BAS Internal Simplification Efforts
Agenda for Today

1. Why did BAS make simplification changes?
2. What are the changes?
3. Questions
Why did BAS make simplification changes?
UCSC Campus Culture

- Low risk tolerance resulting from high public scrutiny of higher education and spending.
- Centralized business services put in place after large budget cuts took place in 2004-05.
- Extra layers of policy put in place with the hope of assuring compliance and avoiding risk.
- Fear of making mistakes and doing more than required.
Above and Beyond Examples

• High degree of control over HR actions: monitoring open positions, authorization required to fill positions, approval required to hire, promote or change salary.
• Careful scrutiny over travel and entertainment.
• Extra paperwork required for all transactions & approval authority resting at the VC level, with logs kept of transactions.
UCSC Permanent budgets reduced $62M with cuts from 15% to 35%

Permanent Cuts to Units
2008-09 thru 2013-14

<table>
<thead>
<tr>
<th>Unit</th>
<th>Cut</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Divisions</td>
<td>-16%</td>
<td>$18 M</td>
</tr>
<tr>
<td>Academic Support</td>
<td>-33%</td>
<td>8 M</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>-32%</td>
<td>25 M</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td></td>
<td>2 M</td>
</tr>
<tr>
<td>Central</td>
<td></td>
<td>9 M</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$62 M</strong></td>
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</table>

Budget Implementation

**Increased Costs/State Cuts:** $146M

**New Resources & Cuts to Units:** $146M
Something had to give

- Budget cuts...dwindling resources
- We were spending too much time to manage control environment.
- Time is money. Employees were burning out.
- Questions: Risk tolerance? What is under our control? What can we simplify?
- April 2012 – Major audit of travel and entertainment policies.
Sarah’s first year

Assessing team morale and culture

Understanding internal and external perspectives

Prioritize policy, structural, and process interventions
Questions guiding the BAS exercises

1. What are examples (real or perceived) where BAS adds additional steps/requirements/approvals beyond UC policy? (focus is internal BAS operations)

2. What are examples (real or perceived) where UCSC adds additional steps/requirements/approvals beyond UC policy? (focus is on campus operations that BAS oversees)

3. What are examples of BAS processes that are cumbersome not because of policy, but because of the manual/onerous nature of them?
Stewardship as a guidepost and Simplification as a value in BAS

• We must put a value on the cost of time
• We must review where our team members can best spend their time in supporting the mission of the campus (what they are not able to do)
• Our customers must be a part of the solution development
• We must understand the original intent of the processes and policies we have put in place
• We must ask if steps in the process truly are value-added in reducing risk/increasing accountability
• We must ensure we have reviewed our interpretation of UC policy
• We must avoid one-off tools
• We must look at the policy implementation and supporting tools/processes at other UC campuses
What are the changes?
The quarterly open provisions report will be simplified in order to produce the basic data critical for VC BAS to monitor. Open provisions will be listed by department with a column that says “Has recruitment begun” and then a column that says “If a recruitment has not begun, then why?”
## Other Reports and Miscellaneous Processes

<table>
<thead>
<tr>
<th>Salary savings re-capture program</th>
<th>Effective 2/1/14</th>
</tr>
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<tbody>
<tr>
<td>The former BAS policy of re-capturing salary savings when there is a vacant position in a unit will be halted. Note that in future years where we face major budget cuts, this policy can be re-activated.</td>
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</tbody>
</table>
Travel and Entertainment

Maximum Allowable Rates per Person  Effective 2/1/14
The BAS policy will mirror UC policy by stating that individuals are expected to keep within the maximum allowable rates per person and if they request an exception it requires VCBAS approval.

Previously the BAS policy said no requests could be submitted.
Travel and Entertainment (continued)

Alcohol  Effective 2/1/14
BAS policy will mirror UC policy, with the additional stipulations put in place at the campus level (i.e. Campus Alcoholic Beverage Policy, Campus Policy related to event assistance, etc).

Previously BAS did not allow for the purchase of alcohol with certain non-restricted funds for business entertainment purposes, which is allowed by UC policy
EEC/EOA approval: Roll out depends on unit training needs and other impacts. BAS policy will mirror that of UC, which does not mandate a EOA. However, based on the specific circumstances within each unit, an EOA can be used – it is simply no longer required.

Previously EOAs were required in BAS.
Note that review of training needs and approval queues will need to take place in units deciding to no longer utilize an EOA.
EEC approval limits for Team Leaders  Effective 2/1/14
The Team Leader EEC approval amount for entertainment will be $500 for Team Leaders (except AVC-CHES whose approval amount will be $1,000 – AVC-CHES student programming amount will remain $5,000). If Team Leaders wish to increase amounts for those who report to them, they may request this.

Previously, Team Leader EEC approval amounts were $300 (AVC-CHES level was $500, with student programming amount of $5,000)
Travel and Entertainment (continued)

Travel receipts
Provision of travel receipts should now follow UC policy. No receipts should be provided that are not required by policy. Receipts are only required for: airfare, lodging, rental cars, conference fees, host gift greater than $25, and any miscellaneous expenses greater than $75. Also, Google or MapQuest “proof” of distance between point A and point B is not required.

*BAS practice had previously been to provide receipts for all expenses*
Pre-approval for entertainment events Effective 2/1/14
VC-BAS pre-approval for entertainment events will no longer be required.

*Previously pre-approval was required for events that would eventually require top-level approval*
STAR Award (still in review stage and not ready to implement)

Policy is being reviewed to determine if VC-BAS approval requirement can be removed for all STAR awards. For FY 2014, the current policy remains in effect.
Human Resources (continued)

<table>
<thead>
<tr>
<th>Hiring salary approval</th>
<th>Effective 2/1/14</th>
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As long as Team Leaders have the funding and other relevant HR policies are adhered to, VC-BAS approval will only be required if the proposed starting salary is 25% or greater over the minimum of the salary grade for off-campus hires or the proposed starting salary would result in a 25% or higher increase in current salary for an existing campus employee as a result of a hiring action.

Previously VC-BAS/ORM approval was required for off-campus hires with a salary above the minimum of grade and for campus hires involving an increase over 5% of current salary.
Human Resources (continued)

Stipends  

As long as Team Leaders have the funding and other relevant HR policies are adhered to, Team Leaders can approve all stipends as long as the duration is less than 12 months. Stipends longer than 12 months will require VC-BAS approval.

Previously VC-BAS/ORM approval was required for all stipends over 5% of current salary or stipends that were retroactive.

Note that retroactivity, while sometimes unavoidable, is not a good business practice nor is it a fair practice for our employees.
Equities/Reclasses  
As long as Team Leaders have the funding and other relevant HR policies are adhered to, Team Leaders can approve equities and reclasses up to 15% of current salary. Above that level requires VC-BAS/ORM approval.

_Previously VC-BAS/ORM approval was required for equities and reclasses over 5% of current salary_