

Seminar “Financial Futures for UC”
October 13, 2009 – Charles Schwartz

Excess Administrative Bureaucracy at UC

This is a summary of recent investigations, based upon statistical employment data from UC’s own offices, that finds and asks questions about excessive growth in administration for the whole University and its individual campuses. It is also a sad story about top UC officials’ failure to treat this problem seriously.

The University of California provides a regular tally of its employees, going back over many years, posted at <http://www.ucop.edu/ucophome/uwnews/stat/>. Here one can see twice-yearly statistics of FTE (Full Time Equivalent) counts in three major categories, with two-dozen subcategories:

Management (Senior Management Group, Management & Senior Professionals)

Academic Staff (Faculty, Researchers, Librarians, Student Assistants, etc.)

Professional and Support Staff (Clerical, Fiscal, Health Care, Technical, Craft, etc.)

I have written up several studies starting with this data, and they are posted at <http://socrates.berkeley.edu/~schwartz> under the series heading, “Financing the University.”

In “Part 6” of that series, posted 9/1/2003, I noted that over the period Oct 1996 to Oct 2002, Total Academic Staff had grown by 22%, Total PSS Staff had grown by 21%, and Management had grown by 69%. I also noted that one particular subdivision of PSS - Fiscal, Management and Staff Services - also showed abnormal growth at 68%. I recommended that “UC should bring in some independent business efficiency experts to look critically at administration spending and identify possible savings.” That paper, widely distributed to UC leadership, received no response.

A year later, when Berkeley’s new Chancellor Robert Birgeneau made his first appearance before the local Academic Senate, I presented him with a similar page of employment data for this campus and asked him to look into this apparent burgeoning of our bureaucracy. He said that he would look into this but, in fact, I never heard from him about that.

Early in 2006, I wrote this up again and mailed it to UC President Bob Dynes, with a specific request that he look into this and see if there was any reasonable explanation for why UC’s management staff continued to grow at such an inordinate pace. He never replied. However, I also sent copies of that letter to a couple of faculty Senate leaders and one of them did respond in a responsible manner. Professor Stan Glantz (of UCSF), as Chair of the system-wide Committee on Planning and Budget, looked into this data with his staff, wrote up his own findings and forwarded that to the head of the Academic Senate with the following conclusions.

The growth in management relative to faculty and students is disturbing, however, because it is difficult to reconcile with the notion that research and teaching are the University's top priorities.

UCPB would like this analysis to be forwarded to President Dynes with a request for an explanation of the noted trends and disparities. We would also appreciate knowing whether UC's future growth plans will continue in the same direction or be modified and, if so, based on what factors.

On June 14, 2006, President Dynes, speaking to the Assembly of the Academic Senate, said that he had appointed a special task force (some Vice Presidents and Senate leaders) to look into this matter; and he added his opinion that the outsized growth in management positions was probably attributable to the University's medical centers. That prompted me to write him another letter, pointing out that his hypothesis was very doubtful, since the two campuses that showed the highest rate of management growth, namely Berkeley and Santa Cruz, had no medical schools. I also offered to meet with his special task force and provide some background from my earlier studies of UC's administrative bureaucracy. I never heard from the President, nor have I heard of any further activity by that special task force he appointed to look into this matter.

On May 2, 2007, I issued "Part 12" of that same series of papers, updating this study of UC employment data. Looking at the 10-year interval, Oct 1996 to Oct 2006, it showed:

Academic Staff grew by 34%

Professional and Support Staff grew by 27%

Management grew by 118% -- to 7,381 FTE

and that subdivision Fiscal, Management, etc. grew by 98% -- to 17,345 FTE

With the total UC employment having grown by 31%, I calculated the apparent excess of positions in those two management categories and estimated that this cost the University about \$600 million per year in salaries. I wrote that this looks like a lot of wasteful administrative bloat and asked, Who cares? Again, no response.

The next step involved getting more detailed employment data. Working under the California Public Records Act, and with assistance from the relevant staff at UCOP, I was able to obtain (at a moderate cost) Excel files listing over 1500 Job descriptions, with the FTE counts for each, as of those same dates in 1996 and 2006. This let me identify the main sub-sub-categories involved in that rapid growth and consider how to regard each one. The Executive Program held nearly constant in size, at around 300. The MSO positions (the chief staff administrator in each academic department) also showed very little change. So I put those groups aside. I also noticed that there was rapid growth in the jobs related to Computer technical work; but that seemed like an area of rapid growth for an obvious real need. So I put those aside also.

Additional information about job descriptions left the strong impression that the major positions in "Fiscal, Management and Staff Services" were fairly sophisticated (e.g.,

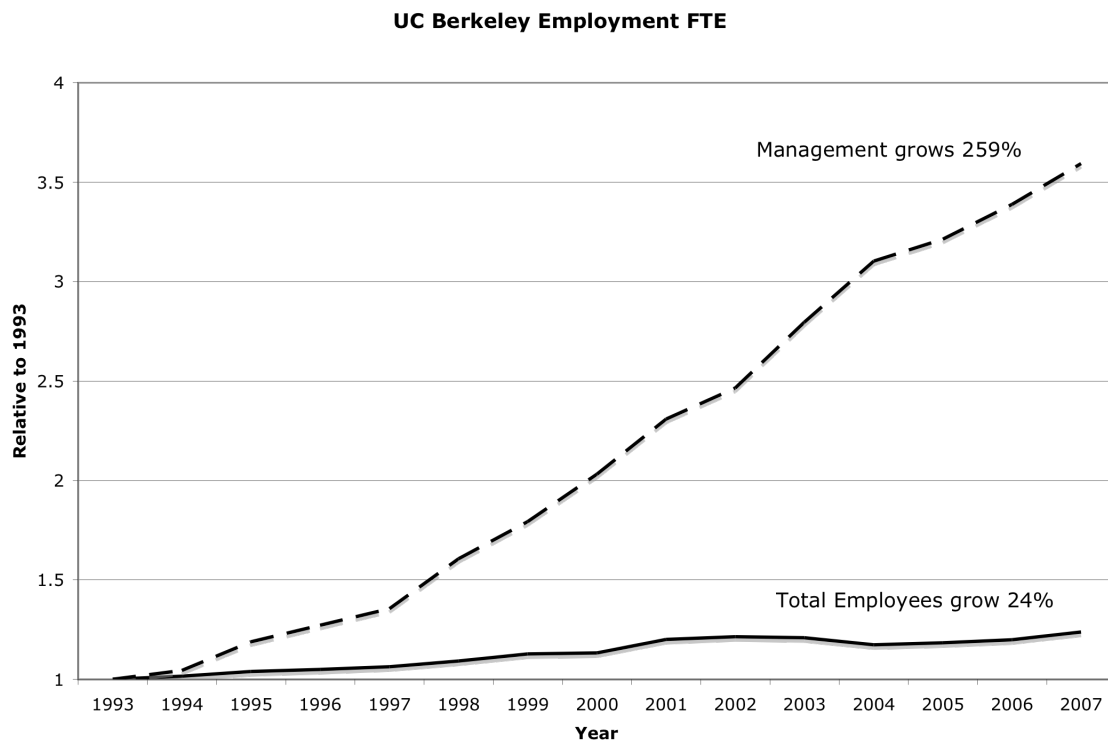
requiring a college degree) and served as immediate support for the higher level of managers in the MSP class. This was a picture of what one would call a bureaucracy.

What was thus isolated – and this is shown in my paper “Part 13” of 9/30/07 – was a reduced set of administrative positions, showing even more rapid growth rates, yielding the same overall estimate of \$600 million per year in apparent wastage. That paper closed with, “I do not claim it is proven that all of that \$600 Million is wasted but, given the data presented here, I do challenge UC officials to demonstrate that it is not.”

Finally, “Part 14”, published 2/13/08, reported on newer data that let me separate the Health Sciences (showing a total wastage of \$263 million) and the remaining General Campuses (at \$342 million). Additionally, the latter was separated campus-by-campus, with the worst examples of this apparent bureaucratic bloat in terms of dollars wasted per year being: Berkeley - \$91 million; UCLA – \$54 million.

That paper closed with the suggestion that people on each campus should confront their top officials with this data and ask for explanations. The Faculty Association at UCLA did contact me and then undertook their own study of this data, confirming and extending my findings. See http://www.uclafaculty.org/FASite/Admin._Growth.html

In November of 2008 I went to a meeting arranged by the local Academic Senate and handed out copies of the following graph, which summarized this subject of bureaucratic growth for the Berkeley campus.



At that meeting Chancellor Birgeneau came over to talk to me and so I handed him a copy of this graph. (He is a physicist, like me, and so I am sure he was immediately able to appreciate what the data said.) I asked him to look into this problem. He said something about maybe it had to do with increases in research; and then he handed the paper back to me and walked away.

Well, I did try to see if increased research activity over the decade might have produced a need for more management positions on our campus. Without going into details, I'll just say that I did not find evidence for that.

In the spring of 2009, amidst the growing tensions over the UC budget crisis, I did write a letter to UC President Mark Yudof, complaining about “Budget Lies” coming out of his office. (See the April 11 letter to Yudof posted at <http://UniversityProbe.org> .) One issue I raised was this. “In previous papers, ‘Financing the University – Parts 12-14’, I have demonstrated that there is a much larger constellation of management bureaucracy throughout UC, which has grown enormously over the past decade and is now estimated to waste some \$600 million per year. The Senior Management Group, which you talk about here, is just the tip of that iceberg.”

A month later I received a detailed letter of response from Vice President Patrick Lenz, who said that he was writing on behalf of President Yudof. His full letter and my analysis of it are available at “Part 18”. Addressing my studies of excessive growth in management his first comments were;

“Regarding the growth in management and senior professional employment, the University is an increasingly complex and growing organization which necessitates an increase in staffing levels to provide management/administrative infrastructure and professional analytical support. Some of the forces driving these changes include student enrollment growth, . . . , and a very significant increase in the number of contracts and grants awarded.”

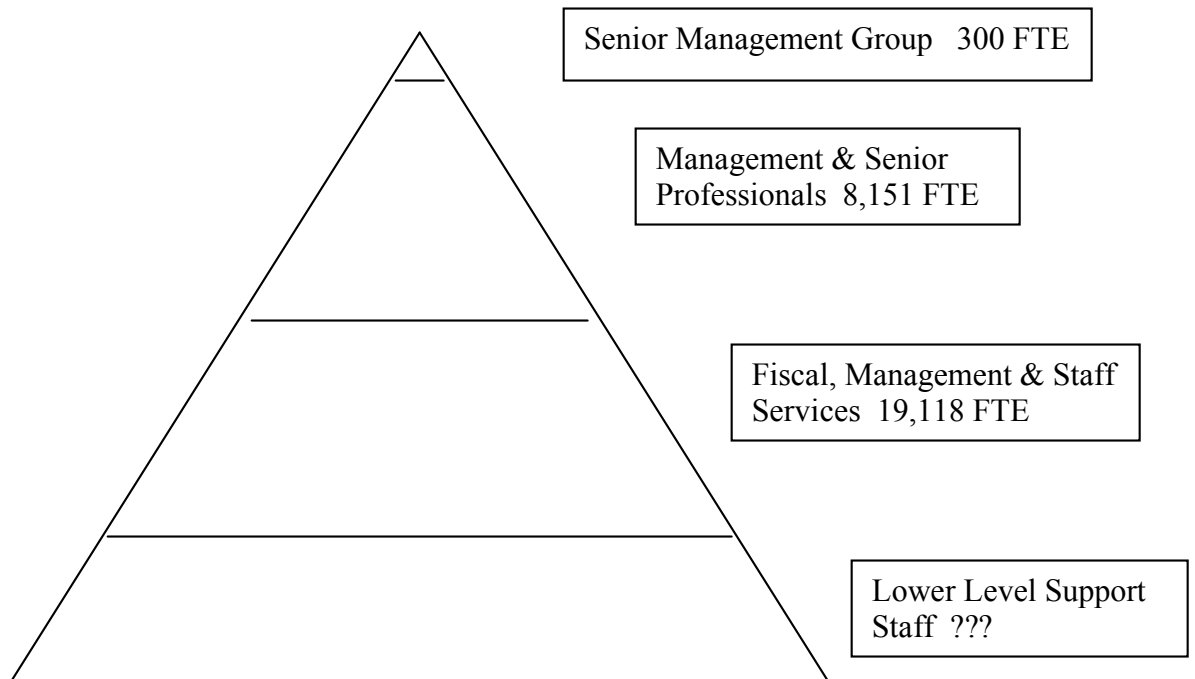
Allright, the University grows; but my analysis looked at the *difference* between management growth rates and total employee (or total enrollment) growth rates. That is what I called “excess” growth; and he has not explained any of that.

Then he went on to talk about the rapid growth in the use of “information systems and technology” and “the internet and computer technology” throughout the University; and he noted that this “has also created new needs for professional analysts to meet the needs of a modern organization.” I agree entirely with this observation; and that is why in my papers, I specifically removed the computer-related sub-categories from the list showing apparent excess in management positions.

In sum, then, Lenz found no shortcoming in my study of apparent excessive management; he could offer no justification for this bloat; and he had no quibble with my estimate that this is a wastage of \$600 million per year.

Just recently the Chancellor at Berkeley has announced Operation Excellence, bringing in outside management experts to help us do our jobs better. I have been invited to participate. I have some skepticism about what happens when top management hires an expert consulting firm to address a problem that top management was told about and should have taken care of long ago; but we shall see what transpires.

The Management Pyramid at UC (as of 4/09)



Further UC employment statistics

Total UC Employees = 136,478 FTE

Regular Teaching Faculty – Ladder Ranks = 8,868 FTE

For more details see <http://socrates.berkeley.edu/~schwartz/Seminar/UCemploy4-09.pdf>