

**CSA UCOP Administrative Expenditures Six-Month Responses**

#	Recommendation	Work stream(s)	Recommendation Implementation Status*	Estimated Completion Date	Please describe your agency's plan for implementing the recommendation
10	Develop a method for weighing comparable public and private sector pay data when establishing salaries for all positions.	1.0 Set targets for UCOP employee salary ranges 2.0 Set targets for leadership salary ranges 3.0 Set targets for staff salary ranges	Not Fully Implemented	April 2018	<p>Additional surveys are being reviewed to assess their underlying data management methodology, data viability, and survey participants.</p> <p>The work group is reviewing practices at other public and private AAU institutions to determine how each define their competitive labor markets; the methodologies they use for including public, private and other data; and, the surveys they use for analyzing markets, among other considerations.</p> <p>Systemwide data is being reviewed to identify the organizations that comprise UC's recruiting and retention activity.</p> <p>Survey sources are being reviewed for analyzing and updating Market Reference Zones for Senior Management Group positions.</p> <p>Analysis of UCOP salary ranges is being conducted.</p>
11	Determine how to restructure salary ranges to make certain the ranges encourage employee development and ensure pay equity.	1.0 Set targets for UCOP employee salary ranges 2.0 Set targets for leadership salary ranges 3.0 Set targets for staff salary ranges	Not Fully Implemented	April 2018	<p>Options and recommendations for including public data and for assigning a weight have been presented to UCOP leadership for review and feedback.</p> <p>Survey sources are being reviewed for analyzing and updating Market Reference Zones for Senior Management Group positions.</p> <p>Analysis of UCOP salary ranges is being conducted.</p>
12	Evaluate and identify needed changes in employee benefit policies to ensure they include reasonable safeguards to control costs.	4.0 Align expense reimbursement policies with best practice	Fully Implemented	April 2018	Changes to systemwide policies were made for car allowances, meal limits during business travel, hotel rates, relocation allowances, moving reimbursements and senior manager supplemental retirement contributions, effective October 2017. Changes to policies at the Office of the President were made in October 2017 for issuance of cell phones and other electronic devices and for stipends.
23	Set targets for any needed reductions to salary amounts using the results from its public and private sector comparison and adjust its salaries accordingly.	1.0 Set targets for UCOP employee salary ranges 2.0 Set targets for leadership salary ranges 3.0 Set targets for staff salary ranges	Not Fully Implemented	April 2019	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.
24	Narrow its salary ranges.	1.0 Set targets for UCOP employee salary ranges 2.0 Set targets for leadership salary ranges 3.0 Set targets for staff salary ranges	Not Fully Implemented	April 2019	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.
25	Set targets for appropriate employee benefits and implement new processes that ensure employees adhere to the revised policies regarding employee benefits.	4.0 Align expense reimbursement policies with best practices	Fully Implemented	October 2017	Procedures are in place at each campus, medical center and the Office of the President to ensure compliance with the systemwide policy and administrative changes made in October 2017. Procedures at the Office of the President are in place to implement the policy changes made in April 2017 and October 2017.

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26	Create a plan for reallocating funds to campuses that it saves as it reduces its staffing costs.	1.0 Set targets for UCOP employee salary ranges 2.0 Set targets for leadership salary ranges 3.0 Set targets for staff salary ranges 4.0 Align expense reimbursement policies with best practices	Not Fully Implemented	April 2019	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.
34	Adjust its salary levels and ranges to meet its established targets.	1.0 Set targets for UCOP employee salary ranges 2.0 Set targets for leadership salary ranges 3.0 Set targets for staff salary ranges	Not Fully Implemented	April 2020	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.
35	Adjust its employee benefits to meet its established targets.	4.0 Align expense reimbursement policies with best practice	Fully Implemented	April 2020	Systemwide policy changes were implemented in October 2017 based on benchmarking data from federal and state sources as well as CSU and other public universities.
36	Reallocate funds to campuses when adjustments to its salaries and benefits result in savings.	1.0 Set targets for UCOP employee salary ranges 2.0 Set targets for leadership salary ranges 3.0 Set targets for staff salary ranges 4.0 Align expense reimbursement policies with best practices	Not Fully Implemented	April 2020	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.
39	Report to the regents on the amount of funds it reallocates to campuses as a result of implementing our recommendations. (re: staffing costs)	1.0 Set targets for UCOP employee salary ranges 2.0 Set targets for leadership salary ranges 3.0 Set targets for staff salary ranges 4.0 Align expense reimbursement policies with best practices	Not Fully Implemented	April 2020	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.
13	Complete phase one of CalHR's best practice workforce planning model by developing a strategic direction for its workforce plan.	5.0 Implement workforce and staffing plans	Not Fully Implemented	April 2018	<p>The workgroup has reviewed the CalHR workforce planning model and is reviewing practices at other public and private AAU institutions to determine how each define the approach to workforce planning.</p> <p>The group has completed the stakeholder analysis and is focused on the early development of the UCOP workforce planning model.</p> <p>There was a conference call with CalHR in early October to discuss the current state of the CalHR workforce planning activity. Members of the workforce planning workgroup participated in the CalHR Quarter Workforce Planning forum on in early October.</p>

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27	Implement phase two of CalHR's best practice workforce planning model by determining its current and future staffing and competency gaps. As part of this phase, the Office of the President should consider the input of stakeholders including campuses and students, regarding which elements of its organization are of critical importance and which elements it could potentially eliminate or downsize.	5.0 Implement workforce and staffing plans	Not Fully Implemented	April 2019	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.
37	Implement phase three of CalHR's best practice workforce planning model by presenting the final workforce plan to its staff and beginning its implementation by carrying out workforce planning strategies covering a three-to five-year period. The Office of the President should make its final workforce plan publically available.	5.0 Implement workforce and staffing plans	Not Fully Implemented	April 2020	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 and April 2019 recommendations.
38	Implement phase four and five of CalHR's best practice workforce planning model by implementing its workforce plan strategies and annually evaluating the completed workforce plan strategies against defined performance indicators and revising the plan where necessary.	5.0 Implement workforce and staffing plans	Not Fully Implemented	April 2020	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 and April 2019 recommendations.
3	Document and review the restrictions on its funds and fund commitments to determine whether it can reallocate any of these funds to its discretionary budget for reallocation to campuses.	6.0 Reassess fund restrictions	Not Fully Implemented	April 2018	<p>The workgroup formulated a project scope and workgroup charter. The group has identified a list of funds used within the UCOP budget (500+) and created a file to track them, along with their respective key attributes.</p> <p>Next steps in the review include identifying funds with external restrictions and subsequently validating this information with departments and divisions across UCOP.</p> <p>The workgroup will then review the restrictions and evaluate any opportunities to relieve restrictions to support unrestricted budget categories, with the input of key subject-matter experts and the Executive Budget Committee.</p>
20	Publish the results of its review of fund restrictions and fund commitments and any funds it anticipates reallocating to campuses.	6.0 Reassess fund restrictions	Not Fully Implemented	April 2019	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.
31	Reallocate to the campuses funds that it identified during its review of fund restrictions and fund commitments.	6.0 Reassess fund restrictions	Not Fully Implemented	April 2020	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations and potentially on UCOP's ongoing funding sources. Impact of this recommendation varies under the established campus assessment model versus direct state appropriations.

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4	Develop a reserve policy that governs how large its reserve should be and the purposes for which it can be used.	7.0 Establish UCOP reserve policy	Not Fully Implemented	April 2018	<p>An analysis and summary of existing UCOP reserve practices and balances and a stakeholder analysis have been completed and reviewed by UCOP leadership. This process included benchmarking and research of reserve practices and policies of other universities and organizations in the non-profit/government sector.</p> <p>A forecasting model for reserve-requirements scenarios with related assumptions for a central operating reserve is being developed. The workgroup will use it to model various reserve-requirements scenarios. A review of historical practices for strategic-priorities reserves is in progress to support projections and scenarios for future reserves requirements.</p>
5	Implement our recommended budget presentation shown in figure 11 on page 40. Specifically, the Office of the President's budget presentation to the regents should include a comparison of its proposed budget to its actual expenditures for the previous year. It should also include all its expenditures and identify changes to the discretionary and restricted reserves. The Office of the President should combine both the disclosed and undisclosed budget into one budget presentation.	8.0 Clarify UCOP budget presentation	Not Fully Implemented	April 2018	<p>The budget presentation work group has met regularly to address the California State Auditor's budget format as detailed in figure 11, page 40, of CSA's audit report. The final FY2017-18 budget presentation in July 2017 incorporated CSA audit format and the team is focused on additional improvements to further enhance the nuances and clarity of the UCOP budget.</p> <p>The work group completed its charter and stakeholder analysis review with COO Nava. The Executive Budget Committee (EBC) has reconvened and meets monthly. The October-through-December EBC meetings will include reviews of UCOP FY2017-18 budgets, including activities and associated costs.</p> <p>The work group reviewed financial system functionality with partner UC campuses. UCOP awaits additional information from partner campuses before making a recommendation. New system solutions are expected to mitigate existing gaps between current capabilities and best practices, and include specific requirements to further adhere to the format presented in figure 11 of the CSA's report.</p>
22	Continue to present a comprehensive budget based on the presentation in Figure 11 to the regents, the Legislature, and the public.	8.0 Clarify UCOP budget presentation	Not Fully Implemented	April 2019	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.
6	Increase opportunities for campus stakeholder input in the budget development process by reconvening the campus budget committee and establishing an agreed upon charter that describes the committee's scope, role, and protocol for reviewing and providing comments on the Office of the President's annual budget.	9.0 Improve UCOP budget process	Fully Implemented	April 2018	President Napolitano has reconvened and expanded the scope of the UCOP budget Executive Budget Committee (EBC). The EBC has completed its charter describing the committee's role and protocol for reviewing and providing input on the Office of the President's annual budget. In its critical advisory capacity to the President, the EBC consists of leaders from every campus, Academic Senate representatives, and UCOP leadership. The EBC met in August and September and plans to continue meeting regularly, with meetings occurring monthly for the remainder of 2017.
21	Implement the best practices for budgeting identified by the GFOA and NACUBO, including developing budget policies and procedures and formally documenting, approving, and justifying all one-time and unexpected expenditure requests.	9.0 Improve UCOP budget process	Not Fully Implemented	April 2019	<p>Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.</p> <p>Review of best practices has commenced. Some best practices were identified using NACUBO and will be incorporated with improvements in budget process and presentation.</p>

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32	Evaluate its budget process to ensure that it is efficient and has adequate safeguards that ensure that staff approve and justify all budget expenditures. If the Office of the President determines that its safeguards are sufficient, it should begin developing a multiyear budget plan.	9.0 Improve UCOP budget process	Not Fully Implemented	April 2020	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.  High-level financial system requirements analysis has included evaluation of new technology and the handling of process flows, financial controls and required resources. UCOP will require the functionality to complete multi-year budgets.
33	Report to the regents on the amount of funds it reallocated to campuses as a result of implementing our recommendations. (re: budget process)	9.0 Improve UCOP budget process	Not Fully Implemented	April 2020	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.  The EBC charter includes the following specific language: "The Executive Budget Committee is accountable for ensuring that recommendations are consistent and aligned with the timely incorporation of the CSA audit budget requirements dated April 2017, as part of a transparent planning, resource allocation, and assessment process." As such, UCOP requires that the EBC provide campus-level input on future funding decisions.
18	Develop and use a clear definition of systemwide initiatives and administration to ensure consistency in future budgets.	10.0 Define systemwide initiatives and establish budget targets	Not Fully Implemented	April 2018	The UCOP systemwide initiatives workgroup, supported by a team of subject-matter experts from the Academic Affairs division, has compiled a preliminary data set of UCOP systemwide programs and initiatives and formalized the categories for these items with clearly articulated definitions. The terms and definitions will be used to develop future budgets.
19	Develop a comprehensive list of systemwide initiatives and presidential initiatives, including their purpose and actual cost that will be used in the regents' meeting previously recommended.	10.0 Define systemwide initiatives and establish budget targets	Not Fully Implemented	April 2018	The UCOP systemwide initiatives workgroup, supported by a team of subject-matter experts from the Academic Affairs division, has: (1) compiled a comprehensive data set of UCOP systemwide programs and initiatives, including individual purposes and costs, (2) formalized categories for these items along with their definitions, and (3) developed key attributes to assist with reporting. This documentation will be incorporated in future budgets.  To respond to the timing of AB97, UCOP's effort to identify savings to be put towards its share of \$15M in funds for enrollment increases beginning in the 2018-19 academic year, the team used the data set of programs and initiatives. This documentation has been provided to key stakeholders (Executive Budget Committee, Council of Chancellors, Department of Finance and others) for consultation and evaluation to ensure UC will meet December 2017 deadlines for development of the State of California budget.
28	Establish spending targets for systemwide initiatives and administrative costs.	10.0 Define systemwide initiatives and establish budget targets	Not Fully Implemented	April 2019	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations and establishment of spending targets due April 2019.  The Executive Budget Committee has been consulted on AB97 and is expected to continue to review the list of systemwide initiatives and programs, including establishment of targets by 2019.
29	Publish the results of the review of systemwide and presidential initiatives including any funds the Office of the President anticipates reallocating to the campuses.	10.0 Define systemwide initiatives and establish budget targets	Not Fully Implemented	April 2019	Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations.  The systemwide and presidential initiatives workgroup will develop reports to enhance transparency. The workgroup will continue to engage the Executive Budget Committee. The workgroup will determine review criteria and a frequency to periodically review items. Governance will be established to enable review and to facilitate prioritization and trade-off decisions, as needed. The workgroup will publish its results.

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30	Restructure budget and accounting systems to ensure the costs of the Office of the President can be clearly tracked and reported annually. Specifically, the budget and accounting systems should be able to distinguish between systemwide initiatives, presidential initiatives, and administrative costs.	10.0 Define systemwide initiatives and establish budget targets	Not Fully Implemented	April 2019	<p>Implementation of this recommendation will be dependent on actions taken in response to the April 2018 recommendations as well as dependencies that will be identified in the budget process workgroup.</p> <p>UCOP has begun exploring system improvements. UCOP is working with UCLA as the campus identifies a new financial system that includes general ledger and planning tools. We continue to explore the use of systems to effectively capture systemwide and presidential initiatives. Key requirements will also include improved budgeting, tracking and reporting on these projects.</p> <p>A key dependency for the timing of this item will include the UCLA or alternative campus system implementation, which has a 2- to 3-year timeline, independent of UCOP's control. Actual costs, dependent on commensurate accounting and financial system upgrades, are subject to the UCLA project timeline. UCOP has restructured its budget development system (BDS) to track and report budgeted costs to distinguish between those that are systemwide, presidential and administrative.</p>
40	Publicly publish its progress in meeting systemwide initiative and administrative cost targets.	10.0 Define systemwide initiatives and establish budget targets	Not Fully Implemented	April 2020	<p>Implementation of this recommendation will be dependent on actions taken in response to the April 2018 and 2019 recommendations.</p> <p>Upon completion of this requirement, UCOP will identify the best, most appropriate way(s) to publish reports regarding systemwide and presidential initiatives, to further transparency of these efforts.</p>
41	Reallocate funds from the review of systemwide and presidential initiatives, as well as any administrative cost savings, to campuses.	10.0 Define systemwide initiatives and establish budget targets	Not Fully Implemented	April 2020	<p>Implementation of this recommendation will be dependent on actions taken in response to the April 2018 and 2019 recommendations.</p> <p>The Executive Budget Committee, consistent with its charter, will continue to serve in its campus-input role of making recommendations on resource allocations.</p>
42	Report to the regents on the amount of funds reallocated to campuses. (re: systemwide initiatives)	10.0 Define systemwide initiatives and establish budget targets	Not Fully Implemented	April 2020	<p>Implementation of this recommendation will be dependent on actions taken in response to the April 2018 and 2019 recommendations. Furthermore, the UCOP resources available to fund these activities may depend on the outcome of other recommendations, including those relating to fund restrictions, budget process and reserves.</p> <p>The Executive Budget Committee, consistent with its charter, will continue to serve in its campus-input role of making recommendations on resource allocations.</p>

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