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October 27, 2003

Chancellor says budget planning will yield strategic cost cutting

By [Jennifer McNulty](#)

The campus's budget review process will help UCSC make anticipated budget cuts while minimizing impact on the core mission of the university, Chancellor M.R.C. Greenwood told staff during a forum on October 22.

Project teams are working all over campus to streamline procedures and consolidate purchasing in an effort to protect UCSC's core missions of teaching, research, and public service, said Greenwood, who reiterated her commitment to "preserving employment, not necessarily jobs" in today's difficult budget climate.

Chancellor Greenwood, Campus Provost Simpson, and Avcor Consulting's Scott Nostaja also updated UCSC's managers and supervisors on the campus's many "transformation projects" during a meeting on Tuesday. ([Slide show](#) presented during Tuesday's meeting; [printable version](#))

As an example, Greenwood explained that campus outreach programs took a 50-percent budget cut this year, which meant 28 positions were eliminated. "But of those 28 people, only three were not placed in other positions on campus," she said.

The campus is "deeply committed" to a preferential rehire policy designed to give UCSC employees greater opportunities if their current positions are eliminated, she said.

Nearly 400 people gathered in the Music Recital Hall for the first staff forum of the academic year. Greenwood plans to meet quarterly with staff, and the Staff Advisory Board will sponsor additional monthly forums focused on the budget process. The first forum will be held November 5 from 10 to 11 a.m. in the Stevenson Dining Hall and will focus on human resources and the campus's time-and-attendance systems.

Greenwood noted that the campus and much of California is in a "state of suspended animation" regarding the budget since the recall of Gov. Gray Davis. "The university is fighting for its share of the budget," she said, noting that higher education is an investment that "pays back over and over again."

With the state facing a budget shortfall of at least \$8 billion, Greenwood described a best-case scenario in which UCSC's budget for 2003-04 would be flat and a worst-case scenario that could require additional cuts as high as 20 percent. That magnitude of cuts would require reductions in programs, salaries, and faculty, as well as increases in student fees and possible enrollment restrictions, she predicted.

Since 2001, UCSC has made \$17 million in targeted permanent budget cuts. Greenwood and outgoing Campus Provost and Executive Vice Chancellor John B. Simpson have so far avoided making across-the-board cuts, in part by launching an ambitious budget examination process coordinated by Scott Nostaja of Avcor Consulting.

In an update on the [Executive Budget Committee's](#) work, Nostaja emphasized that more than 700 UCSC people participated in the group's initial efforts, and 120 people--mostly staff--are currently working on 18 separate project teams. Most of the teams are in the "solutions design phase" that precedes implementation, said Nostaja, adding that a few teams will begin implementation in winter 2004 but the majority will begin in the spring.

Nostaja lauded the campus's innovative approach to dealing with the conflicting pressures of fewer resources and growing enrollments. Layoffs and across-the-board budget cuts are the traditional tools, but they result in a loss of services and programs that degrades the institution's mission, he said. By focusing first on consolidation and efficiency, UCSC has a better chance of preserving its core mission.

On the labor front, UCSC has an average annual attrition rate of between 13 and 15 percent, or about 250 employees, said Nostaja. Coupled with an anticipated high number of retirements in coming years, UCSC must find ways to "leverage this opportunity," he said.

Asked during the question-and-answer session if he meant that the campus would not be replacing workers lost through attrition and retirement, Nostaja declined to be specific, saying the project teams hadn't yet settled on a strategy to "take advantage of the opportunity."

Fielding other questions from the audience, Greenwood discussed the colleges and cited the "rising national voice" for the creation of nurturing intellectual and residential environments on university campuses.

"The colleges at UCSC continue to drive the organizing and intellectual development of our students at the earliest stages," she said, adding that she would like to see the "principles and purposes" of the college program sustained into the future.

Coleen Douglas, information systems manager for University Relations, expressed her hope that the campus would reexamine purchasing strategies with an eye toward sustainability and the long-term savings generated by energy-efficient equipment. Greenwood said "that's all being looked at" in light of the budget crisis.

The campus does not plan to reduce the number of academic divisions or schools in the wake of the announcement that Social Sciences Dean Martin M. Chemers has been named interim campus provost and executive vice chancellor, said Greenwood.

The chancellor deferred response to a written statement read by heating plant specialist Daniel Young about the use of parking fees on campus, but she did say event planners are increasing use of shuttles to transport campus visitors rather than reserving parking spaces for visitors.

The next Chancellor's Forum with Staff will be February 18 at 12:30 p.m. in a location to be determined.

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