

THE UNIVERSITY OF CALIFORNIA ACADEMIC AND NON-ACADEMIC PERSONNEL GROWTH FY 1997-98 TO FY 2008-09| Executive Summary

INTRODUCTION

The growth in academic versus non-academic personnel is a topic that reemerges periodically, particularly during times of budgetary shortfalls and during salary negotiations for specific employee groups. The current budget crisis has rekindled concerns that growth in “administration” is outpacing growth in student enrollments, and comes at the expense of faculty and instruction. The following analysis, based on financial and payroll data between fiscal years 1997-98 and 2008-09, investigates where personnel growth has occurred and identifies primary factors driving such growth.

Because UC does much more than just educate students, almost three-fourths of the 152,400 full time equivalent (FTE) personnel at the University of California in 2008-09 were employed in one of three non-academic personnel categories – Professional Support Staff (PSS), Managers and Senior Professionals (MSP), and the Senior Management Group (SMG). This proportion has been stable since 1997-98 and includes the thousands of nurses, doctors, custodians, food service workers, and other staff who provide direct services to students, faculty and the public.

Increasingly, funding for these FTE is from restricted (non-State) funds which directly support Research, Teaching Hospitals and Auxiliary Enterprises. These funds are restricted in that federal and other research grants must adhere to strict regulations on how the funds are spent. Auxiliaries and hospitals are, by and large, self-supporting enterprises that charge fees for goods and services such as dorms, meal plans and patient care. Auxiliary fees must recover costs and remain competitive with alternative providers of the same goods, while hospital and physician charges are highly regulated by Medicare, Medicaid and negotiations with private insurers.

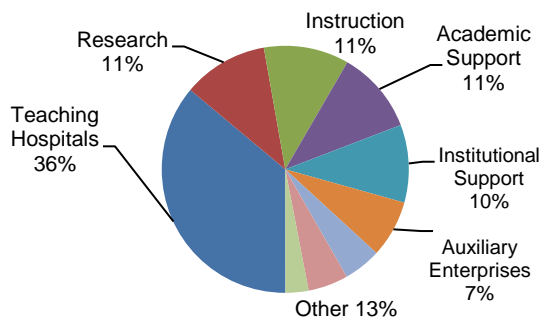
KEY FINDINGS

- While increases in student enrollment have played a significant role in employment growth across the University, increases in employee FTE have been driven primarily by expansion in Teaching Hospitals, Research and Auxiliary Enterprises.

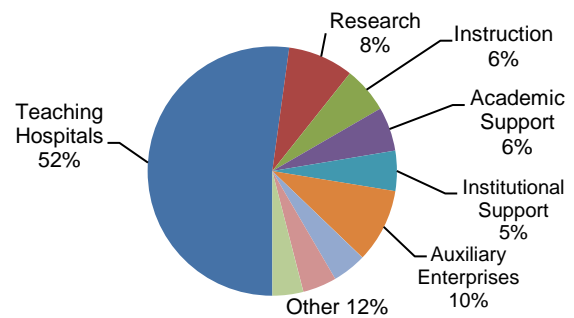
Non-Academic (PSS, MSP, & SMG) FTE by Function

Comparison of Current Distribution Relative to Growth Trends from 1997-98 to 2008-09

Distribution of Total FTE, FY 08-09



Distribution of Growth in FTE, FY 97-98 to FY 08-09



Notes: Includes all earnings for represented and policy-covered staff. Student employees make up approx. 6 - 8% of non-academic FTE and 2 - 4% of the earnings. Percentages may not total to 100% due to rounding.

Academic Support includes academic departments, museums, libraries, etc. *Institutional Support* includes central services ranging from fiscal and personnel management, procurement, accounting, and investment, to environmental health, information systems, safety and security, and facilities management. *Auxiliary Enterprises* includes dormitories and parking services, etc.

Other functions: Student Services, Maintenance and Operation of Plant, and Public Service.

Source: UC Corporate Payroll System, Fiscal Year data.

- Teaching Hospitals, Research, and Auxiliary Enterprises fund an ever increasing proportion of UC personnel costs. Combined, non-General Fund sources support over 73% of all UC FTE, an increase from 68% in 1997-98. This reflects, as well, the relative decline in State fund support over this period.
- Academic appointees continue to make up the same relative percentage (26%) of total employee FTE as they did in 1997-98. This reflects growth in Instruction in combination with the expanding Research enterprise. Academic employees include, in addition to instructional faculty, professional researchers, librarians, and postdoctoral scholars.
- The rate of growth in faculty FTE (36%) kept pace with growth in student enrollments (33%). This includes Ladder Rank and non-Ladder Rank faculty as well as Lecturers.
- Although non-academic staff (PSS, MSP and SMG combined) have remained relatively constant as a percent of all UC personnel (74%), an increasingly complex University system requires greater professionalization of its staff, who must meet higher technical and competency standards. This transformation is consistent with current national trends. Increasing staff professionalization at UC is illustrated by the following:
 - Within the PSS personnel program there has been a decrease in FTE in entry-level titles, with an increase in more advanced PSS titles.
 - There has been a modest shift in the distribution of employees from the PSS to the MSP category, with MSP growing from 3% to 5% of all personnel FTE, while PSS experienced a corresponding decline of 2% from 70% to 68%.
- The number of executive leadership personnel (SMG) declined during this period from 315 to 293 FTE, and represents well below 1% of total employee FTE.

THE UNIVERSITY OF CALIFORNIA ACADEMIC AND NON-ACADEMIC PERSONNEL GROWTH FY 1997-98 TO FY 2008-09| Supporting Materials

BACKGROUND

A common misconception often assumes a simple division between faculty and “administration”, disregarding the thousands of non-faculty academic appointees (such as researchers, graduate students, and medical residents), as well as grouping with “administration” the thousands of nurses, doctors, custodians, food service workers, and other staff who provide direct services to students, faculty and the public.

In 1995 UC President Richard Atkinson defended the University against accusations of 25 years of “bureaucratic accretion” by pointing out the many factors besides enrollments that drive increases in UC’s costs, including expansion of research and the medical enterprise, both of which have benefitted the public enormously. He eloquently stated that “some portion of the resulting rise in administrative costs is, therefore, a cost of mission, and some is a cost of excellence.”

The University’s response to the Bureau of State Audit report in 2002 reaffirmed this trend:

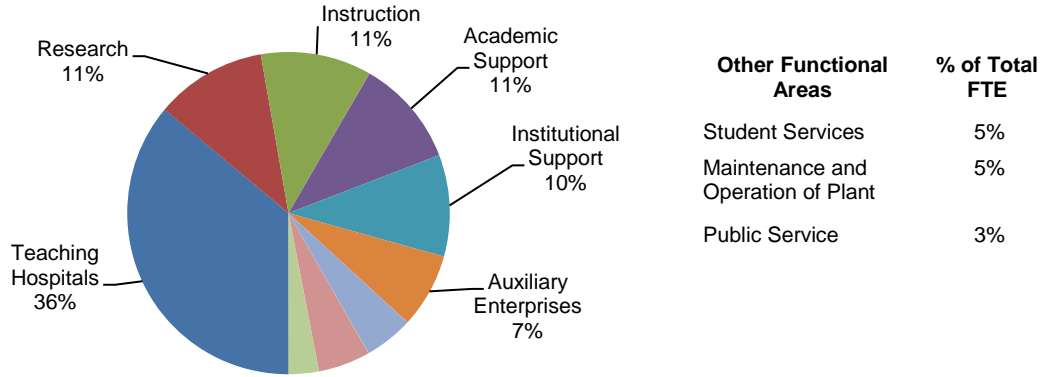
“Like the private sector, the University decided to depend upon technology and a more highly skilled workforce for productivity increases. This strategic decision resulted in disproportionate growth in the “Fiscal, Management & Staff Services” category because the University hired more information technology (IT) professionals and relied upon departmental staff with more advanced skills in order to manage the new financial and student information systems many campuses implemented during this period. Second, the University not only grew in size and complexity during the 1990s, but it also experienced increased State and federal reporting, regulatory, and compliance requirements, which also required an increase in certain staff positions.”

PRIMARY DRIVERS OF GROWTH

Although student enrollment is an important factor in the overall increase in UC employees, the primary drivers for growth across all non-academic personnel FTE and earnings continue to be increases in Teaching Hospitals/Medical Centers and Research activities. This is reflected in expenditures, the number of personnel, as well as shifts in distribution of personnel between fund sources. During the period studied, the overall operating budget of the University, as expressed in constant 2008 dollars, grew 75%. This growth was driven in large part by a 119% increase in the Teaching Hospital category and a 74% increase in Research. However, employee earnings grew more slowly, at 58%, and now make up less than half of the total expenditures (down from 54% in 1997-98). These trends will likely continue as Federal American Recovery Reinvestment Act funds fuel University research, while State support for faculty and instruction declines precipitously.

The University has also undergone many changes in the last 11 years that have driven increases in personnel and the need to manage new entities. This includes adding a new campus (UC Merced), the reintegration from the UC San Francisco/Stanford Merger of UCSF’s Medical Center (information on the UCSF campus was included in the 1997-98 data, but not its medical center), increased investment in major outreach efforts to improve access to underrepresented students, a series of State funded research initiatives that have started institutes at all but one campus, as well as campus decisions to directly hire custodial, grounds and food service workers in lieu of contracting with outside vendors.

**Chart 1: Distribution of All Non-Academic FTE by Functional Area, FY 08-09
Includes SMG, MSP and PSS**

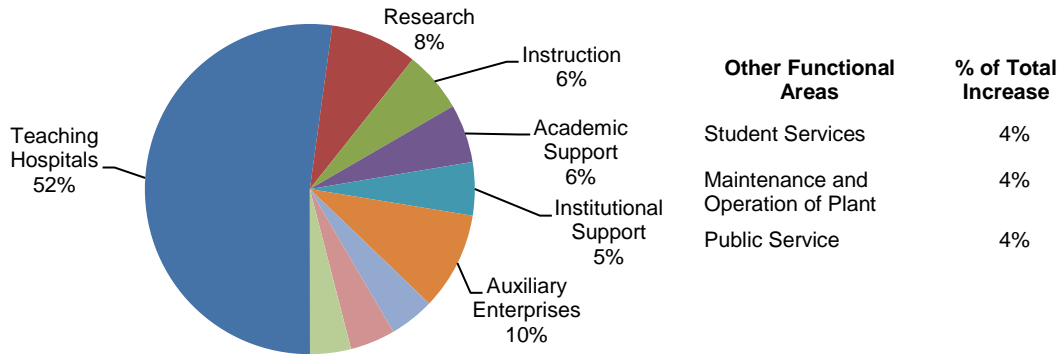


Source: UC Corporate Payroll System, Fiscal Year data.

Note: Includes all earnings. Includes represented and policy-covered staff. Student employees make up approx. 6 - 8% of non-academic FTE and 2 - 4% of the earnings. Percentages may not total to 100% due to rounding.

Changes in non-academic personnel (PSS, MSP and SMG combined) illustrate growth trends, where in addition to Teaching Hospitals and Research, there has been significant growth in Auxiliary Enterprises (residence halls, food service, faculty clubs, parking services, faculty housing, etc.).

**Chart 2: Distribution of Increase in Non-Academic FTE by Functional Area;
FY 97-98 to FY 08-09**

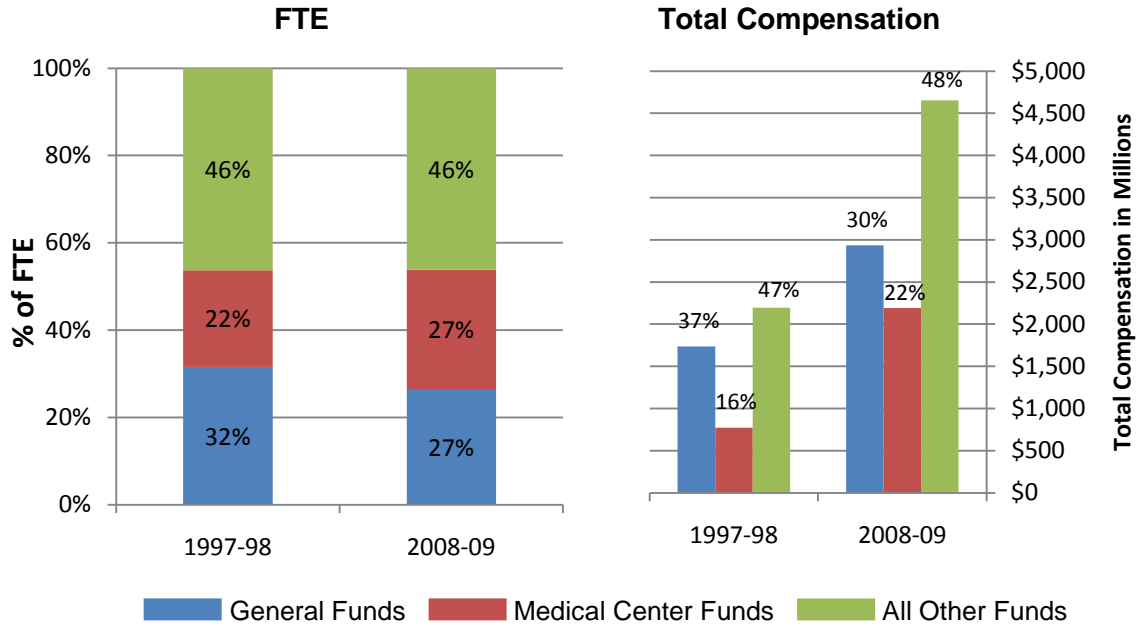


Source: UC Corporate Payroll System, Fiscal Year data.

Note: Includes all earnings. Includes represented and policy-covered staff. Student employees make up approx. 6 - 8% of non-academic FTE and 2 - 4% of the earnings. Percentages may not total to 100% due to rounding.

The portion of all compensation funded from sources other than General Funds –primarily extramural and medical center funds – continues to rise. In 2008-09, 30% of all compensation came from General Funds, down from 37% in 1997-98, compared to 22% from medical center funds (up from 16%) and 48% from all other funds (up from 47%).

Chart 3: Shift in Primary Fund Sources - ALL UC Employees:



Source: UC Corporate Payroll System, Fiscal Year data.

DISTRIBUTION OF ACADEMIC AND NON-ACADEMIC PERSONNEL

As the total university budget has increased, FTE has increased 39%. Although the rate of growth has been slightly higher among non-academic personnel, the proportion of non-academic vs. academic FTE has remained relatively stable.

Table 1: Growth in Academic and Non-Academic Personnel

| | FTE (all earnings) | | | | % of total FTE | |
|--------------|--------------------|----------------|---------------|------------|----------------|-------------|
| | 97-98 | 08-09 | Increase | % Inc. | 97-98 | 08-09 |
| Non-Academic | 80,100 | 112,200 | 32,100 | 40% | 73% | 74% |
| Academic | 29,400 | 40,200 | 10,800 | 37% | 27% | 26% |
| Total | 109,500 | 152,400 | 42,900 | 39% | 100% | 100% |

Source: UC Corporate Payroll System, Fiscal Year data

Growth in all faculty FTE has kept pace with growth in student enrollments.

Table 2: Student Enrollment and Faculty FTE Growth

| | 1997-98 | 2008-09 | Change | % Change |
|-----------------------------|---------------|---------------|--------------|------------|
| Students (fall enrollment) | 169,900 | 226,000 | 56,100 | 33% |
| Tenure Track FTE* | 7,500 | 9,400 | 1,900 | 25% |
| Other Teaching Faculty FTE* | 3,100 | 4,800 | 1,700 | 55% |
| Lecturers FTE* | 1,100 | 1,700 | 600 | 55% |
| All Faculty FTE* | 11,700 | 15,900 | 4,200 | 36% |

Source: UC Corporate Payroll System, Fiscal Year data; UC Annual Financial Report.

* Base salary only, excluding additional compensation such as summer 9ths, bonus pay, etc.

INCREASED PROFESSIONALIZATION OF THE WORKFORCE

Changes in the rankings of the most-used titles across the system help illustrate the increased professionalization of the workforce. For example, FTE in the higher-level Assistant III titles in the basic clerical/administrative series of the PSS personnel program increased 85%, while FTE in the mid-range Assistant II titles fell 31%, and Assistant I titles, used with entry-level positions, dropped out of the top ten completely as FTE shrank 78%.

Table 3: Shift in Usage of Assistant Titles, FY 97-98 to FY 08-09

| Title Code | Title | FTE | | | Rank | |
|------------|---------------|-------|-------|----------|-------|-------|
| | | 97-98 | 08-09 | % Change | 97-98 | 08-09 |
| 4724 | Assistant I | 4,100 | 990 | -78% | 3 | 24 |
| 4723 | Assistant II | 6,330 | 4,390 | -31% | 1 | 4 |
| 4722 | Assistant III | 3,040 | 5,610 | 85% | 4 | 2 |

Source: UC Corporate Payroll System, Fiscal Year Final data; includes student employees.

FTE in the MSP personnel program has increased from 3,400 to 8,100 in eleven years, but still represents only 5% of all FTE – up slightly from 3% of the total in 1997-98. The 4,400 FTE in the occupational group “Managers” (M10) represents only 3% of all FTE (4% of non-academic FTE) and consists of approximately 1,400 in the Director title (32%) and 1,100 in the Manager title (26%) as well as smaller numbers in titles such as Specialists, Assistant Deans, and Assistant and Associate Vice Chancellors.

In addition to Managers, the MSP personnel program includes Senior Professionals such as computer programmers, doctors and dentists, nursing supervisors, pharmacists, coaches and engineers. In 2008-09, staff classified as “Managers” (M10) comprised only about half (54%) of employees in the MSP Personnel program, a decline from 58% in 1997-98. Meanwhile, the percentage of MSP FTE in the Computer Programming and Analysis occupational area increased from 13% to 17%.

Table 4: Growth in MSP FTE – Top 10 Occupational Areas

| CTO | Class Title Outline (CTO) Name | FTE | | | % of MSP | | % of All FTE | |
|---|-----------------------------------|----------------|----------------|---------------|----------|-------|--------------|-----------|
| | | 97-98 | 08-09 | Change | 97-98 | 08-09 | 97-98 | 08-09 |
| M10 | Managers | 1,973 | 4,382 | 2,409 | 58% | 54% | 2% | 3% |
| F15 | Computer Prog. & Analysis | 440 | 1,407 | 967 | 13% | 17% | <1% | 1% |
| H40 | Physicians & Dentists | 441 | 673 | 232 | 13% | 8% | <1% | <1% |
| F20 | Admin, Budget/ Personnel Analysis | 195 | 489 | 294 | 6% | 6% | <1% | <1% |
| H35 | Nursing Services | 87 | 342 | 255 | 3% | 4% | <1% | <1% |
| E20 | Engineering | 84 | 211 | 127 | 2% | 3% | <1% | <1% |
| F30 | Management Services | 53 | 147 | 94 | 2% | 2% | <1% | <1% |
| M20 | Coaches & Related Prof. | 17 | 87 | 70 | <1% | 1% | <1% | <1% |
| H50 | Pharmacists | 28 | 70 | 42 | 1% | 1% | <1% | <1% |
| I25 | Sciences | 0 | 30 | 30 | New | <1% | <1% | <1% |
| | All Other MSP CTOs | 104 | 271 | 167 | 3% | 3% | <1% | <1% |
| Total, MSP | | 3,422 | 8,109 | 4,687 | | | 3% | 5% |
| Total, Non-Academic | | 80,107 | 112,204 | 31,590 | | | | |
| Total, All Academic & Non-Academic | | 109,476 | 152,398 | 42,922 | | | | |

Source: UC Corporate Payroll System, Fiscal Year data.

*Not in the top 10 title codes in 1997-98; "Mgt and Prof Prog" was in the top 10 during this period.