

**Date:** March 17, 2003

**To:** Program Effectiveness Committee  
Administration and Finance

**From:** George A. Pardon  
Vice President  
Administration and Finance

**Subject:** Proposed 7% Net Reduction Plan for Fiscal Year 2003/04

The approach taken in this reduction plan was to maintain minimum service levels, avoid layoffs, and to maintain adequate internal controls. Over the past two years, the Administration and Finance Division has been very careful in reviewing all positions vacated through attrition to determine whether the position is a minimum service level position or a position that is critical to our ability to maintain adequate internal controls. If the position did not meet those criteria, the position has remained vacant in anticipation of this reduction. All of the positions that have remained vacant have had an impact on our ability to provide the level of service desired, however, the desire to avoid layoffs has played a key role in these decisions to leave the positions vacant. As future positions vacate through attrition, they will be measured against these proposed reductions for 2003/04 as well as the reductions for 2002/03 to determine if the newly vacated position should be put on the list instead of an existing area proposed for reduction.

Our Division is about service. As you can see from our mission statement and service objectives, if we aren't funded, then we are limited in our ability to provide essential services to the campus.

The mission of the Division of Administration and Finance is to: **(1)** provide quality customer-oriented support services which will enhance the teaching and learning environment of the University, **(2)** further the University's strategic priorities, and **(3)** maintain the integrity of the institution.

- **Provide** efficient, accurate, quality, and customer-oriented services in the execution of all functions.
- **Provide** prudent financial guidance and management of the University's fiscal resources.
- **Provide** and maintain a reliable and user-friendly information technology environment.
- **Provide** a comfortable, aesthetically pleasing, and safe work environment.
- **Provide** guidance, services and support for employee development, employee benefit programs, and other functions related to employment at the University.
- **Provide** a framework that improves communication and information flow to the campus community.
- **Maintain and enhance** the University's physical infrastructure.

The impact of these reductions especially after experiencing a 5% reduction for the current year is that our ability to provide essential services is being seriously challenged. In addition to the reductions, our existing staff will have to serve an increasing student population as well as absorb costs related to increased contractual services costs, supply costs, and the proposed 1% sales tax increase. We don't have the choice of eliminating elevator maintenance costs, network maintenance agreements, trash disposal contracts, or reducing our supply of toilet paper and paper towels. Unfortunately with Welch Hall coming on line and the student population increasing, these costs will increase because of increased service demands and supply costs. These service agreements will also have regular inflation related increases and the cost of all commodities will increase further if the proposed 1% sales tax increase is approved.

The following are statements from 3 of the Directors in our Division communicating the impact of having to absorb yet another reduction in their budget.

#### Information Technology

Min Yao, Chief Information Technology Officer

In the current fiscal year 2002/03, IT sustained a reduction totaling \$118,308, including two positions (Network Analyst and Server Operations Manager) and operating budget reductions. In the upcoming 2003/04 fiscal year, the proposed 7% reduction will further reduce the IT budget by \$279,300, including student lab computer replacement fund, campus-wide computer replacement fund and nearly all travel and training funds. The budget reduction for IT will greatly impact our ability to serve the campus community. A summary of the impacts is as follows:

1. There will be no PC rollout for faculty and staff. As a result, the obsolete desktop computers will prevent some faculty and staff from working efficiently.
2. There will be no fund to replace computers in students' labs. As a result, our students may have to make do with obsolete computers in our computer labs.
3. Because of the loss of IT staff positions, IT will not be able to respond to all service calls in a timely manner. The elimination of a network analyst position leaves us short-handed with network security management and maintenance. When our only network analyst is on vacation, we do not have the resources to cover his work. This means that we may not be able to recover our network in time when there is a hacking event or when we need to change our network configuration. The reduction of server operations staff renders us to the state of having no staff to provide night support service. We cannot guarantee that our Banner and other key servers will be up 24 X 7. When there is a server problem, we may not be able to repair it in a timely manner. As a result of the staff reduction, we no longer have the resources to do preventative maintenance work. Because our services are campus-wide, when there are problems, all students, faculty and staff will be impacted.
4. Because nearly all IT travel and training funds will be cut, we will not be able to send IT staff to necessary training for upgrading their skills. As a result, IT staff's skills will not keep pace with the latest development in their fields. We may not have the necessary knowledge to solve technical problems and

therefore we may not recover services when there are technical problems. Again, the entire campus will be impacted when there is a server or network problem.

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Physical Plant  
Randy Sharp, Director,

As a result of the current year and the proposed budgets cuts, some of the services that are offered by Physical Plant will be reduced or eliminated. There are several vacant positions that will not be filled. Physical Plant absorbed a reduction of \$283,944 during the current year (2002/03) and is planning to take another \$514,724 (includes \$200,000 reduction in special repair funding) in additional reductions in the 2003/04 fiscal year. These reductions are coming at a time when the demand for our services is increasing and the costs of our contracted services such as elevator maintenance and custodial supplies are increasing.

**Operating Budget Reduction of supplies and services expenditures.** Work that was once contracted out will be handled in house. This will cause an increase in duties, resulting in a slow down of both customer requested work and maintenance work. The pickup of recycling materials will be less frequent, causing filled containers to be more visible. Reduction of traveling expenses will reduce the training of Physical Plant personnel. The loss of this training will prevent us from remaining current on new technology, methods and materials used in maintenance. Further cuts being made in our current operating budget reduce the funds available for equipment replacement and repair. This will decrease the effectiveness of physical plant, preventing us from performing work in the event of equipment failure. These cuts will also affect the amount of money available for landscape and turf areas, including irrigation controls.

#### **Special Repair Reduction**

Reducing this funding in half from \$400,000 to \$200,000 will have serious long range ramifications. With the exception of Welch Hall, all of the State buildings on our campus are at least 25 years old. The infrastructure is failing on a more regular basis. A major reason that the infrastructure is failing is because Physical Plant has not been adequately staffed to conduct routine maintenance for years. Over the past few years, we have experienced a substantial increase in water mains breaking, building air handlers failing, pumps and motors burning out, etc. Not having the funds to repair these could have a significant impact on the campus environment.

#### **Grounds Worker**

Improvement in the landscape will not be realized.

#### **Mini Blind cleaning**

The mini blinds require specialized equipment to clean. Performing this service will remove the custodial crew from their regular duties.

#### **Window Cleaning**

The windows of the exterior of the building are not able to be cleaned by our staff. The distance from the ground requires specialized equipment in order to clean the windows safely.

**Painter**

Campus wide, the paint condition is poor. Many areas of campus are in a condition of neglect. Physical plant is not able to keep up with the appearance of the campus as it should.

**Facilities Worker**

This position will assist the campus in maintenance projects, to be completed on a regular basis. The failure to complete these projects will impact the reliability of our campus infrastructure.

**Custodial Position**

The campus is in dire need of additional custodians. Even though the custodial staff is performing productively, the work load remains too high. Loss of positions will not allow us to obtain the physical appearance standard that we are seeking.

**Manager of Building Trades**

This position is the supervisor for the building trades' personnel which provides support for the workers in scheduling and material acquisition. Without this position, the workers will spend time gathering materials and information, resulting in lower productivity.

**Roof Repair Contract**

This contract provides repairs to current leaks and roof damage.

**Summary**

Each of these areas will inhibit the opportunity to provide a clean, neat campus with a reliable infrastructure. Maintenance work will not be performed as it should be due to our efforts to satisfy customer generated work and due to an understaffed crew. The cost over a long period of time for not performing proper maintenance is great. These costs will go into the millions of dollars over the period of ten to twenty years as equipment is neglected.

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Human Resources

Mark Seigle, Director

As you know, this department currently has two vacant positions frozen—an ASA I and an Administrator II, Employee Relations. Keeping these positions unfilled has an adverse impact on the ability of this department to provide efficient and effective services.

The ASA I position was our receptionist. The HR department has a reception desk where all new employee, applicants, and current employees come for service. This is their first point of contact with our department and we must be prepared to offer all services and provide quality answers to questions. Because the position is frozen, we have moved another employee off of her regular assignment to administer the desk. This means that all of the other services this person was helping with have been adversely affected. This includes services in the area of training, filing, wage and salary, etc. Although we still provide said services, they are done at a slower and less efficient pace.

In my opinion, the employee relations manager position is vital to our operation. We have six bargaining units on campus and each one has a contract that requires administration and interpretation. Four of the six units have active union stewards demanding services. Most importantly, our own managers need significant help in dealing with contract administration and discipline issues. Many of the CSU campuses have employee relation managers. The required workload requires this position in order to provide high-level services and training in this area. By not filling this position, I have to provide these services. Although I am happy to do this, each time I stop to help with a grievance or discipline problem, some other project or service is adversely affected.

In summary, freezing the above positions translates to reduced services and slower processing time.

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All of the Directors in our Division could share similar concerns given the current year reductions and the proposed reductions at a time when the demand for services is increasing. These are indeed difficult times.

Please let me know if you have any questions about this submittal or if you need additional information.