

24 March, 2009

Mr. Frank;

I'm writing to point out some of the reasons why your upcoming attempts to manipulate the budget and expenditures of CSU in an effort to avoid financial problems are going to fail.

But first, understand what I mean by fail. Indeed whatever action you take is going to result in spending less money and achieving required budget reductions. In that regard your efforts are going to be successful. When I say that your efforts are going to fail I mean this within the context of creating lasting improvement. It's a cliché, and in fact it's such a cliché that my IQ is dropping sharply just for thinking about it, but every crisis is also an opportunity. Instead of simply investing the minimal amount of effort needed to survive you might consider how the current turn of events could be channelled into making fundamental changes at CSU.

I suggest that the correct course of action may be terrifying and painful in the short term, but will make CSU stronger in the future. You can make the choice to react to a budget crisis year after year, or you can choose to make the changes which will free it from the confines of said "crisis."

You can implement short term solutions which allow people to feel safe and secure while preserving the flawed and corrupt (yes, I said corrupt) system that put us here in the first place. Or you can be a leader. Decisions which would not normally fly can be pushed forward thanks to the perceived crisis. Damaged systems can be destroyed and replaced. We have many of those. Unneeded and redundant positions can be eliminated. We have many of those as well. The employees of CSU can live in abject terror and fear for six months, and then go forward into the future with their pay rates undamaged and the system they work in more efficient.

Here are three reasons you will fail to accomplish any long term, significant, beneficial change.

Problem number one: the CSU purchasing system. Now I understand the intention of the CSU purchasing system. The intention of the CSU purchasing system is to prevent corruption, prevent the

misuse of government funds (and by “government” I mean “taxpayer” because the government doesn't have any money of its own) and to ensure both cost-effectiveness and quality. That is indeed the intention. And this intention, like many other intentions, is a cobblestone in the road to hell.

In the eight years I have worked for Laboratory Animal Resources (LAR) I have attempted multiple times to save money. Virtually every attempt, but not all, I have made to save money has been thwarted by the system.

Example number one: when LAR was purchasing equipment for the cage wash facility at the RBL building it was decided we needed a ventilated dump station. This ventilated dump station cost \$20,000. This dump station is now rendered obsolete by new piece of equipment that we are installing to replace it. This dump station, which cost \$20,000 in case you forgot, has never been plugged in or turned on or used. It is still wrapped in the packing material.

Actually that's not true. It has been used. The construction crew at RBL used it for their blue prints and coffee cups. It's a \$20,000 coffee table.

A major problem with the purchasing system is that money often has to be spent in certain ways, on certain items, and within certain times. Let me be clear again, I understand why this is and often it's a good thing. I understand the intention. Thus we lay another cobblestone in the road to hell. Sometimes we end up spending money just because there is money to spend. There needs to be a way to reallocate these funds or to set them aside for future use. That \$20,000 spent on a dump station could have gone towards paying for the vacuum bedding removal system which is being installed in RBL. Or that \$20,000 that could have been spent on equipment or supplies which will actually be used. Or the money could have been saved for future use at IDRC.

Then there is the requirement to spend money in the year it is allocated. I honestly can't even bring forth words to describe how I feel about a system so stupid that it forces you to not save money for future needs. I know the intention of this rule. It's another cobblestone.

Example number two: a couple of years ago I needed a 1 gallon jug in order to mix disinfectant.

I would have done what I had done in the past. I would've pulled a dollar out of the petty cash jar, gone to Safeway and purchased a 1 gallon plastic jug of drinking water for 97 cents. I would have used the drinking water to mix the first batch of disinfectant and continue to use the jug. It was not to be. The petty cash jar had been done away with because keeping track of it was too much work for our four accounting people. Additionally, Safeway is not an approved vendor. Therefore we are not allowed to purchase things from Safeway. Instead I was forced by our purchasing agent to buy four 1 gallon plastic jugs from an approved vendor for something to the tune of \$30 plus shipping.

Example number three: Steris Corporation. CSU is currently paying Steris almost \$4000 a month to service & PM seven pieces of equipment housed in the Painter Centre. Our tunnel washer has been malfunctioning for over six months. Not only will Steris not fix it but Steris refuses to even admit it's not working correctly. The preventative maintenance on this equipment is routinely performed as much as three months behind schedule. Every time this equipment is not functioning it causes undue hardship for my staff, the animal care staff and the animals themselves. This translates into lost time and lost money. My attempts to resolve these ongoing problems with the purchasing department have been completely in vain. I offered purchasing an extensive history of the problems we've had with Steris and their service. I researched, met with and got a quote from a well known national company that could've taken over servicing this equipment and provided us with better service. All of this was for nothing. A vice president from Steris came to Fort Collins, took the purchasing agent out to lunch and suddenly everything was solved. Our tunnel washer is still broken and we continue to be plagued by equipment failure and overdue PMs.

The complete inability and unwillingness of our purchasing department to evaluate the quality of the goods and services we receive in exchange for taxpayer money (remember the government doesn't have any money except the money it takes away from taxpayers) is the main reason why our purchasing department is a failure and in my opinion (for which I have no evidence but is nonetheless still my opinion) corrupt. Purchasing has no interest in evaluating the service we get from Steris, no interest in trying to improve anything, they have only the mindless adherence to “the way we've always done it” which is so pervasive at CSU.

Problem number two: the hubris and arrogance of upper management.

Yes, I understand the irony of trying to explain this to you. I'm going to try regardless.

Let's go back to the \$20,000 coffee-table. We (LAR and IDRC management) had a meeting to discuss purchasing equipment for the RBL. In that meeting it was suggested that we purchased a \$20,000 ventilated dump station. This meeting included myself and the directors of both LAR and IDRC in addition to other people. Everyone in the room with the exception of myself was in favor of purchasing this dump station. Most of the people in that room had never been in a cage wash before. None of the people in that room with the exception of myself had ever worked in a cage wash before.

I have eight years experience performing my duties and I am arguably the most knowledgeable person employed by CSU in regards to cage wash procedures and equipment. I pointed out this equipment is excessively expensive, it's ergonomically detrimental to the person using it, and would be replaced by the vacuum bedding removal system if that system was purchased. My opinion was completely ignored.

Why was my opinion ignored? Because upper management holds the fanatical belief that they know everything. I don't claim to know everything. But I know cage wash. To have somebody who doesn't even know what a ventilated dump station looks like tell me that we need a ventilated dump station is an insult. And while those of you in the upper echelons of CSU can have that attitude, and you can treat the people around you as if they are stupid, this is not a way to entice those people to support you.

I'm not on a rant against educated people. Some of my best friends are educated people. I take classes at CSU myself. I think education is a wonderful thing. The problem with the overly educated people who populate upper management is that their level of education prevents them from realizing what they don't know. It circumvents any self-reflection or self-evaluation.

LAR is run by veterinarians. If I have a sick animal then a veterinarian is the first person I would want an opinion from. However when it comes to things like what equipment needs be purchased for cage wash, how best to reduce budget expenditures, how to improve the morale of

employees, how to schedule work assignments and other tasks related to the operations of LAR the veterinarians which run our department are not a reliable source of guidance. However the hubris and arrogance which permeates this university prevents the educated elite from seeing their own limitations and detecting or admitting their errors. If you refuse to accept you make mistakes you can never correct yourself and improve.

For years upon years the upper management personnel of CSU have been told they are precious, knowledgeable and never make mistakes. The lack of accountability for their actions only reinforces this. One can make a valid argument that people learn from mistakes and I would agree with that. I expect people to make mistakes, but when people make the same mistakes over and over while refusing to acknowledge the mistakes I feel confident concluding that no learning is taking place. Couple this with the lack of performance standards for & accountability of upper management and you have gross incompetence.

The Socratic method is based upon knowing that you don't know things. Socrates believed that he knew nothing and questioned everything. We have the opposite condition with our purchasing department, our accounting and administrative staff, and upper management. All of them know everything. When time goes by and they are proven wrong they do not have the ability to realize a they made a poor decision. They lack any self-awareness. They simply laugh about it as if it were a joke.

Wasting \$20,000 is a joke.

Let me be very clear about this. When it was finally “discovered” by management that we spent \$20,000 on a piece of equipment we did not need and will never use, some members of upper management in my department giggled.

Maybe I'm a bad person – actually I am a bad person – but I don't think wasting \$20,000 is funny. I don't think it's cute. \$20,000 is almost 60% of my yearly salary.

Wasting \$20,000 is not cute.

Problem number three: the way the government employs people. In an organization which has to make a profit in order to stay in business people are hired because there is a job to be done. If there is no job to be done, nobody is hired. Here at CSU, and the government in general, people are hired simply to hire people. Here at CSU we create positions which have no job, no essential duties.

First example: LAR hired a person to work 20 hours a week for the purpose of checking math on the time sheets. This individual is an Accounting Technician III and is therefore making a minimum of \$17.56 per hour. This person works 20 hours a week. Before this individual worked here the supervisors of each section, which includes myself, checked the time sheets for our employees. The total amount of time I spent on time sheets in any given month might have been five hours at the most. There are five supervisors at LAR who have employees under them and are therefore responsible for time sheets. Let's say it takes each of these five people five hours a month to check time sheets for a total of 25 hours worth of work. If we do easy math and say there are four weeks in a month this part-time person we hired is working 80 hours a month at \$17.56 an hour (\$18,262 per year) to do 25 hours worth of work per month. This sort of thing would never happen in an organization that had to make a profit in order to survive. However since we are the government (and if we run out of money we can simply steal more from the taxpayers) there is no control over hiring. By control over hiring I don't mean a hiring freeze, our current excuse for a solution, I mean determining if a position is needed before creating and/or filling it.

Much as with the \$20,000 coffee table, when the LAR management group was interviewing for this position and deciding if the position was even going to be created, I was the only one who spoke out against creating this position in the first place.

Second example: during the reorganization of LAR several people were essentially left without jobs. So what did we do? We created positions which did not previously exist and which still have no essential job duties, then we gave the employees who didn't have jobs raises and put them in these positions.

I know that you and the rest of the administration would like to believe that all employees are essential and contribute to CSU. This is simply not true. Saving every position, regardless of whether

or not that position has a purpose or a function, is not a noble thing to do. It is a foolish and spineless thing to do. At CSU we have too many positions which do not have a job or task associated with them. They need to be eliminated, not protected. This is the time to do it.

In the free-market sector it is understood that there is a difference between a position which generates revenue and a position which does not generate revenue. Typically speaking, administrative positions do not generate revenue. This is one of the reasons why health care is so expensive. Doctors have to employ a whole battery of people to process insurance forms and since people who are processing paperwork don't actually generate revenue this forces the medical industry to raise its prices. Here at LAR we have nine administrative positions. I am defining administrative position as somebody who does not directly work with the animals or the equipment used to support the animals. LAR has nine employees which do not generate revenue. We once operated with only three administrative staff. Furthermore, multiple administrative functions have been transferred to other groups. Our administrative staff is doing less work with more people.

Meanwhile in my department I have two full-time employees and one student hourly to operate the cage wash department. I have one additional full-time employee who has other duties, but does assist with the cage wash duties when he can. In order to run my cage wash department effectively I need four full-time employees and one or possibly two students. It has taken weeks to negotiate the hiring freeze and only last week was I able to start conduction interviews.

This brings me to our HR department. Now our HR department is a special case (as in short bus special). We have two people at LAR who would like to retire and work part-time. The HR department will not allow them to do this. Let's do some math. One of these people is making \$28.71 per hour, the other \$25.33 per hour. Given the standard 40 hour work week these two people are pulling \$112,403 per year. If they were to both retire and only work 16 hours a week, and if they were to retain the same hourly pay rate, that this would drop their yearly total pay down to \$44,961. That's a yearly savings of \$67,441.

When the HR department is deliberately preventing my department from saving \$67,000 a year it is very difficult for you to convince me that the HR department is not my enemy and that CSU has a

budget problem. One might attempt to make the argument that these two people will have to be replaced and that will actually cost more money in the end. This is not true. One of these individuals is occupying a position which has existed only since the reorganization and does not need to be filled as it has no essential duties. The other individual is occupying a position which probably will need to be filled, but it will take time to fill that position, time during which money will be saved. When the position is filled most likely the salary for that position will be in the range of \$52,000 per year so we still have a savings of \$15,000 per year. Another option would be to have these two people who retire and return part time work different days and they could collectively perform the duties of the open position. We could, and should, also pay them less than they are currently making.

On top of all this my employees and I are now informed that amongst the possible courses of action CSU may take are reductions in pay. I and my staff are being told that we may have to do more work for less money.

My staff and I combined make a total of \$65.56 per hour. If all of us work the hours we are scheduled to work the total amount of money per year paid to us as a whole is \$125,964. If we were all to take a 10% pay cut for the next year this would save \$12,596. But what are some other ways we could save an equivalent amount of money? One thing we could do is not purchase a \$20,000 dump station which will never be used. We could eliminate a part-time position which makes \$17.56 per hour and has no legitimate duties to save a total of \$18,262 per year. We could allow two people to retire and work part time and save \$67,441 a year.

I suggest that you and the rest of the administration of Colorado State University are not making hard decisions. You are making easy decisions. Hard decisions would be for you to take a good look at what the university is doing, where the university is wasting money and change those practices.

To tell my staff (who are the lowest paid people in LAR) and myself (the lowest paid member of LAR management) that we will be expected to work harder for less money is insulting.

On the subject of employees, here at CSU we have available to us a pool of student workers. They can do many of the jobs at LAR (receptionist, animal care, cage wash) for less money. Not only



does CSU save money, but it helps the students. Obviously having a job provides them with income, but there is more. In theory CSU is here to serve the students. Isn't providing them with "real" jobs and the opportunity to learn skills in the workplace part of the mission of CSU? I suggest that it is. However when we have upper management people, such as my supervisor, who don't like student employees and will not allow us to employ them, it hurts everyone.

Implementing cosmetic solutions to on-going problems which punish the majority in order to protect the corrupt minority is not an answer for the future. It's an answer for the moment. If you want to identify places where CSU can save money, ask those of us at the bottom. We can point out millions of dollars in waste.

Adrian Smith

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Taxpayer

Citizen

Student