lessons about taking the basic x applied hybrid approach

Basic research – ivory tower

Applied research – dirty or saving the world?

Some lessons about media:

Let the facts lead

Don't be desperate to be quoted

Feel free to correct yourself or ask that a comment not be quoted

Be ready with names of others who can do a better job answering the question

Be excited! Smile on the phone

Print media is more flexible than TV

Credibility as a scientist comes from peer-reviewed professional publications (Europeans hold doctors and scientists in high regard)

More lessons:

Are we having fun yet? This is not trivial.

Follow your heart. "Do what gives you energy."

If you are having fun and following your heart, then it is wise to give back for the opportunity.

(See "Basmati Blues" movie)

Give \$ to what you know about.

Gaia loves you.

The safe question gets funded; the best question gets cited.

Failure is fertilizer.

Your critics give you gifts.

Wherever you go, there you are.

Don't stop asking questions.

Randy Scott, UCOP Executive Director

Strategic Planning and Workforce Development

Forum on Post Employment Benefits

What is not changing:

Pension Program (UCRP)

1. Pension benefits that you have cannot be reduced, changed or modified in any way
2. Will continue a defined benefit plan
3. Retirees will not be asked to contribute to UCRP when active employees begin contributions

Retiree Health Program

- Basic program eligibility if you have already retired
- Continuation of retiree health benefits

University of California

- Server state induce budgetary pressures expected for many years
- Strong UC advocacy effort to secure State of California UCRP contributions through the annual budget request process.

The Regents have the authority to change future accruals of pension benefits for current employees – going forward

Retiree health benefits are not vested; so changes can be made of retiree health eligibility, plan design, and premiums for current faculty, staff, and retirees

Agenda:

1. Financial and funding issues
 - \$32.3B in retiree trust
 - UCRP benefits are paid from this trust
 - Retiree health benefits are not paid from the UCRP trust
 - Retiree health benefits are on a pay-as-you-go basis
2. Talent Management Issues

There are people issues – benefits offered to attract and retain the best

We reward long service, recognize the value of PEB to faculty and staff

3. Scope of President's [Post-Employment Benefits Task Force](#)
4. Task Force Process and Options

BUDGET CHALLENGES AND CHANGES IN THE UC SYSTEM

Anil Deolalikar, Professor of Economics: UC Riverside

Commission Representative, “UC Commission on the Future”

What is UC Commission on the Future doing?

UC needed to take stock of where we are and plan a path for the future. The Commission was formed to meet this need, with UC Regents and the UC President serving as co-chairs. In dealing with budget problems, the Commission did not want to let go of UC’s major mandate, i.e. provide access, affordability, and quality of education.

Commission membership includes a variety of persons/levels: Regents, UCOP executives, faculty, staff, community who meet monthly. The Commission appointed five Working Groups:

1. Size and Shape: most important. Identify ideal size of UC and how it should look in the future. Right size? Expand? If so, how so and in what areas?
2. Education and Curriculum: deliver education most efficiently and cost effectively and improve quality of education.
3. Access and Affordability: UC has provided access and affordability in past – how to maintain for future?
4. Funding Strategies: come up with sustainable recommendations given all the difficulties.
5. Research Strategies: how to maintain research structure and maintain leading research position in the future?

Initially there was a lot of suspicion by UC faculty of the Commission due to the far-reaching changes that might be discussed or possibly implemented. The Commission took a conservative approach and employed a broad reaching process, which helped alleviate faculty suspicion, and faculty has since largely driven the process.

At their last meeting in SF the Commission received the initial recommendations from five different Working Groups. The recommendations will be fully decided upon by this summer. Although the initial deadline for implementation of approved recommendations was to be July/August 2010, this deadline could be extended due to the level of collaboration, which must occur between the UC Academic Senate, UCOP, and leadership from the 10 campuses.

More information on the UC Commission on Future can be found at:

<http://ucfuture.universityofcalifornia.edu/>

OVERVIEW OF INITIAL RECOMMENDATIONS TO DATE

(More recommendations are coming into the Commission, the following are initial recommendations). For a full list of the 25-30 recommendations, go to:

http://ucfuture.universityofcalifornia.edu/presentations/cotf_wg_first_recs.pdf

SIZE/SHAPE WORKING GROUP RECOMMENDATIONS:

Recommendation: Increase # of non-resident enrollments. Economic reasons? Yes. But another objective is to improve quality of education – more diverse undergrad body. Out of State students tend to stay in that state – i.e. CA would benefit from this. How does this impact in-State students? Recommendation states that this not displace funded in-State students. Out of State would displace non-funded students 1 for 1 unless the campus has the capacity for enrolling more. Each campus will set its own target for non-resident student numbers. Establishing a minimum (such as 5%) and maximum (such as 25%) is being considered. Out of State students must perform better than in-State students. Challenges: different campuses may have different yield rates (% of students offered admission to acceptance rates). The move to increase non-resident students may disproportionately impact some campuses over others – i.e. create a 2-tier system with less selective campuses attracting less students. And if we increase revenues by enrolling more non-residents, the State might counter by cutting our State funding even more to offset the revenue increase, or worse.

Recommendation: Coordinate more effectively the transfer system from Cal States to the UC's. As we need to do more with less, emphasis will shift to try to improve transfer functions and create seamless transitions. Recommendation to improve the pathways from community colleges – improve access and time to degree and free up spaces for more students. (i.e. improved carryover of course credits to reduce redundancy of course completion and cost).

Recommendation: Eliminate administrative redundancy via strategic sourcing, etc.

Recommendation: Streamline systems that hinder cross-campus enrollment. Rather than each campus offering every conceivable program, degree, and course, campuses will coordinate with each other to have jointly offered programs. The Commission has not yet touched the issue of specialization.

Example: New Program, 1st system wide educational program. All 10 campuses set up a UC wide School of Global Health, which is a Pilot Program. We already have the technology to do this across campuses. Classes are offered to all students across all the campuses. This presents difficulties for registrars and administrators, and there are lots of details still to handle.

EDUCATION AND CURRICULUM WORKING GROUP RECOMMENDATIONS:

Recommendation: Provide pathways to graduation in 3 years which would include requiring summer sessions, honoring AP and IP course credits from High School, and offering financial incentives (e.g. students receive guaranteed tuition/fees over a 3 year period with no increases).

Recommendation: Reduce excessive Upper Division requirements. Are we requiring students to take too many Upper Division classes?

Recommendation: Online instruction. Set up an 11th campus – a virtual campus (this idea hasn't gone anywhere). But virtual teaching is picking up steam. Recommend a pilot program for 40 Undergraduate courses in high demand majors. Explore social networking apps, etc.

Concern about becoming a University of Phoenix. UC should remain as valuable as it always has – we don't want to dilute the strength of instruction/research. The thought is to offer online classes to community college students who have been accepted to bring them on par with UC students (i.e. don't waste time taking Lower Division courses which they've already taken at the community college).

Recommendation: Expanding use of self-supporting and part-time programs. Self-supporting programs totaled for all campuses only generate about \$1M. 90% of this is from the executive MBA programs; after that, there are hardly any self-supporting systems in place. Expand self-supporting programs in other areas. Increase concurrent enrollment through UC Extension (which generates only \$4.5M system wide). Provide incentives for academic departments.

OTHER SUBCOMMITTEES:

Not a lot to report yet.

Recommendation: Adopt a multi-year fee schedule to reduce the difficulty families have for planning.

Recommendation: Rename educational and tuition fees – call it what it is, i.e. “in-State tuition” and “non-resident tuition”.

Recommendation: Revise UC policy on Indirect Cost Recovery and negotiate with federal agencies. Campuses subsidize research quite a bit with their core funds. The cost recovery rate at UC is 52-55%, while at University of Illinois its 59%, Stanford 60%, Harvard 67%, MIT 68%.

QUESTIONS:

Q: Discuss in more detail how the virtual teaching might work for the Global Health initiative.

A: There has been great success with tele-medicine for rural communities. UC Davis SOM is using virtual tools to assist patients in need of medical care and located in areas removed from medical facilities, as have UCB and UCLA. This approach and transfer of knowledge could potentially be applied to tele-teaching with online classes shared across all campuses.

Q: Commission recommendations are ‘theoretical’; the problem is the devil is in the details. If campuses will become “specialized” vs. all campuses offering the same programs, a serious downsizing will occur. How would that be implemented?

A: Yes, this will be difficult. But gap between UC revenues and UC costs are so great that there is no question there will have to be some serious downsizing of the system as a whole (15-25%). Will have to cut programs, or offer programs jointly with another campus nearby. There is a strong UC history of shared governance and a serious pushback from the faculty will occur, as they are a conservative bunch of folks. But if we don't do some of this restructuring of campuses and systems as a whole, something will have to give – and he suspects it will be quality. Sacrifices needed to be made to maintain quality.

Q: Surprised at small number of dollars from concurrent enrollment. Is there a sufficient amount and quality of data to make responsible recommendations?

A: He was just acknowledging that additional revenues could be found through these measures. And the Working Group did obtain a lot of data and it is reasonably accurate. 6 months were spent collecting and collating data. However, he also knows interpretation is subjective.

Q: What are the next steps? Timeline? Future of Commission? Final decision-making? What process?

A: Extensive discussion and debate is still occurring. All campuses will have the opportunity to discuss/debate initial findings through their Academic Senates. Systemwide Senate will make recommendations about which recommendations to act on and which to put on hold. Officially the Commission is to give their findings and results to UCOP and the Regents in July, and the Commission will be disbanded by August. Once their recommendations are done, the Commission's task is done. It will be up to UCOP and campus leadership to decide on recommendations. There are limits to how long the debate can go on before UCOP has to act. How the recommendations will be implemented will determine how successful they are.

Break out Sessions

Clustering Academic Units and Services: The Good, the Bad and The Ugly

Facilitators: UCI committee/Darrel Rummel UCI

First Steps included brainstorming on what units to merge. Did not constrain ideas to geographical proximity and/or departmental similarities.

- Once a decision to merge units was made, the next step was consolidation of job responsibilities within the new group.
- Staff Layoffs (with 60 day notice) was then given and employees competed for remaining positions
- Issues faced included: Unmanageable workload; Extremely low staff morale; Us vs. The mentality; Loss of department integrity; faculty turnover

What would they do differently?

- Communicate more clearly with faculty and Staff
- Get faculty buy-in prior to change
- Let go of some services to create manageable workloads

Outcome

It took 5 years to get to a place where the new consolidated unit was fully functioning again. New relationships needed to be built with a completely new staff and there were issues of trust to overcome.

“DOING LESS WITH LESS: STRATEGIES TO SUCCESSFULLY DETERMINE WHICH SERVICES CAN BE ELIMINATED”

Work in groups: Ask “How have we done less with less? What has been successful and what has not been?” List suggestions. Identify a Presenter/Recorder.

SUGGESTIONS:

- Insure stakeholders have vetted interest and are informed. Need to use statistics in communicating with stakeholders. To change the culture – manage people’s expectations, facts and statistics are needed.
- When dealing with statistics and data, ask if a pilot program is required.
- What services are you providing that perhaps other campus services are similarly providing, that you could tap into (i.e. since IDC is already being paid for Psych Services or other entities) or reduce/eliminate the duplication at your level?
- Library at UCI – saved \$.5M. By restocking periodicals on an as-needed basis vs. “automatic restocking” as was previously the case. It’s their 1st year and they are evaluating the results, but so far no complaints or inconvenience to clients. Issue: How to cut services that doesn’t undermine their ability to perform? Complexity: If customers rate your services, how do you cut and still maintain a customer service orientation and high customer service rating?
- Med School – had used an old paper process. Forced on faculty a streamlined online process. Took time for old-timers to adjust to new way. What’s essential/what’s not?
- UCLA – found they are spending lots of phone time or in-person advising/services. Changed to providing same information and customer service via online and Web.
- UCLA – Students are techno savvy so they eliminated writing checks to students, and instead transfer funds electronically to student accounts.
- Alter hours of operation to accommodate office staff needs while at the same time allowing for more concentrated customer service attention during business hours.
- Scripps – 2-person office now down to 1 person, yet expectations remain the same. Need a reality check of expectations with those they serve and those overseeing the enterprise. Then communicate out. Need support and buy-in from leaders. Advisory group of academic leaders in Scripps asked their suggestions. They are finding better ways to network.
- UCI - Streamlined an Academic form to a simple checklist. Saves time, saves paper.
- Regular reports to analysts were reviewed. The time and energy completing the reports for persons not using them was questioned.
- Changing reports/now automated. Personalizing reports – how much detail is really needed and provide only that info rather than detailed reports we may have previously been accustomed to providing. When identifying what’s no longer necessary it requires others to concur.

- Printers – consolidate, put one printer in common area and consolidate supplies. Change setting to print front & back vs. multiple pages.
- Rate and cost adjustments – pick a rate and automate it so it does not need to be entered more than once. Establish one standardized rate vs. multiple various rates.
- Switch from phone system to Skype. Potential cost savings if not charged NGN. Leadership must take lead on this. One campus had poor results with Skype though.
- UCSD: Automate as much as possible (e.g. online admissions application process)
- IT solutions: being green plus saving \$.
- Identify core essential services.
- Culture changes – getting everyone on board with idea that certain services will no longer be available. Faculty have to be involved. Communication with Asst Deans etc. Let systems fail – staff must allow the system to fail to give faculty a visceral sense of how it doesn't work.
- Get buy in from other departments. Network on ideas so you can say “so and so is doing this successfully”. Sometimes we are ‘damned by our own efficiency.’
- IT consolidation.
- Clustering concepts: things are done more slowly. Political dynamics.
- Make use of resources that we have, i.e. retirees train new employees.
- Need UCOP buy in on campus consolidation/elimination of programs, services.
- Centralize contracts/grants for pre-award and academic promotions (no longer at departmental level).
- TA support reduced –increase student/TA ratio, # of labs.
- Campus entities have monopolies, which are proving not to be as effective or cost efficient. Outsource – facilities, parking, communications, catering, etc. Campus cost for some products/services can be higher than if obtained outside the campus.
- Faculty write their own personnel letters for postdocs/professionals. Faculty do their own bio/bibs.
- Less oversight of faculty inaction or tardy deadlines - let faculty own consequences of not providing info in a timely manner.
- We need to embrace change. We are role models with positive attitudes to keep morale of others going – we are not victims here. Communicate this so our staff can feel empowered.
- What do we absolutely need to have? Less rigidity. Positive leadership.