

Executive Summary

FOUNDATION FOR THE FUTURE

Responding to the Academic Plan: BAS Planning Principles and Objectives

In June 1999 President Richard Atkinson announced accelerated growth targets for each UC campus. This Long-Range Plan Executive Summary represents the initial effort of Business and Administrative Services (BAS) to work with the rest of the campus community to respond to the enrollment growth goal of educating an additional 5,200 students annually by 2010-2011 and supporting a substantial increase in sponsored research activity. All of the objectives and planning principles that are being employed by BAS in developing its long-range plan are intended to accommodate the level of campus growth envisioned in the academic plan.

This document is a preview of the long-range plan that will be developed during the spring and summer months and delivered on December 3, 2001. In the long-range plan we will provide quantitative workload driven increase information and corresponding funding requests.

BAS units provide and maintain the administrative and physical infrastructure supporting the research, teaching, and service mission of the campus. From servicing the campus roads to maintaining the campus financial records, BAS units are consistently engaged in aligning administrative services with academic priorities, reducing risk, and maintaining the extraordinary physical environment of the campus. Consistent with this, BAS looks forward to developing a long-range plan that fully supports the academic long-range plan. Our success will be dependent upon the quality and depth of long-range academic planning information that is presented to the campus, and the collaborative effort that will imple-

ment academic planning as the next decade unfolds.

In developing its long-range strategic plan, BAS is committed to employing the following planning principles:

- Working collaboratively with others and providing services and support to enable the campus to achieve all of its long-range objectives
- Providing a safe environment for students, faculty, staff, and the public
- Ensuring compliance with all university, local, state, and federal laws and regulations
- Maintaining a strong financial control and accountability environment in support of the campus' stewardship responsibilities to the public
- Continually developing accountability measures and seeking ways of improving the efficiency and effectiveness of processes and procedures
- Strategically using technology to improve the quality, efficiency, and timeliness of services provided to the campus in support of its academic, research, and public service mission

Innovative Academic Support

During the past five years, BAS has done an effective job of addressing the academic support needs of the campus. All BAS units have worked diligently to help support the academic and research excellence of the campus, to improve its financial control environment, to re-establish and maintain an adequate computing environment, and to help position UCSC to take advantage of productivity improvements using new and available technology. Some recent notable achievements that exemplify our ongoing efforts include the following:

- Completion of the Jack Baskin School of Engineering, improvements to the Arts, facilities at University Town Center (UTC), the OPERS Fitness Center, the Long Marine Lab Seymour Marine Discovery Center, and portions of the Mt. Hamilton Infrastructure Improvements project
- Completion of the most extensive road resurfacing project since the campus opened in the 1960's
- Disposal of stockpiled radioactive waste at a substantial cost savings
- Integrating a lab inspection program and reviewing lab safety of all research labs including development of a computerized reporting system
- Successfully implementing a critical upgrade of the Financial Information System
- Successfully completing the campus cabling upgrade project plan
- Eliminating non-value-added work by streamlining purchasing practices
- Identifying cost-saving solutions, such as the use of new fire protection technology within the new Interdisciplinary Sciences and Physical Sciences Buildings
- Participating in campus efforts to establish relationships with organizations, schools, agencies, companies, and key leadership in the Silicon Valley in order to promote the vision of the UCSC - Silicon Valley Center
- Continued development and enhancement of BAS management programs such as performance measurement, management training, information technology planning, resource management and financial planning

BAS in the Next 10 years

Developing a BAS long-range plan that effectively supports the academic plan will be dependent upon BAS receiving academic planning information, including planning principles and priorities. BAS will then be able to provide the analysis necessary to respond to these priorities and align BAS units' services accordingly. In addition, BAS is charged with implementing the goals outlined in *UC 2010: A New Business Architecture for the University of California*. We fully support this effort and understand that the other UC campuses will also follow the guidelines outlined in the report.

Some of the most significant elements of campus growth that will affect BAS include student enrollment growth, hiring of new faculty and staff, and an increase in sponsored research activity. These elements drive demand for BAS services in direct proportion to campus growth. Additional resources, including more working space, will be needed to meet this demand.

BAS will continue to enhance institutional excellence through the development and implementation of best business practices, performance measurement, risk mitigation measures, and life safety improvements. Examples include:

- *Business practices.* Financial Affairs will assess the use of electronic commerce (e-commerce) for conducting many types of campus business transactions. This effort will provide the cornerstone for our foundation of new business processes and implementation of the New Business Architecture report.
- *Performance measurement.* Materiel Management adopted performance measures three years ago and each operation has developed performance measures, collected and tabulated data, analyzed

results and adopted strategic plans in line with the measures. Every unit is in the process of performing a Customer Importance-Performance Survey.

- *Risk mitigation measures.* EH&S and Risk Management have developed an Injury Prevention program for the campus. This is a cross-divisional program designed to reduce the frequency and severity of injuries on campus.
- *Life safety improvements.* To address the impact of the student population living off campus, the UCSC Police Department has requested an additional police officer to address university-community relations.

Student enrollment growth, and increased activity in student affairs, academic divisions, and sponsored research will result in a significant increase in the number of business transactions of all types that are processed. Growth at the Silicon Valley Center, the Monterey Bay Education, Science and Technology Center (MBEST), and other potential off-campus university sites, will also have an impact. BAS units will continue to identify and implement technology-based solutions to improve transactional processing efficiency, reduce costs, and expand processing capacity to accommodate growth over time. Consistent with the themes outlined in the New Business Architecture report, BAS will be working to simplify policies, streamline processes, and provide the support tools needed to effectively get more work done without sacrificing accountability and controls.

As we have communicated to the campus in prior years, increased funding will be required to maintain existing technology and additional funds will be required to create new capacity and keep pace with rapid technological advances.

Technology is an investment—both in one-time funds and ongoing maintenance—that require budgetary commitment.

Delivering effective information technology (IT) will continue to be a key BAS core support service. Colleges and universities everywhere are struggling with funding and delivering effective IT services in an environment of rapid change and constantly increasing demand and corresponding costs. IT has become an integral part of the academic enterprise, and expectations among faculty, students, and staff have risen dramatically. Also, universities are realizing that being seen as a leader in the adoption and integration of IT into instructional, research and business processes can have a significant impact on whether they are seen as competitive, “leading edge” institutions. We will develop self-service opportunities for our customers, enabling them to conduct business transactions and to acquire information more efficiently.

As UC Santa Cruz engages in this comprehensive long-range planning effort, it is a highly opportune time to integrate IT into the academic planning process. From an IT perspective, the BAS of 2010-2011 will look and operate much differently than it does today. In order to succeed in providing top-notch instruction and to engage in conducting world class research, the campus must fund and support a robust IT infrastructure, including increased network capacity, broad-scale systems like the Academic Information System, security and account management services, and business process renewal, and must develop the requisite policies governing their use. Effective governance and advisory structures and the collective will to allocate adequate resources to the campus’s IT infrastructure are perhaps the greatest challenges to achieving this goal. We be-

lieve that the revised Provost's Advisory Committee structure, specifically the Information Technology Committee, has helped and will continue to help the campus properly assess investments in technology and provide leadership on these issues. All of this is necessary to ensure the steady growth and development of the campus over the next decade.

Commitment to Diversity

BAS is committed to facing the challenges presented by the lack of diversity in certain job classifications found in the division. Insufficient diversity among underrepresented groups is certainly not unique to BAS, or UCSC as a whole, but through the targeted use of Vice Chancellor-BAS discretionary funding, the division plans to continue enhanced efforts to diversify and strengthen key applicant pools. In addition, BAS will continue to provide oversight to BAS units and service centers in proactively monitoring employment searches and exit interview data, in an effort to gather quantitative information about management, recruitment, and retention methods. As a public institution in one of the most diverse and dynamic regions of the country, we are committed to building a workforce that reflects the community and state we serve.

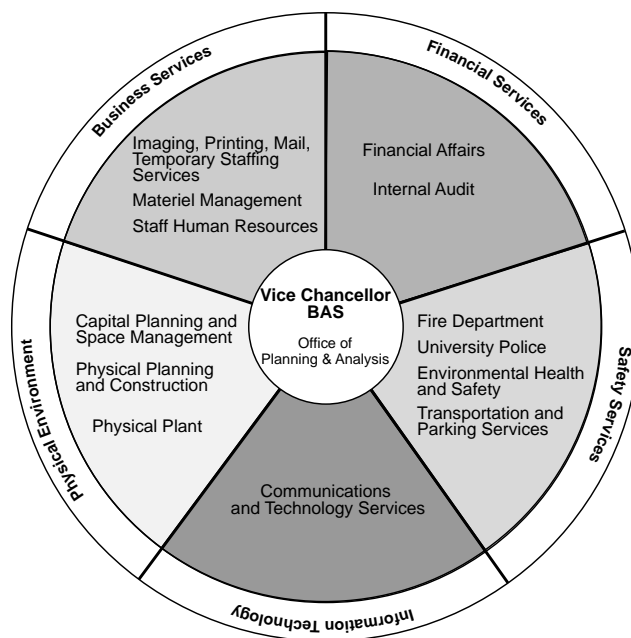
PROJECTIONS

BAS Organizational Changes

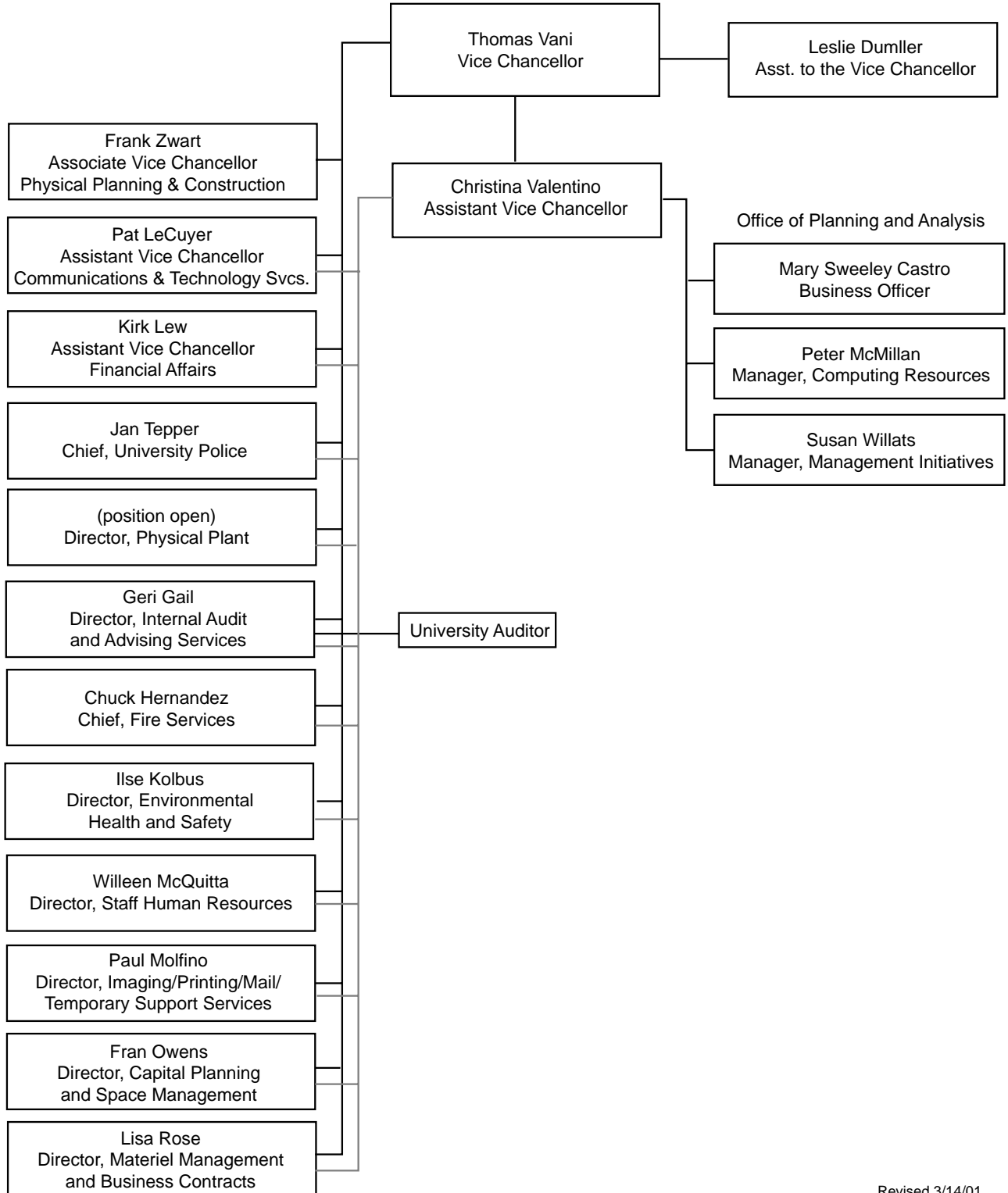
The division is comprised of thirteen units, organized into five thematic clusters; Business Services, Financial Services, Physical Environment, Safety Services, and Information Technology. Each unit head reports directly to the Vice Chancellor - Business and Administrative Services. The Office of Planning and Analysis (OPA) pro-

vides divisional planning, coordination, resource management, and analytical support to the Vice Chancellor.

As a result of a recent reorganization, the campus Staff Human Resources (SHR) unit was merged into BAS. SHR is comprised of six sub-units: Employment, Labor Relations, Benefits, Training and Development, Consultant Services, and Compensation. The unit consists of approximately 30 staff members, whose primary task is to recruit, hire, train and retain the best-qualified and most diverse workforce possible for UCSC. Moving a unit of this size represents a significant shift, and the transition of SHR to BAS is currently underway. As part of the transition, an assessment will be made of resources associated with the move. It is expected that the reorganization will be complete by July 1, 2001, and that the long-range plan for SHR will be included in the BAS submittal in December 2001.



University of California, Santa Cruz
Business and Administrative Services



Revised 3/14/01

In addition, effective March 15th, the Capital Planning and Space Management (CPSM) unit will be reorganized back to the Provost's Office, through the office of Planning and Budget (where it was located prior to 1998). The unit has grown from four FTE to six FTE in the three years it was part of BAS.

Anticipated Areas of Demand for BAS Services in the Next Decade

Over the next ten years, BAS anticipates that the demands of the campus community for divisional services will be particularly strong in a number of areas. Significant levels of additional resources will be needed to meet these demands of growth; which include:

- Providing a wide variety of core support services in support of the new summer quarter and distance learning programs
- Supporting a higher volume of capital planning and construction projects
- Providing safety and emergency response services, and hazardous and radioactive waste management
- Implementing the New Business Architecture, including decentralizing and streamlining campus business processes and electronic commerce
- Providing higher levels of sponsored award administration services
- Providing more parking, and alternative parking options such as carpool and vanpool services
- Providing additional student support, including additional computer labs, more student loan administration, collection, and other student-related services
- Providing administrative and infrastructure sup-

port for remote locations, such as the Silicon Valley Center and the MBEST Center

“Radar Screen” Issues

Beyond our immediate planning and forecasting, BAS units will also be focusing attention on issues that, in all likelihood, will arise, but are often not yet fully defined, thus making it difficult to anticipate the impact on the campus. To the extent possible, these “radar screen” issues will be taken into account as we strategically plan to meet the needs of the campus over the next ten years. Radar screen issues that have come to pass include the Mission Street widening project and the Arboretum dam. As has been discussed in previous BAS submittals, as the campus grows, more of the projects mandated by the 1988 Long Range Development Plan (LRDP) Mitigation Measures and University Assistance Measures will be required. The table on the next page depicts the updated campus obligations and “radar screen” issues.

Forecasting Workload Growth

BAS's role in continuing to meet the administrative and physical infrastructure needs of the campus is not expected to change significantly over the next ten years. Economic factors as they become known must be considered in forecasting for workload growth. While transaction volume is expected to increase dramatically throughout this period of time, BAS will need to continue providing virtually all of the same services it currently provides. As a result, BAS' efforts will be focused on addressing workload volume increases associated with growth and achieving productivity savings whenever possible.

BAS units have begun to identify specific growth indicators, such as student enrollment and

RADAR SCREEN INFRASTRUCTURE COSTS (Includes LRDP Mitigation Measures and University Assistance Measures)									
UNIT	INITIATIVE	2001-2002		2002-2003		One-Time	n-Going	One-Time	n-Going
		One-Time	n-Going	One-Time	n-Going				
Mitigation-University Assistance Measures									
PP&C	Storey/King intersection improvements	300,000						300,000	
PP&C	Hagar/Coolidge Intersection improvements	300,000						300,000	
PP&C	Hagar/McLaughlin Signalization					300,000		300,000	
PP&C	Heller/Empire Grade Signalization			300,000				300,000	
PP&C	Cam Fac/Coolidge Signalization							TBD	
PP&C	Western/Empire Grade Left Turn			300,000				300,000	
PP&C	CSC Sewer Line Upgrade							TBD	
PP&C	Eastern access							TBD	
PP&C	Interchange at Hwy 1 & 9							TBD	
PP&C	Bay Street Resurfacing							TBD	
PP&C	New sources of water							TBD	
PP&C	Seismic upgrade of building fixture mounting							TBD	
Police	Assist the City of Santa Cruz Police Dept. with off campus parking and enforcement							TBD	
PP&C	Expand wastewater treatment plant capacity							TBD	
ESTIMATED SUB-TOTAL		600,000		600,000		300,000		1,500,000 + TBD	
Other Radar Screen Infrastructure Costs									
PP	Storm Drainage Repairs/ongoing monitoring	2,500,000	15,000				15,000	2,500,000	45,000
PP&C	Natural Gas Improvements			1,000,000				1,000,000	
PP&C	Electrical Upgrade			1,000,000				1,000,000	
PP&C	Water System Improvements			2,000,000				2,000,000	
PP&C	Chilled Water System Improvements					2,000,000		2,000,000	
PP&C	Jordan Gulch Bridges					14,000,000		14,000,000	
PP&C	Central Condensing Water Expansion					2,000,000		2,000,000	
PP&C	North Campus Infrastructure Development					3,000,000		3,000,000	
PP&C	LML Access Road/other Marine infra.	1,000,000				1,000,000		2,000,000	
PP&C	South Campus Impr's(includes entrance/historic)					2,000,000		2,000,000	
PP&C	Pedestrian path circulation impr's - Phase 1					2,000,000		2,000,000	
PP&C	Improvements to the Arts cost overruns	220,000						220,000	
PP&C New	CA Energy Crisis Impact to Cap Proj Dev							TBD	
PP&C New	Construction Budget Support							TBD	
EH&S	Casmalian EPA superfund clean-up	57,000						57,000	
EH&S New	Hazardous Waste Facility	4,000,000						4,000,000	
CATS New	Campus Wiring Infrastructure	12,800,000						12,800,000	
CATS New	2010 New Business Architecture							TBD	
CATS New	Electronically Mediated Instruction							TBD	
CATS New	Remote Access/Security							TBD	
CATS New	Convergence of Voice and Data							TBD	
CATS New	Academic Information System							TBD	
MM New	Electronic Purchasing							TBD	
MM New	Seismic Retrofit of H-Barn							TBD	
ESTIMATED SUB-TOTAL		20,577,000	15,000	4,000,000	15,000	26,000,000	15,000	50,577,000 + TBD	45,000
ESTIMATED TOTAL		21,177,000	15,000	4,600,000	15,000	26,300,000	15,000	52,077,000 + TBD	45,000

faculty research funding growth, in order to forecast workload costs based on expected increases in the indicators over the next ten years. The chart on page 9 reveals which indicators directly influence workload costs in specific BAS units.

Additional information detailing how particular indicators directly influence the overall costs of providing certain core support activities within different BAS units is available. Further refinement of this information will take place once academic and student-related growth projection information is made available through the long-range planning process. BAS will then apply this information to formulas that will be used to forecast costs. These formulas will be based on factors such as headcounts, space, transaction volume, historical and anticipated incidence levels, historical and comparative cost data and anticipated efficiency gains from use of technology.

Building For Growth

High-quality planning for campus expansion and build-out under the 1988 LRDP is fundamental to the mission of the institution and is essential for achieving academic goals. How the campus looks and functions as a learning community is important to the daily lives and productivity of students, faculty and staff and will define the image and functionality of UC Santa Cruz for decades to come.

Building project activities and corresponding dollars that are managed in the Physical Planning and Construction unit have grown approximately eleven-fold during the period of 1995-2000 (from \$7,900,864 to \$84,582,697). The chart on pages 10 and 11 provides a more complete summary and detailed breakdown of actual and anticipated project costs. This accelerated construction schedule is projected to continue over the next ten years, and represents the most ambitious con-

struction schedule since the establishment of the campus in the 1960s.

The quality of the campus planning effort will affect the ability and capacity to teach, study and conduct research, and will influence how scholars, students, institutional partners, and donors view the desirability of Santa Cruz as a venue of choice for meeting their objectives. The graph on page 12 depicts building activity from 1964 and projected through 2003.

External influences

There are a number of external influences that can significantly influence workload costs, but are largely outside the control of the campus or BAS. In addition, local politics and a desire for greater community involvement results in more information and reporting that is required regularly from BAS units. All of these factors will be considered in assessing the BAS long-range plan and include such external influences as:

- Cost of living
- New or modified federal, state, and local regulations and reporting requirements
- Mandated UC programs
- Community Relations
- New or modified accounting or business policies
- Technological evolution
- Workspace quality and availability
- Collective bargaining agreements

CHALLENGES

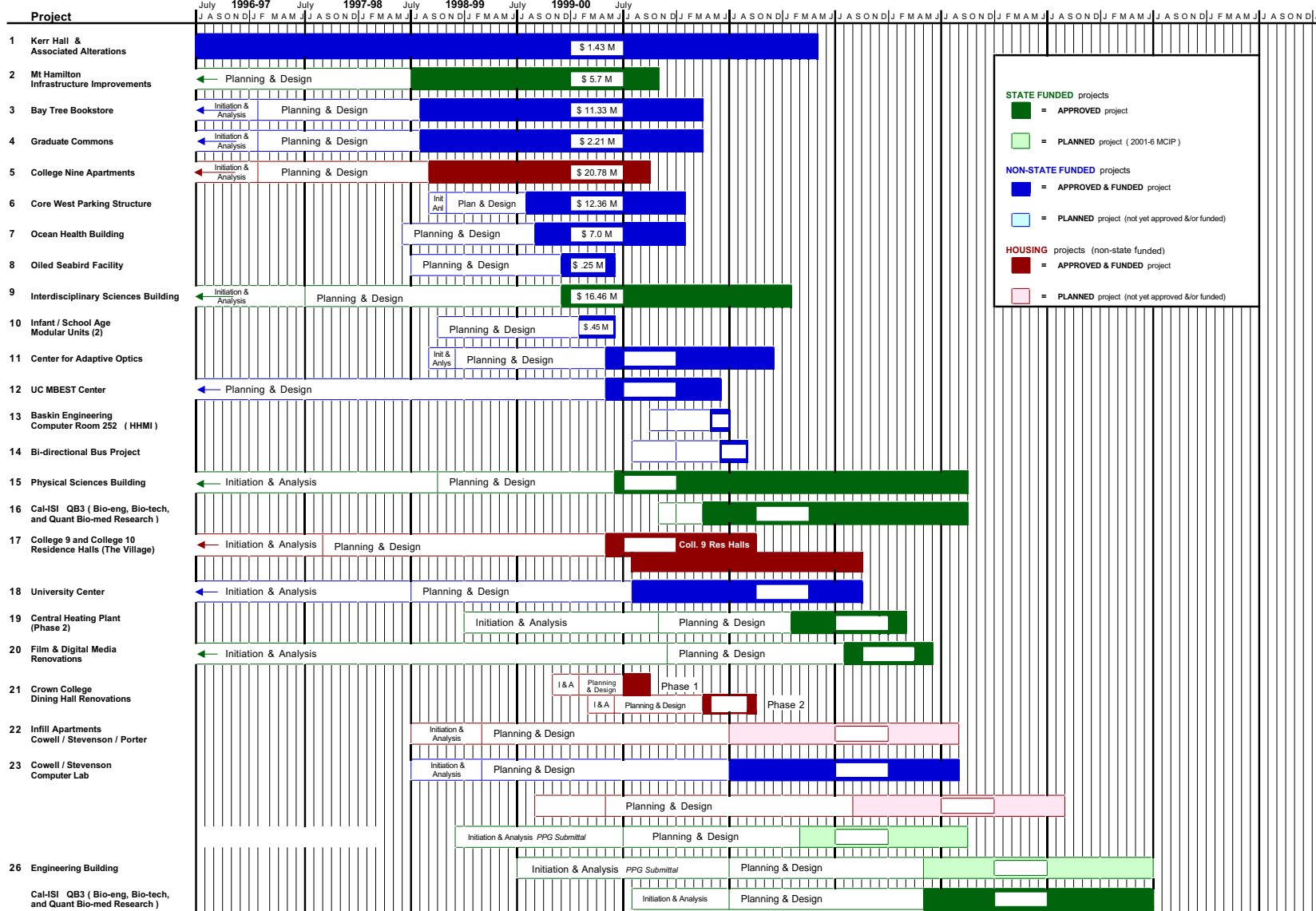
Current BAS Financial Status

Over the past ten years, BAS has suffered disproportionately from reductions in the amount

BAS Data Elements for Long-Range Planning Needs March 2001	Cap. Plan.	CATS	EH&S	Fin. Affairs	Fire	Int. Audit	IPMTS	Matl. Mgmt.	OPA	PP&C	Phys. Plint.	Police	TAPS
Annual enrollment targets <i>By term (inc. summer quarter), by location (inc. SVC, UNEX), classified by weekday, weekend, evening</i>													
Annual faculty projections <i>By division, department</i>													
Summer quarter long-term programmatic plans <i>By level of student support, facilities usage</i>													
Financial aid annual projections <i>By number of awards, dollar volume</i>													
Instructional long-term programmatic plans <i>By new divisions, departments, or programs; use of technology (e.g. on-line course material), distance learning, new policies (e.g. computer ownership requirements)</i>													
Sponsored research annual projections <i>E.g., long-term strategic focus (disciplines, agencies), number of principal investigators, revenue growth, on-campus vs. off-campus, partnerships with industry, programs involving primates and other animals</i>													
Silicon Valley Center <i>E.g., long-term programmatic plans, construction plans, planned future funding sources, anticipated support services/student services</i>													
Monterey Bay Education, Science and Technology Center <i>E.g., long-term programmatic plans, projected growth in leasing activity, construction plans, planned future funding sources</i>													
Facilities—space management <i>E.g., assignable square footage annual projections, projected number of annual office relocations</i>													
Facilities—capital projects strategic plan-annual projections <i>E.g., dollar volume/cashflow, new colleges, funding sources, project management approach</i>													
Facilities—on-campus housing annual projections <i>E.g., number of new units, number of additional students, number of additional faculty, number of additional staff</i>													
Facilities—Off-campus usage projections													
On-campus housing growth projections <i>E.g., student, faculty, staff</i>													
Auxiliary enterprises growth projections <i>E.g., revenues, facilities</i>													
Employee annual growth projections <i>E.g., academic, non-academic</i>													
Labor cost projections <i>E.g., by job classification</i>													
Workplace strategic planning <i>E.g., telecommuting</i>													
Public events annual projections <i>E.g., number, attendance</i>													
Technological infrastructure <i>E.g., service delivery model (centralized or decentralized), projected enterprise systems implementations, projected investment in equipment renewal</i>													
BAS major equipment replacement (non-reserve funded)													

UCSC Major Capital Improvement Projects

12/15/00



STATE FUNDED projects

- [Green Box] = APPROVED project
- [Light Green Box] = PLANNED project (2001-6 MCIP)

NON-STATE FUNDED projects

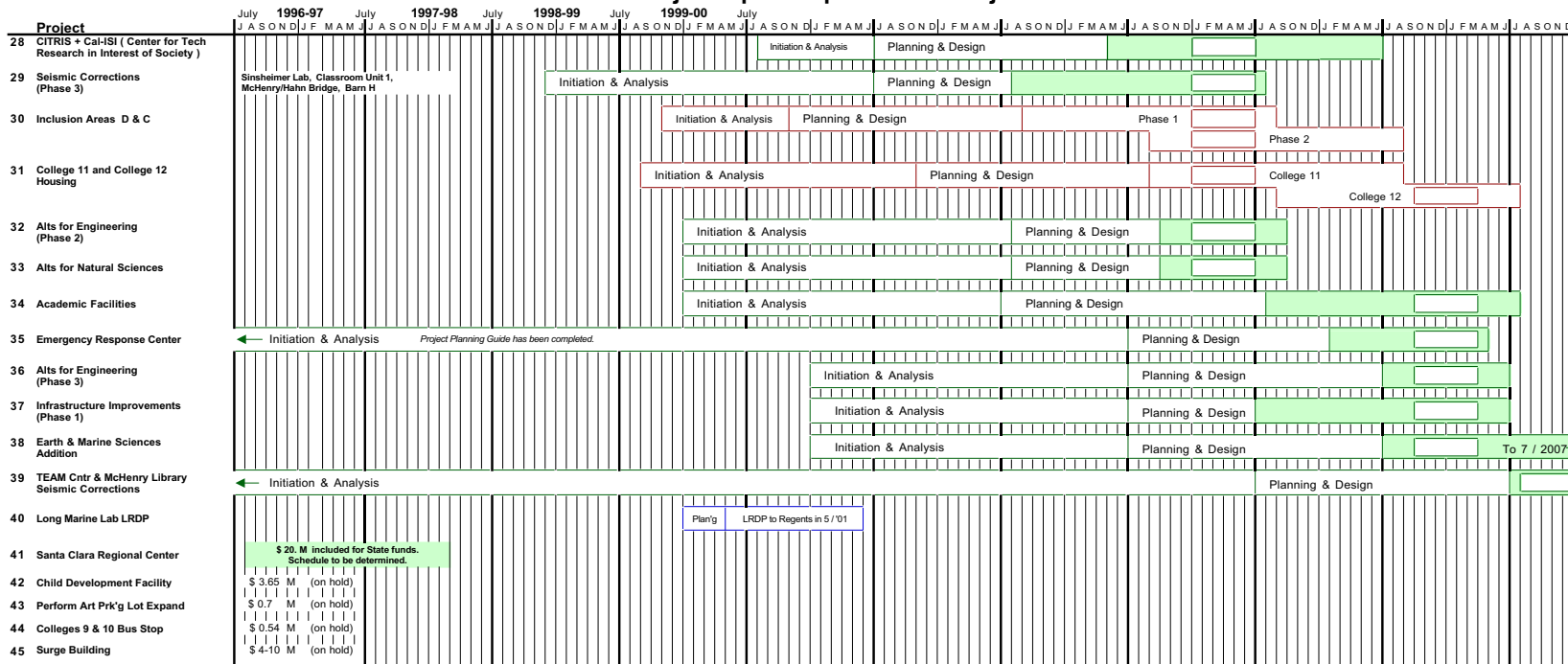
- [Dark Blue Box] = APPROVED & FUNDED project
- [Light Blue Box] = PLANNED project (not yet approved &/or funded)

HOUSING projects (non-state funded)

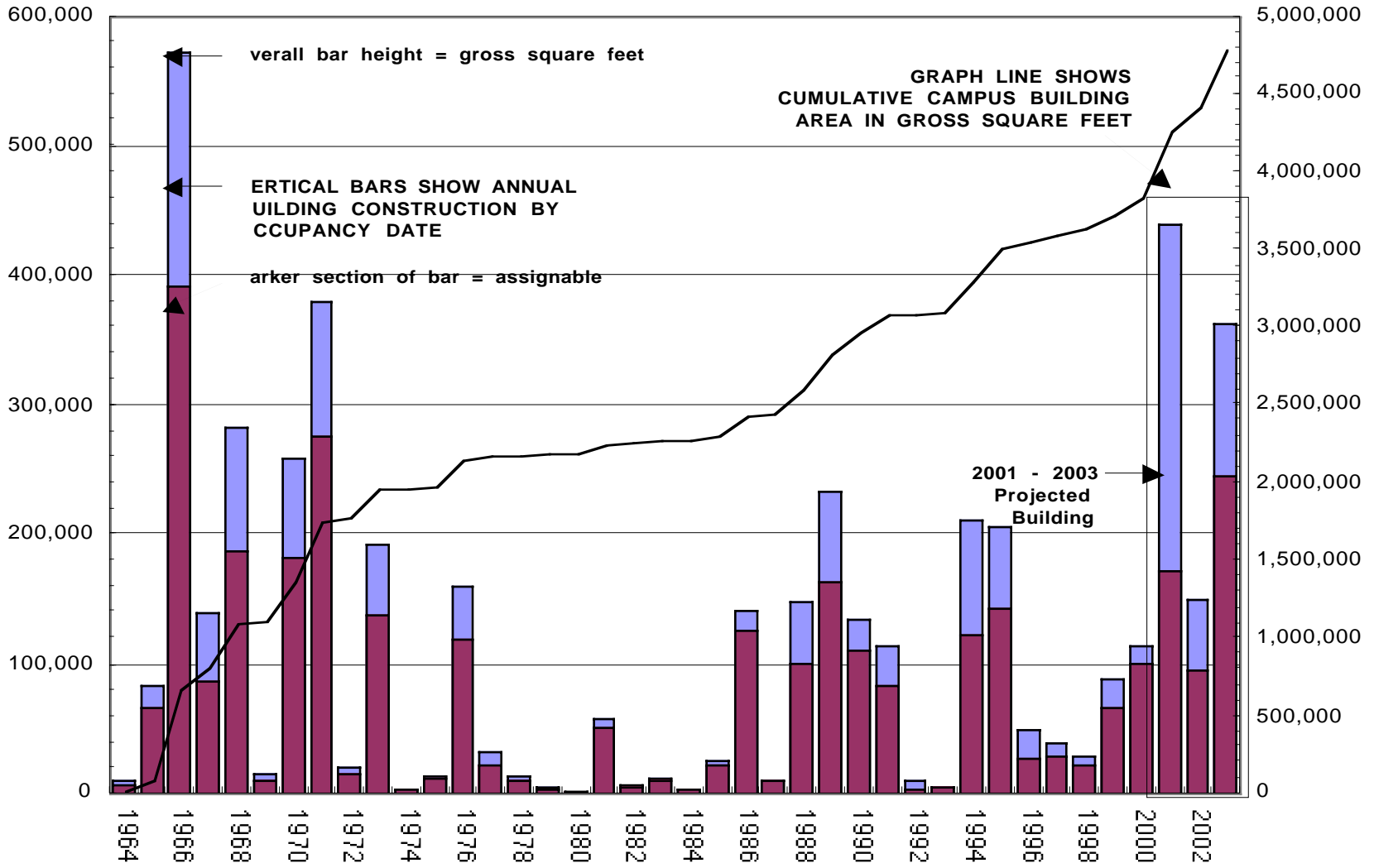
- [Red Box] = APPROVED & FUNDED project
- [Light Red Box] = PLANNED project (not yet approved &/or funded)

UCSC Major Capital Improvement Projects

12/15/00



UCSC Building Activity - 1964 to 2003



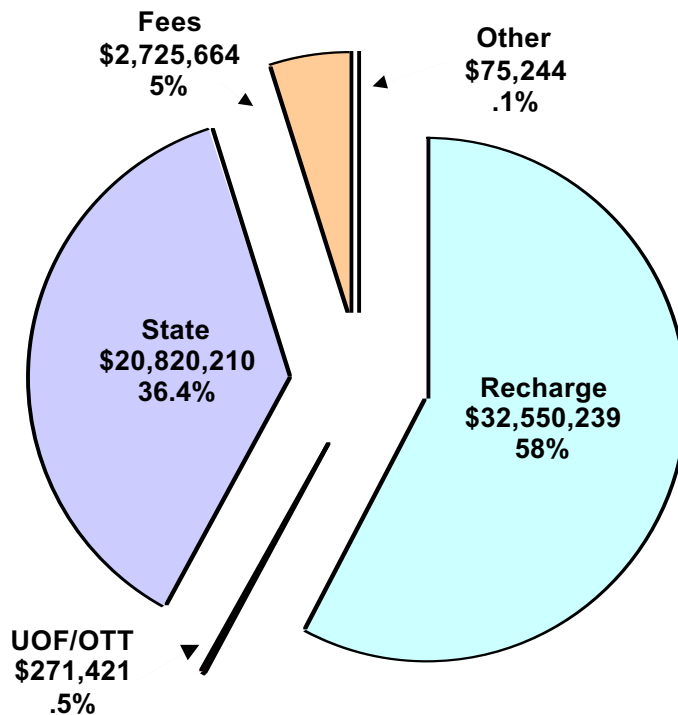
of annual core funding it receives. During this time, BAS has had to deal with the effects of enrollment growth, rapid expansion of the campus capital program, and increased information technology and regulatory compliance demands. Despite our concerted efforts to improve our efficiency, reduce costs, and find alternate sources of funding, the impact of ongoing underfunding has culminated in BAS having an overall negative budgetary balance as of June 30, 2000. During this same period of time the campus has generated a positive surplus balance. As a result of our precarious financial condition, BAS is not well positioned to effectively support the campus' long-

range plans. We strongly believe that this chronic underfunding issue must be addressed if BAS is to play its full role in helping the campus achieve its long-range objectives.

As the demand for new services has grown over the years the portion of the BAS budget related to recharge has grown accordingly. New and increased rates are developed prudently, and each rate is specific and may only be used for the service that is rendered.

The BAS Budget for fiscal year 1999-2000 consisted of a total budget of \$56,442,778 and 570 full time equivalent (FTE) staff:

**BAS Permanent Budget
1999-2000**



Space

Space shortages continue to be a problem for BAS units. One of the key elements to establishing a productive work environment is providing staff with adequate resources—including space.

BAS unit heads are formulating methodology that will assist in determining their space need projections through 2011. These projections will appear in the more detailed long-range plan that will be submitted in December 2001.

In the meantime, Capital Planning and Space Management (CPSM) is preparing a campuswide administrative space plan evaluation, and ultimately an overall campus space plan. The goal is to address existing space shortages in the most effective way using current space and allocating new space as it becomes available.

FUNDING STRATEGIES AND ACCOUNTABILITY

Funding strategies

Over the past few years, BAS has been diligent in identifying opportunities to generate recharge and other funding sources to support some of the services it provides. For many BAS units, charging for new and expanded services has been the only means available to generate funding when no other core funding exists. However, a large number of BAS units provide services of a nature that preclude them from recharging for their services. They rely almost exclusively on core state funding. Units facing this situation include Capital Planning and Space Management, Environmental Health & Safety, Fire, Internal Audit, Financial Affairs, and Police. These units will be among those most impacted by campus growth.

BAS management has pursued every oppor-

tunity to realize productivity savings. BAS workload increase funding has been allocated for critical services in support of life safety, risk mitigation, the Financial Information System and Communications and Technology Services.

The possibility of expanded academic programs such as summer quarter, additional colleges, distance learning, and night classes creates the potential for increased workload in BAS. For example, summer quarter will create the need for additional infrastructure support and maintenance services, and will be articulated in our long-range plan.

Enrollment growth occurs against a backdrop of complex relationships among the university and governmental entities, and the external community we serve. In the past several years, we have seen an increase in university partnerships that provide new opportunities for research, collaboration, and student support. The Silicon Valley Center and MBEST are examples of new university centers that capitalize on such partnerships. Additional off-campus university operations such as these are likely to emerge in the next ten years. The success of these partnerships will require the campus to be flexible in the way it funds planning and creative in the way it collaborates with external entities. These activities come at an increased and often underestimated cost and currently, the level of resources provided to BAS to support these efforts is insufficient to cover new activities of this kind.

Accountability and performance measurement

Over the past few years, in an effort to improve efficiency and effectiveness and contain costs, BAS has placed a strong emphasis on accountability and performance measurement. BAS

has been an active participant in the UC-wide Partnership for Performance initiative, which has resulted in similar business units from different campuses sharing data on common measures of performance. This data is used to identify opportunities to implement “best practices” from exemplary UC colleagues.

The concepts of the Partnership for Performance effort from the systemwide level have been adapted for divisional use as well. In January of 1999, BAS embarked on a long-term performance measurement initiative. The first part of this initiative was the creation of a division-wide customer satisfaction survey, which was distributed to all staff and faculty. This first survey provided each unit with baseline data; the survey will be repeated during the spring of 2001 and every two years thereafter. BAS unit heads have been provided training in the Balanced Scorecard model of performance measurement—a concise measurement framework for managers to use in both strategic and operational decision-making. Instead of relying on financial indicators alone to know how their unit is doing, the Balanced Scorecard system has four perspectives, or quadrants, for viewing a unit’s performance: the customer perspective, the financial perspective, the internal business perspective, and the innovation and learning perspective. Each unit manager has identified specific performance measures to enable tracking of productivity and effectiveness. Budgetary and financial accountability is evaluated through metrics such as cost per unit of service or production, trends and/or comparative analysis of particular costs or volume measures, achieving cost reduction or income generation targets, monitoring account balances, measuring the ability to provide services within the level

of resources provided, and accurately forecasting increases in services and costs.

BAS units are not alone in attempting to develop the metrics that will help management make informed decisions and plan strategically. BAS management expects that the development of goals and performance measures will continue to evolve. It is challenging to measure performance, which, by definition, focuses on outcomes rather than input alone. As BAS unit managers and their staffs become more accustomed to the practice of measurement, analysis and action based on findings, it is expected that units will become more adept at the continuous improvement of their service delivery in support of academic priorities.

Conclusion

As we build upon this executive summary to develop a comprehensive plan in the coming months, BAS will continue to identify and quantify the many elements that affect its operations. We are hopeful the new resource allocation methodology will provide BAS with the additional investment needed to realize long-term plans. We look forward to playing a vital role in the implementation of the campus’ vision and goals for 2010-2011.