



Streamlining UC's Office of the President

The University of California Board of Regents is being presented with a 2008-09 appropriation request for the UC Office of the President that achieves significant expenditure savings and personnel reductions. The Board is reviewing the proposal at its March meeting and will vote on adoption at its May meeting. The full proposal is on the web at www.universityofcalifornia.edu/future/op_budget.html.

The framework: a restructured and downsized UCOP

Provost Rory Hume and Executive Vice President Katie Lapp have been leading an aggressive effort to improve the effectiveness of UCOP by redesigning its organizational structure and reducing its overall size. This effort involves (1) the development of a detailed, transparent budget for the Office of the President, approved annually by the Regents, and (2) a fundamental re-examination of what operations should be housed at UCOP and how they should be grouped.

Today, UCOP includes a wide variety of functions – some of which directly support the president, some of which provide systemwide support services in areas where a coordinated approach among the campuses is valuable, and some of which fall into neither category but have ended up at UCOP for a variety of other reasons. Excluding positions reporting to the Regents/Academic Senate and those in non-UCOP programs that receive “pass-through” funding through UCOP, the organization has 1,749 FTE employees. However, only about 20 percent – or 350 FTE – are involved in direct support of the president. The rest support a wide variety of university services; for instance, 197 FTE are part of the Continuing Education of the Bar program; another 100 FTE are part of the Education Abroad Program based in Santa Barbara; another 120 FTE perform benefits administration activities for UC retirees.

The savings: a 20 percent budget reduction, and 23 percent FTE reduction, in 2008-09

The 2008-09 UCOP appropriation request reflects a 20 percent reduction from 2007-08 spending. It includes a reduction of 404 positions, cutting the UCOP workforce from 1,749 to 1,345 – a 23 percent reduction. Roughly half of the reduction comes from program reductions, while the other half comes from moving certain functions out of UCOP, as recommended to the Regents in January by the Work Group on the Roles of the Office of the President:

- \$25.4 million in savings from program reductions and eliminations (179 FTE)
- A \$26.3 million reduction from moving functions more logically located outside of UCOP (225 FTE – mostly continuing legal education, postdoctoral fellowship program, and science/technology council)
 - Total permanent reduction in UCOP spending: \$51.7 million (20 percent)
- In addition, \$1.5 million is conservatively expected from a voluntary employee separation program
- And another \$3.5 million is expected in 2008-09 from recapturing one-time unexpended funds
 - Total UCOP reduction expected in 2008-09, from multiple fund sources: \$56.7 million

Because of hiring controls, the voluntary separation program, and the effort to identify programs that are better located on campuses or other locations outside of UCOP, savings thus far are being achieved with fewer than two dozen layoffs.

The next steps: continued restructuring of functions

Provost Hume expects to present a revised organizational structure for UCOP to the Regents at their May meeting. UCOP functions will continue to be reorganized over the course of the next year, producing further savings in 2009-10.