



## News

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### Union Certified at Illinois-Chicago

September 16, 2011

A state labor board on Thursday certified a faculty union at the **University of Illinois at Chicago** -- potentially a major victory not only for the union members there, but also for academic labor in general, which has staked a lot on this organizing campaign. But the university administration, which urged the state board to reject the union because it combines tenure-track and non-tenure track faculty members, vowed to go to court to block collective bargaining as the union envisions it.

Thursday's ruling -- a written version of which was released late in the day, several hours after the board's vote -- dealt in part with unique features of Illinois law. But one issue it addressed -- whether adjuncts and tenure-track faculty members can bargain together -- comes up in other union drives.

The labor board found that the two groups of professors have sufficient common interests that a joint union is justified. The board noted that tenured and adjunct professors both teach, do research, sometimes work on the same courses and research projects, and have roles in campus governance. Those commonalities, the board ruled, outweigh differences.

While the union on Thursday called for the administration to accept the state board's ruling, it appears increasingly likely that both sides are preparing for a prolonged legal battle. Indeed, the union is trying to embarrass the university by pointing out how much it is spending on legal fees at a time when the state is facing tight budgets for higher education.

Thursday's ruling by the Illinois Education Labor Relations Board would, if upheld, lead to immediate union recognition for the UIC United Faculty. That is because Illinois is a "card check" state, in which workers sign authorization cards to form a union -- with no formal election required. Because the union submitted many more authorization cards than required, only a legal challenge such as that made by the university would block the union.

UIC United Faculty is affiliated both with the American Association of University Professors and the American Federation of Teachers. The drive was seen as a model for the two national unions to cooperate and to organize at a research university -- a sector of higher education that has not seen substantial growth in collective bargaining in recent years.

The ruling of the labor board dealt in part with whether non-tenure track and tenure-track faculty members have a "community of interest" that makes it logical for them to bargain together with the administration. The university argued that they do not, and cited various differences between the two groups and also a potential conflict of interest (in the administration's view) because adjuncts "support" tenure-track faculty in some teaching and research work.

While this may be true, the labor board decision said that this was also "evidence of functional integration in that tenure system faculty and non-tenure track faculty teach courses jointly and work together in obtaining grants."

And despite obvious differences between those on and off the tenure track with regard to job security and pay, the labor board focused on the commonalities of the duties they performed. "The fact that non-tenure track faculty teach the same courses as tenure system faculty and substitute for tenure system faculty when tenure system faculty go on sabbatical, leave and break is evidence of interchangeability between tenure system and non-tenure-track faculty," the decision said.

Another issue cited by administrators to deny recognition of a joint bargaining unit was the Illinois statute authorizing a faculty union at the University of Illinois. The statute says that "the sole appropriate bargaining unit for tenured and tenure-track academic faculty at

each campus of the University of Illinois shall be a unit ... that includes all tenured and tenure track faculty." The university argued that this language means that only tenured and tenure-track faculty members can be in the unit.

The ruling by the board questioned Illinois's reading of the word "includes." Had lawmakers wanted, the board ruled, they could have used "consists of" instead of "includes," and that would have indicated that only the groups cited could be part of the bargaining unit. The decision then cited dictionary definitions to show that "include" can introduce a list that can be "part of a whole" and need not mean the entirety of the whole.

The labor board voted 3 to 1 on the issues, and the dissent filed in the case was focused on the wording issue, with one member of the board accepting the university's interpretation of the statute's wording as defining the case.

University officials have argued that they are not against union rights for faculty members -- only the combination of tenure-track and non-tenure-track faculty in the same unit. Lon S. Kaufman, vice chancellor for academic affairs and provost, sent a message to campus officials Wednesday reiterating that view in advance of the ruling.

"It has been our consistent position that the law not only is clear, but correct," he wrote. "A university's tenured and tenure-track faculty have unique rights, roles and responsibilities, and this is why there must be separate bargaining units. We are not trying to deprive faculty of the right to organize but rather want to see the bargaining units align with the type of faculty they would represent."

Faculty leaders have said repeatedly that if the university truly respected their right to unionize, the administration would respect their right to do so across tenure lines. "We have followed the law, and previous case law clearly shows that we have every legal right to be recognized as one union," said Lennard Davis, distinguished professor in the College of Liberal Arts and Sciences and one of the leaders of the union. (Nationally, there are many examples of colleges with separate units for adjuncts and tenure-track faculty members, or where only one set of faculty members are unionized, but there are also many colleges where adjuncts and tenure-track professors are in the same union.)

The union also released the results of Freedom of Information Act requests it has been making to document spending by the university on legal fees related to labor issues. According to the union, the administration has spent \$3,282,414.14 on outside lawyers for labor issues over the last decade. This is on top of two in-house lawyers. "Not only is this a waste of money, but also it is unwise management," said the union statement.

A university spokesman said that, while he could not confirm the sums spent on legal bills, the figures cited by the union are "hardly surprising for a \$5 billion organization with more than 30,000 employees and more than 40 bargaining units systemwide." And while the university is spending more on lawyers for this dispute, he said that since "this is an important issue with far-reaching implications for the university and as it involves interpretation of state law, engaging a law firm with expertise in this area is the prudent course of action."

— Scott Jaschik

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# Students voice concerns to campus, community leaders

"We are now living in an age of scarcity. We have to fight for every penny of state support we can get, and we intend to do just that."

**MICHAEL HOGAN,**  
University president

BY HANNAH MEISEL  
STAFF WRITER

University students had a rare chance to speak with campus and community leaders, including University president Michael Hogan, and Champaign and Urbana mayors Don Gerard and Laurel Prussing on Thursday night.

The University's budget, diversity and campus safety were the main themes brought up between the groups at the second annual meeting of the student body. The event, co-sponsored by the Illinois Student Senate and the Illini Union Board, invited students to speak with top administrators and community heads in a question and answer format, followed by infor-

mal discussion between the parties.

Student body president David Pileski said this type of event encourages closer relationships between students and the administration.

Hogan addressed the crowd at the beginning of the meeting, briefing about the improvements the University made throughout the past year, including increased enrollment, a pay raise for the faculty, millions of dollars saved and the Urbana campus' climb in the U.S. News and World Report Best Colleges rankings.

Budget issues were also addressed, and Hogan pointed to the state, asking it to do its

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## STUDENT BODY

FROM PAGE 1A

part in the bargain.

"We are now living in an age of scarcity," he said. "We have to fight for every penny of state support we can get, and we intend to do just that."

When asked about out-of-state enrollment, Hogan responded that the tuition and fees that out-of-state students pay support the University immensely.

"We need to get out-of-state students who will become Illinois residents and taxpaying students," Hogan said.

Hogan also mentioned that out-of-state students encourage diversity on campus.

"Even if you live in Illinois (after graduation) you'll be a member of an increasingly diverse community," he said. "We need to do a better job of creating that kind of environment on campus."

Jessica Newman, sophomore in LAS, asked about diversity initiatives. After Hogan mentioned several initiatives in place, he referred her to vice chancellor for student affairs Renee Romano.

"I'm definitely going to follow up with this issue," Newman said after the meeting. "As students, we don't see (administrative work) going on ... but I definitely learned a lot."

Along with Hogan, Gerard and

Prussing, University police chief Barbara O'Connor was called upon to address students' concerns regarding campus safety, the most talked about issue of the evening.

"Safety was an issue for us last year, and we have done a lot of work since then," she said in an address to the crowd. "We are pleased to report we are off to a good start this year."

O'Connor pointed to the budget increase — 15 percent for fiscal year 2012 — which allowed for the new security guard program in conjunction with University housing and the hiring of six new officers.

Several students had questions about not only campus police, but the police departments of Champaign and Urbana, specifically dealing with alcohol law enforcement. Mayor Gerard said community relations with the police force is a top priority. He addressed the issue of perception of the police as "trying to bust kids," and said he hopes to bring back the defunct "party patrol" program — a group of students to address noise complaints, leaving officers free to deal with safety and crime issues.

"I think it was a great success," Pileski said. "There were insightful questions, and I think everyone left either with an answer to their questions, or contacts to be able to solve their issues."

# Proposed fee to support senate should be part of UI students' expenses

## Added revenue would help with budget, accountability

The Daily Illini  
September 16, 2011

It is not a surprise to anyone on campus that our financial situation is dire.

As of two weeks ago, the state of Illinois owes the University \$313 million in funds. With the budget crisis at the state and university level, it is obvious that some of that deficit will fall on the student body. As a junior in molecular and cellular biology, I owed the University \$8,556, with \$1,655 being in fees.

While I am supremely grateful that we attend a university with guaranteed tuition (freshmen in my major will pay \$1,063 more a semester than me), I understand the purpose that fees, in addition to tuition, serve.

Some fees, like the Transportation Fee, are clear; students need a mass transit system. This fee serves in the same way federal and state taxes go towards road construction and maintenance. But as the Illinois Student Senate proved last year with the Library/IT Fee Report, the system is flawed. Uncontrolled and unnecessary fees can do serious harm to the wallets of the average student.

Last Wednesday, Student Body President David Pileski and I unveiled a resolution that supports the reinstatement of a fee that would fund the Illinois Student Senate. While the exact amount of the fee has yet to be determined, we both agree that a fee of between 50 cents and \$1 per semester is both sufficient to meet the needs of the ISS and necessary to continue allow the senate to serve the students at the University of Illinois.

Currently, the University of Illinois is one of only two Big Ten Universities to be funded directly by the University administration. Annually, the Illinois Student Senate is given \$39,000 from the Office of the Dean of Students to carry out the business we undertake. This includes such activities as the upcoming annual meeting of the student body, Student Rights Week in the spring, environmental sustainability initiatives and even social events to bring a wide range of campus together.

A fee of one dollar per semester per student would increase the ISS annual

budget between two- and three-fold.

However, more important than the dollar amount generated, having a dedicated student fee would bring about many positive changes. A direct fee would also hold the Illinois Student Senate more accountable to the student body.

There is little we as students can do to help improve the state and university fiscal crisis. As the flow of money into the University is still much lower than promised, weaknesses in the ability of the administration to fully fund student projects will become more apparent. It is my desire that ISS can step in and fill as many gaps as possible.

In my opinion, this fee is a balance between a minimal, controlled fee, while still being large enough to accomplish the goals it sets out to achieve.

A student fee directly supporting the senate necessitates that ISS remains a collective body of the students, for the students, and truly by the students.

RYAN YOUNG,  
LAS student senator

Currently, the University of Illinois is one of only two Big Ten Universities to be funded directly by the University administration. Annually, the Illinois Student Senate is given \$39,000 from the Office of the Dean of Students to carry out the business we undertake.

## **UI** bureaucrats throw money around

The alleged misconduct at the University of Illinois College of Law represents a perfect example of why average citizens are disgusted and irate about government.

It is not because the misconduct occurred, but because of the response to it.

We now have so many \$100,000 to \$500,000 bureaucrats screeching and running around that they're bumping into each other. Then there is the decision to hire an outside lawyer — oh wait, make it two.

The Office of UI Counsel has plenty of lawyers, but, apparently, they apparently do not have competence to react.

A high school math student could determine the facts: student grade point averages divided by number of students equals the average law student grade point.

Law School Admission Test scores divided by number of students equals the average student's LSAT score.

If the numbers that were submitted by the law school were higher than they should have been, fire administrator responsible due to inability to add and divide or intentional corruption. I hope N-G will determine cost of this sad, but true, debacle.

KENNETH CUNNINGHAM  
Danville

[www.chicagotribune.com/news/local/ct-met-quinn-china-20110916,0,6905422.story](http://www.chicagotribune.com/news/local/ct-met-quinn-china-20110916,0,6905422.story)

## chicagotribune.com

### Gov. Quinn to tour China with business leaders and campaign donors

By Monique Garcia and Ray Long, Tribune reporters

September 16, 2011

Gov. Pat Quinn leaves Friday for an eight-day trade mission to China, leading a delegation of 30 politicians, academics, campaign donors and business leaders in what his office is billing as the first overseas trip of its kind by an Illinois governor since 2002.

The Democratic governor and his fellow travelers will pay their own way to China, but the trip is expected to run taxpayers about \$133,000 for meeting space, ground transportation, interpreters and the like.

The trip takes place a week after Quinn proposed mass layoffs and state facility closures due to a lack of money. The governor said the visit to China is worth it because Illinois will get trade agreements and form relationships that will pay major dividends.

"I think it's a reasonable investment, if you're signing contracts of over hundreds of millions of dollars that are worth literally thousands of jobs in Illinois, not only now, but we're encouraging investment in renewable energy. That's very, very important," Quinn said Thursday. "You can squeeze a nickel and lose a half dollar."

Quinn is following a long tradition of Illinois governors acting as pitchmen for the state abroad. The most prolific was Republican Jim Thompson, who made more than 20 overseas trips during his 14-year tenure at a cost of more than \$1 million.

The China expedition is focused on economics, specifically exports.

Behind Canada and Mexico, China is the state's third-leading country for exports. China purchased more than \$3 billion worth of products from Illinois last year, helping boost the state's exports by nearly 20 percent from the year before. All told, Illinois sold nearly \$50 billion in goods to countries across the world last year, according to the state's Office of Trade and Investment.

But Quinn wants more, saying that building relationships with other countries is crucial to keeping Illinoisans employed at home. That's particularly true for China, he says, which purchases one out of

every four soybeans grown in the state.

"They have a lot of mouths to feed there, a lot of animals as well, and they are very, very interested in buying our agriculture," Quinn said. "We have to understand that our customers in places like China, we want to have good relations with them. And we're going to be signing agreements that will sell more soybeans to China."

Quinn said the partnership between China and Illinois was highlighted earlier this year when Chinese President Hu Jintao visited the United States. He made just two publicized stops — one in Washington to meet with President Barack Obama, and the other in Chicago, where he met with Quinn and then-Mayor Richard Daley, who frequently traveled to China during his administration.

"He told me that he sees Illinois as the gateway to the Midwest," Quinn said of his meeting with Hu. "That we can get more investment from China, investing in jobs here and more exports to their country, if we work together."

Soybean farmer Bill Wykes said he's seen a direct impact between the state's efforts to build a relationship with China to the amount of soybeans he's sold, saying in 15 years China has gone from barely buying soybeans to being one of the state's top export markets.

Wykes, who farms on land just north of Plano, said the Chinese primarily use soybean meal for animal feed or soybean oil for cooking. He said the demand continues to increase in relationship to the Chinese economy, saying when things are good there's more demand for meat and in turn, more demand for soybean meal.

The farmer said the visit by Quinn shows customers that Illinois is willing to do whatever it can to keep its status as a top supplier of soybeans. His only complaint about Quinn's visit is that it comes at the height of harvest season, so farmers weren't able to tag along.

The delegation is scheduled to arrive in Beijing on Saturday and also make stops in Shanghai and Hong Kong.

Sen. Kwame Raoul, D-Chicago, said the delegation will seek to match up China's consumer needs with products manufactured by Illinois companies or grown on Illinois farms.

Raoul said he'll likely use his campaign fund to pay for the trip. Quinn plans to do the same, saying Thursday that he's "not going to charge the taxpayers for my China expenses involving the airfare or the lodging."

Quinn officials could not provide a specific breakdown of the \$133,000 the state stands to spend on the trip but said travel for two staff members is included. The money was set aside in the Department of Commerce and Economic Opportunity budget, a spokeswoman said.

Eight of the 30 people going to China with Quinn have given him campaign contributions as individuals or work for a company or group that has done so.

Leading the list is John T. Coli, president of the Teamsters Joint Council 25. The union's various funds gave more than \$400,000 to Quinn since he became governor in January 2009.

Also on the trip will be businessman Theodor Spyropoulos, president of T.G.S. National Wholesalers. Spyropoulos has given Quinn more than \$72,000, mostly as he ran for governor. Jeff Cooper, of Edwardsville, the founder of Illinois-based Eudora Global and Radix Global, with operations in China, gave \$25,000 to Quinn last year.

Republican Sen. Bill Brady, of Bloomington, who lost the governor's race last year, said Quinn needs to explain why so many political contributors are going to give Illinoisans a "comfort level" with his choice of travel companions.

Quinn spokeswoman Brooke Anderson said politics were not a consideration.

"The governor wanted to bring a well-rounded diverse delegation that reflects our state and will be helpful to recruiting business and investment in Illinois," she said.

China marks Quinn's second international excursion this year. The governor traveled to Israel in June, where he visited a Motorola Mobility outpost and signed a sister lakes agreement between Lake Michigan and Lake Kinneret, also known as the Sea of Galilee.

Thompson, who was the first Illinois governor to travel to China, said it's important for Quinn to act as a salesman for the state on a global level. He said companies aren't just going to magically know about the benefits of doing business with Illinois, such as the state's broad network of transportation infrastructure and academic and cultural institutions.

"We're not going to prosper in Illinois by just selling to Illinoisans. If we only sold within our borders we would shrivel as a state," Thompson said. "Selling Illinois in a global economy is a huge, huge part of a governor's job, and Gov. Quinn understands that."

"Is it fair when people say, 'Why is our governor globe-hopping, jet setting?' the same stuff I heard 25 years ago? No. And you've just got to shrug and ignore it," he said.

Thompson's successor, Republican Gov. Jim Edgar, was more reserved in his foreign travel, even closing some overseas trade offices. But Edgar's replacement, Republican Gov. George Ryan, took up the mantle of building Illinois' presence overseas. He opened a trade office in South America and became the first U.S. governor to visit Cuba since Fidel Castro took power. While there, Ryan argued the U.S. should lift its trade embargo against the communist nation, angering Cuban-Americans who contended Ryan's trip legitimized Castro's dictatorship.

For Quinn's predecessor, Democratic Gov. Rod Blagojevich, traveling meant going to Springfield from his home in Chicago.

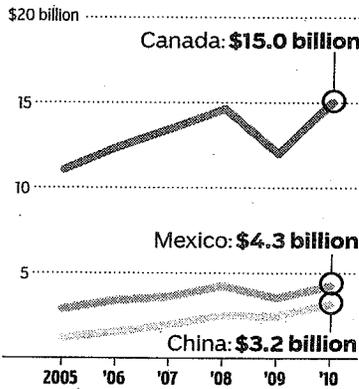
But Quinn said he's ready to pick up the slack. He's expressed the desire to reorganize the state's nine trade offices and said he'll jump at any opportunity to travel overseas "if it means jobs for Illinois."

"I don't think any state in the union that really wants to get more jobs should miss the opportunity to interact with other countries that either want to invest in our state or want to buy our goods and services," Quinn said. "That's part of the job of governor nowadays."

*Tribune reporter John Byrne contributed.*

**Top recipients of Illinois exports**

*By year*



**Percentage change in Illinois exports**

*Among top 10 recipients, from 2005-10*



**Top Illinois export industries**

*2010 figures*

Machinery:

**\$12.5 billion**

Other: **\$13.5 billion**

Agricultural: **\$4.1 billion**

Transportation equipment: **\$5.3 billion**

Chemicals: **\$6.5 billion**

Computers, electronic products and equipment: **\$8.1 billion**

**TOTAL: \$50 billion**

SOURCE: Illinois Department of Commerce and Economic Opportunity

TRIBUNE



## News

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### Where Universities Can Be Cut

September 16, 2011

What a group of management consultants found when they analyzed several research universities in 2008 and 2009 to identify potential savings probably didn't come as a surprise to most people in higher education.

The key findings section of Bain & Company's report on the University of North Carolina at Chapel Hill summarizes the issue: "UNC has a complex [organizational] structure," the slide states. "Multiple layers of management can exacerbate complexity. Complexity and related operating issues lead to inefficiency."

The report on the University of California at Berkeley sounds similar. "The organic growth of our operations over decades has led to many redundancies, complexities, and inefficiencies which will be challenging to unwind," the report states. "Local optimization, although well-intentioned and efficient on an individual basis, has unintentionally undermined pan-university effectiveness and has increased overall institutional costs and risk."

In other words, universities are complex, decentralized institutions. They waste a lot of money on redundant administrative activities and could probably save money in the long run if they made big changes to their structure. Many college and university employees have been making those points for years.

When consultants were first brought on to work with the universities, faculty members expressed skepticism that they would find anything useful or understand the differences between business and higher education. But in the past three years, as institutions grappled with diminished budgets as a result of decreased state funding, net tuition revenue, or investment returns, faculty members, staff, and students called for cuts that resembled recommendations found in the consultants' reports. These groups are asking budget administrators to "protect the academic core" by slicing from what they view as unnecessarily large administration instead of instruction, research, and student and academic services. And many university administrators claim they are doing just that.

What the consultant reports show, and what other universities learned through their own efforts, is that major budget savings could be obtained through cuts in administrative services. Many universities are now trying to execute these plans, merging and sharing services across divisions, eliminating supervisory positions, and using new software to lower the cost of purchasing.

But data such as a new report released this week from the Delta Project on Postsecondary Education Costs, Productivity, and Accountability, show that administrative cutting can only go so far, even at the most bureaucratic institutions. The majority of spending for all classifications of nonprofit colleges and universities is tied up in "core services" such as instruction, academic and student support, and research. And at smaller or teaching-oriented colleges -- private liberal arts institutions and public community colleges -- where large bureaucracies are almost nonexistent, administrative savings aren't so easy.

The fact that the discussions are taking place at all, however, is notable, says Jane Wellman, executive director of the Delta Project. Institutional efficiencies rarely dominated the conversation before the current economic crisis. "The major challenge these universities face is trying to figure out how to rethink the institutional support category," she says. "There is a lot of interesting work that has been done and is being done, and institutions are engaged in conversations in a way that I haven't seen before."

#### Why Changes Are Necessary

The economic downturn has been the main driver behind most of the cost-cutting efforts taking place on college campuses today. Every sector of nonprofit higher education saw revenues decline during the recession.

But while investment returns stabilized for private institutions, public colleges and universities saw state and local funding per student continue to drop, and few are optimistic that funding will return to pre-recession levels any time soon. According to the Grapevine report, an annual evaluation of state funding for higher education, per-student state appropriations are at their lowest level in 25 years.

Even if administrative cuts won't balance the budget, they still matter, says Joe Templeton, a chemistry professor at UNC-Chapel Hill who is responsible for carrying out efficiency measures. When state and family budgets are tight, institutions need to do a better job of justifying their spending and making sure they're using tuition and state revenues efficiently.

"This notion that higher education has an obligation to try to reduce administrative costs to preserve the academic core of institutions as a way of trying to pull down tuition increases is very important," says Ronald G. Ehrenberg, a professor of industrial and labor relations and economics at Cornell University and director of the Cornell Higher Education Research Institute. "Tuition cannot go up forever.

"In the public sector, where we depend on state support and states are facing serious financial pressures, we have a very serious obligation to show that we are being a very responsible steward of the public's investment."

Between 1999 and 2008, community colleges were the only sector of not-for-profit higher education that actually decreased the per-student cost of a degree, according to the Delta Project's report. Much of that was out of necessity. During that period the sector saw almost no growth in revenues per student – particularly state and local appropriations – while the costs of educating increased.

At research universities – both public and private – efficiency has been considered an afterthought, Ehrenberg says. Before the current crisis, there was little incentive for institutions to work to lower the cost of producing a graduate. *U.S. News & World Report* does not give points for producing a degree at low cost. In fact, the methodology actually weighs higher expenditures per student as a positive.

### **Savings are 'Nothing Magical'**

When the recession began and revenues declined, administrators began adjusting the bottom line. UC-Berkeley, UNC-Chapel Hill, and Cornell University all worked with Bain & Company, and other colleges and universities launched their own explorations of efficiency, citing a need to be more responsible.

The consultants' reports from the three institutions identify similar areas for potential savings. Simplify organizational structure by decreasing layers of management and increasing the number of direct reports for each supervisor. Eliminate redundancies in information technology, human resources, and finance by centralizing some of these services. Consolidate purchasing to ensure the best deals with suppliers. Observers say they can likely be applied to almost any institution to generate real savings. "There's nothing magical about their message," Ehrenberg says.

These types of redundancies are endemic to higher education – particularly research universities – observers and implementation administrators say, and are a function of how institutions develop and are organized. As mostly autonomous units, departments, schools, and colleges all develop institutional support infrastructure such as human resources, purchasing, and information technology, to support their employees. Central administration does the same thing, and over time redundancies develop. "When you get into institutional support, you really get into the straight-up bureaucracy of the university," Wellman says.

### **Show Me the Money**

While they're not magical, the savings that can be realized through the consultants' recommendations are substantial. At UC-Berkeley, the total envisioned savings are about \$75 million per year. At UNC-Chapel Hill, total savings could reach \$66 million a year. Administrators from all three institutions say they had to modify the consultants' original recommendations to fit within the parameters of how a university operates, but they have stayed within the identified areas.

All three institutions are about halfway through implementation, and each maintains a fairly detailed web site listing individual projects, the amount they will save, and timelines for their adoption (see UC-Berkeley's Operational Excellence project, Cornell's Administrative Streamlining Program, and UNC-Chapel Hill's Carolina Counts program). While the projects fall along similar lines, the amount saved through each project varies.

The major savings at Cornell are slated to come from changes to the university's procurement process. Of a total of close to \$85 million in potential savings, about \$30 million is slated to come from procurement. Administrators are funneling purchasing orders through an online procurement system. They are working to broaden preferred supplier agreements to include more of the campus and then renegotiate contracts with certain suppliers for lower costs. For example, the university has already renegotiated deals on bulk paper, toner, and copy paper.

At UC-Berkeley, the major cost savings are slated to come from a reorganization of the university's administrative structure, much of which has already been realized. When administrators and consultants looked at the university's structure, they found that 55 percent of supervisors oversaw three or fewer direct reports. Administrators in the implementation program gave each of the institution's 28 administrative units new targets for how many layers of administration they should have and how many individuals should report to each supervisor. The university eliminated about 300 administrative positions, some through attrition and some by eliminating supervisory responsibilities for certain positions. In total, the effort will save the university \$20 million a year.

At all three institutions, consultants found large numbers of supervisors who oversaw few direct reports, suggesting that this inefficiency is common across institutions. Implementation administrators suggest that a good ratio would be about six direct reports for each supervisor, though that ratio should vary depending on the type of work being done, they say.

In addition to the institutions that are working from consultants' reports, numerous other institutions are developing their own plans for streamlining administrative efficiencies. The Association of Public and Land-grant Universities, which represents 221 public institutions, surveyed institutions in 2009 and 2010. A large number of public institutions said they were balancing budgets through cuts to administration and trying to minimize the effect on research funding, student services, and academic programs. But a lot of this involved freezes to hiring and raises and less investment in infrastructure and maintenance, rather than structural changes to administration.

But those institutions that tried to improve administrative structure implemented changes that look similar to those at Berkeley, Cornell, and UNC. Ivy Tech Community College in Indiana recently made headlines for centralizing its purchasing operations. As a single statewide institution with multiple campuses, it has been able to centralize procurement to save about \$20 million over three years.

The State University of New York system recently grouped its 64 campuses – both four-year institutions and community colleges – into regional "Campus Alliance Networks" to develop regional shared services plans. The idea is for institutions to begin sharing administrative services, such as leadership, human resources, and information technology, to save money that can be redirected to education. The system has gone a step further at six institutions, placing three presidents in charge of two campuses each.

Andy Brantley, president and chief executive of the College & University Professional Association for Human Resources, said there has been a noticeable increase in the number of institutions exploring ways to save money by reorganizing their human resources structures. "Sometimes -- and this is with any organization -- crisis forces us to conduct assessments and make decisions that we would never make if we're not in crisis mode," he says. "Hopefully this leads us to decisions that are in the best interest of the overall institution even when the crisis is over."

The University of Tennessee, which previously had human resources offices on each of its five campuses, implemented a three-tiered model of human resources, centralizing some functions, placing others in two regional service centers to handle routine questions, and leaving officers on each campus to provide a human presence. The 35-campus University of Georgia system consolidated administrative functions such as payroll and accounts receivable into a single service center.

But Brantley notes that just because an institution has a distributed model of human resources does not necessarily mean that it is operating inefficiently. "A large campus that has some H.R. functions that are at the department level doesn't necessarily mean it is inefficient use of staff," he says. "For some key issues, having some H.R. expertise at that department or division level could be really important in helping core H.R. staff."

But not all institutions have the kind of bureaucracy that shows up at research and master's institutions. According to Delta Project data, administrative spending at community colleges did not grow as quickly as it did in other sectors during the decade preceding the recession. Richard Ekman, president of the Council of Independent Colleges, which represents 600 independent institutions, says the same is true for most small bachelor's institutions.

"Except for a handful of wealthy institutions, most have never had deep staffing in administrative offices," he says. "Not much was done in the flush days of the 1990s to increase staffing, except in technology, and in order to comply with more regulation and to provide support services to increasingly diverse student bodies."

Administrators at these institutions say that because they don't have the same types of administrative structures, there's little to cut. At many of these institutions, cuts were conducted in a similar manner to previous economic crises, by replacing full-time faculty with part-time and adjunct faculty, increasing class sizes, and reducing student and academic support services. When they try to save on administration, the cuts are typically not as great and require more creativity. At religious institutions, community colleges, and public historically black institutions, administrators have discussed savings that could be generated by merging campuses to create economies of scale.

But when push comes to shove, faculty members, administrators, and students at several universities have been unwilling to compromise the independence of their institutions for the sake of administrative cuts. In North Carolina, where state lawmakers proposed folding the administration of small community colleges into their larger neighbors, eliminating presidents, payroll, and other administrative offices, colleges fought back against the proposal.

The SUNY system has also seen some backlash to its proposal to place one president in charge of two campuses. Faculty members say eliminating the president will deprive a campus of strong leadership while only bringing minimal savings to the institutions.

### Need for Better Metrics

Administrators in charge of implementing the changes say financial efficiency could be greatly improved with a more robust exchange of data on university costs.

While it's easy to compare metrics such as graduation rates, faculty salaries, overall budgets, and student aid across institutions, more specific metrics about the efficiency of certain administrative or spending practices are not widely available. Andrew Szeri, faculty head of Operational Excellence at UC-Berkeley, said the university's implementation of its efficiency program has been "intensely metric driven," but putting the metrics in context is difficult.

"Becoming more efficient would be easier with an understanding of what the benchmarks are and what the targets across the higher education industry should be," he says. For example, he says, there is no common understanding of how much each institution spends for each dollar it raises, no statistics about staffing ratios, and no available information on what other universities spend in financial transactions. If universities can see comparisons across institutions, they can know if their numbers are out of line with the standard.

In a recent survey by *Inside Higher Ed*, less than 40 percent of business officers at public and private institutions said their college or university was very effective at using data to inform decision making.

### Can't Cut Administration Alone

Administrators at many institutions, even those that are working to make their administrations more efficient, still made cuts to academics. Colleges and universities eliminated low-enrollment departments such as foreign languages, which happened at the State University of New York at Albany. In addition to eliminating six vice president positions and making a host of administrative changes, administrators at Washington State University eliminated its theater, dance, and community and rural sociology departments. In total it has decided to phase out 16 degree programs and reduce or consolidate eight more.

In response to those cuts, some faculty organizations have pushed for even greater cuts to administration, particularly administrator's salaries, which many see as exorbitant.

While administrative costs rose faster than any other aspect of spending, they still only make up a small fraction of an institution's total budget. Instruction, which includes faculty salaries and benefits, academic administration, and office supplies, is the largest expense category at all sectors of higher education, according to the Delta Project's report.

The \$66 million a year that UNC administrators predict their implementation will save, while a lot of money, is a drop in the bucket of the institution's annual budget of more than \$2 billion. While much of that total operating budget is earmarked for research purposes, the savings are still only about 12 percent of the \$541.75 million the institution received in state funding for fiscal year 2009-10, which tends to go toward teaching.

Despite the savings already put in place, the university still had to eliminate 129 full-time positions and 175 part-time workers as a result of a 17 percent cut in state funding for the 2011 fiscal year.

Berkeley's implementation is the same way. The savings the university identified would reduce expenditures by \$75 million a year once the changes are implemented, but the institution spends about \$1.8 billion annually on teaching, research, and public service.

Szeri says the implementation would not have been as effective if the program was not allowed to invest in making improvements. The university authorized administrators to spend a total of \$75 million to implement changes.

"Six percent is great," Ehrenberg says. "But unless you make continuous improvement, it's still only 6 percent."

— Kevin Kiley

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