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Consultants hired to help UCSC manage budget cuts

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SANTA CRUZ — UC Santa Cruz has hired a Los Angeles-based consulting firm to help administrators figure out how to respond to the governor's demand for unprecedented spending cuts.

The firm, AVCOR Consulting, has recommended ways to improve the efficiency of physical plant operations and is reviewing the process for recruiting and hiring non-teaching employees.

A result of the recruiting review, which began in late summer, is a new online employment application that debuted around Thanksgiving. Since then, about 1,500 online applications have been received, shrinking the number of paper applications to 10 percent.

"It was something people were crying out for," said employment manager Lori Castro.

For a campus that processes 9,500 to 10,000 applications a year — and makes about 900 hires — that one change can save a lot of time.

"I'm very pleased with the work they've done," said human resources director Willeen McQuitta, referring to AVCOR. "They fit in just fine with the campus community, and they have some great skills."

The firm's work has cost \$20,000 to \$30,000, campus spokeswoman Liz Irwin said, with the budget project expected to be in the same price range.

"We must prepare for severe cuts, but at the same time we will strive for the best possible final outcome," Chancellor M.R.C. Greenwood said in a campus memo that acknowledged the difficult budget decisions ahead.

The governor has proposed \$299 million in cuts for the nine-campus UC system. That's on top of \$74 million in cuts already made this year. Added together, those figures are about the same as UCSC's entire operating budget of \$368 million.

With the deadline for the Legislature to adopt a budget five months away, Irwin said it's too soon to say whether the financial crisis will mean layoffs.

UCSC is the largest employer in Santa Cruz County. The campus has the equivalent of 1,300 full-time academic positions and 2,450 full-time non-teaching jobs for a student population of 14,000.

UCSC is part of a consortium of UC campuses that began looking into ways to control costs and manage growth three years ago. UCSC's enrollment is expected to grow to 16,500.

The project, dubbed New Business Architecture, was designed to help the campuses adopt the best

practices of business and take advantage of technology to accomplish more without letting costs spiral. The others in the group are UC San Diego and UC Davis.

When AVCOR was hired, the goal was to accommodate more students with the same amount of money. Now the goal is to accommodate more students but spend less.

"We can't work harder. We have to work smarter," Irwin said.

Scott Nostaja, AVCOR's founder, said an advantage of bringing in an outsider to study a prickly issue like spending cuts is to get a fresh perspective.

"You know you're going to expand. How can you do it better and more efficiently?" he asked. "Even the best organizations use objective views to get a more comprehensive look at what's going on in their organization."

Nostaja, who is in his mid-40s, formed the company after leaving senior-level positions at Universal Studios and Andersen Consulting. Santa Cruz is the only UC campus to tap AVCOR, but the company is doing similar work for CSU Long Beach.

AVCOR has five full-time employees working at UCSC and a network of specialists who can come in on temporary assignments, Nostaja said.

The firm's strategy is to identify opportunities for improvement, bring people together to look at different parts of the organization and develop solutions.

One problem uncovered during the physical plant review was the purchasing process. A plumber who wanted to order a pipe had to fill out a paper form with six carbons and hand-carry the paper to various supervisors to get approvals.

"Multiply this hundreds of times a year, it's very time-consuming," Nostaja said. "Let's make this electronic. Get it to the purchasing department in a matter of minutes instead of days, and you have more time to do other work."

John Simpson, UCSC's campus provost and executive vice chancellor, has encouraged employees to cooperate with the consultants, administrators and faculty assigned to budget study committees .

"We need ideas, thoughts and suggestions from every part of our organizations," he said.

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