



Lunch-n-Learn: Strategic Initiatives

Presented By: Maria Anguiano, Associate Director
September 27, 2011

Agenda

1. Org Chart / Reporting Lines
2. Our Background
3. Where We're Located
4. What We Do
5. Some Examples
6. How You Can Help!

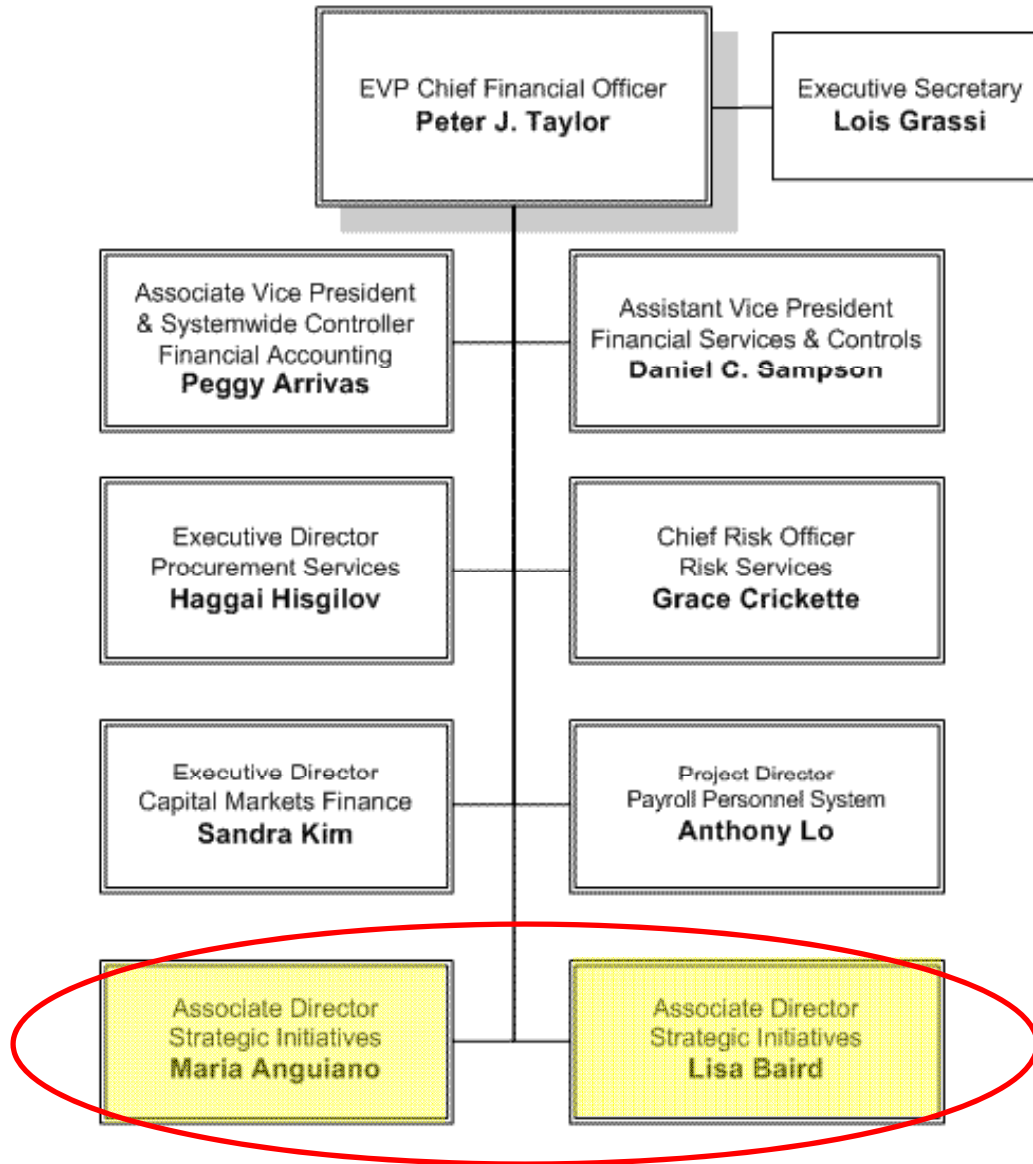


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Org chart



Strategic Initiatives is technically part of the "Immediate Office of the CFO," but we function like an independent department

We both report directly to Peter Taylor



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Our background

- Started together on 10/19/09

- Educational Background

- Maria: Accounting/Economics bachelors + Stanford MBA
- Lisa: Finance bachelors + Berkeley MBA (in process)



- Investment Banking Experience

- Maria: Lehman Brothers/Barclay's
- Lisa: J.P. Morgan



- Other Work Experience

- Maria: Professional auditing at Deloitte
- Lisa: Higher-ed finance at U. Texas System



- Other Related Credentials

- Maria: Certified Public Accountant, Spanish bachelors
- Lisa: Journalism bachelors



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Where we are located

- Franklin Building
- 10th floor
- Northeast corner, near Peter Taylor's office
- Adjacent offices: 10303 and 10304
- Stop by anytime!



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What we do

- Internal Consultants

- CFO Division Strategic Planning
 - Divisional branding, mission/vision/value development
 - Staff Development Menu
 - Town Halls, Senior Staff Meetings, Lunch-n-Learns

- Strategic Financial Analysis
 - NPV/IRR analysis, pro forma building
 - Cashflow and liquidity analysis
 - Policy research and re-writing

- Special Project Management
 - Pension restructuring
 - UCOP Budget Tool implementation
 - Working Smarter lead staff
 - CapEquip / C3 (internal loan programs)



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Some examples

PEB TASK FORCE FINANCE PLAN



The screenshot shows a web browser window with the URL <http://ucrfuture.universityofcalifornia.edu/task-force-inf/>. The page header features the University of California logo and the title "The Future of UC Retirement Benefits". A navigation menu includes links for HOME, PROPOSALS, NEWS & UPDATES, FAST FACTS, EVENTS, Q&A, TASK FORCE INFO, and ESPAÑOL. The main content area is titled "Task Force Information" and lists the "2010 Task Force Report" with a bulleted list of links to various documents and appendices. A search bar is located on the right side of the page. Below the search bar, there is a section titled "ABOUT THIS WEBSITE" with a welcome message. Further down, there are three prominent buttons: "Task Force Report" (blue), "Your Views & Questions" (yellow), and "Get Instant Updates" (yellow with an RSS icon). At the bottom right, there is an "ARCHIVES" section with a link for "July 2011".

UNIVERSITY OF CALIFORNIA

The Future of UC Retirement Benefits

HOME PROPOSALS NEWS & UPDATES FAST FACTS EVENTS Q&A TASK FORCE INFO ESPAÑOL

Task Force Information

2010 Task Force Report

- Download the Executive Summary [August 30, 2010]
- Download the full Report [August 30, 2010]
- Financial Highlights
- Appendices (Table of contents & master document)
 - Appendix A – Charge to the Post-Employment Benefits Task Force
 - Appendix B – Glossary of Terms
 - Appendix C – Dissenting Statement Location
 - Appendix D – Regents’ Action Item, November 2005 on Total Remuneration
 - Appendix E – Post-Employment Benefits Survey Invitation and Questionnaires
 - Appendix F – Retirement Program Changes on Workforce Behavior
 - Appendix G – UC Emeriti Bibliographic Survey 2007-2009, CUCEA
 - Appendix H – Update to 2009 Total Remuneration Study for New Tier Options
 - Plan Design A
 - Plan Design B
 - Plan Design C
 - Appendix I – Proposed Draft Attachment to September Regents’ Item – PEB Communications
 - Appendix J – Sustaining State Retirement Benefits: Recent State Legislation Affecting Public Retirement Plans
 - Appendix K – Background Articles
 - Trends in Retirement Benefits
 - Public Plan DB DC Choices; Redefining Traditional Plans
 - Different Pension Designs: Defined Benefit and Defined Contributions
 - Overview of three discussion papers on Defined Benefit & Defined Contribution Pension Plans

SEARCH

ABOUT THIS WEBSITE

Welcome to the Future of UC Retirement Benefits website, your source for information on proposed changes to UC’s retirement benefits. Come here to learn about recommended changes, submit a question or comment, follow the process, find resources and stay involved.

Task Force Report

Your Views & Questions

Get Instant Updates
SUBSCRIBE VIA RSS

ARCHIVES

July 2011

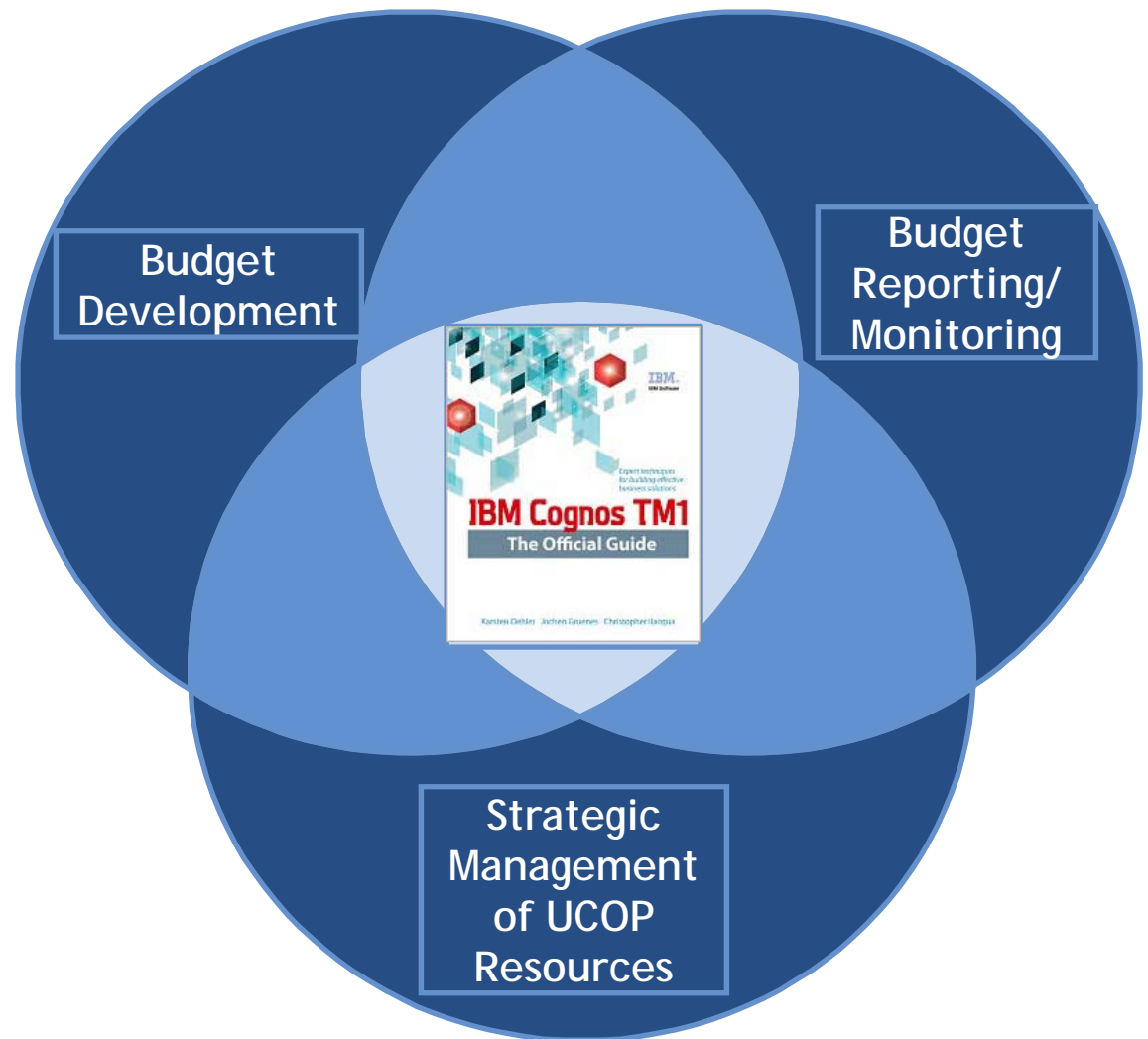
Pension Restructuring

- Project was lead by systemwide PEB Task Force
- Task was to develop a comprehensive, long-term and sustainable approach for all post-employment benefits
- Maria Anguiano's role was primarily to:
 - Create 30 year financial plan to bring UCRP funding to 100%
 - Included modeling a 30 year UC & employee contribution schedule
 - \$1 billion debt financing and \$1 billion transfer from STIP to UCRP to leverage excess cash flow



Some examples

UCOP Budget Development System



UCOP Budget Tool

- Currently, budgeting at UCOP is a time intensive, confusing and poorly defined process
- The new UCOP Budget Development System will be based on TM1, a web-based budget and planning software tool developed by IBM
- This tool will be rolled out to all departments for FY2012-13 Budget Development and will include budget to actual reporting
- Maria Anguiano's Role is Project Director, in charge of design and implementation



Some examples

Working Smarter

<http://workingsmarter.universityofcalifornia.edu/>



UNIVERSITY OF CALIFORNIA **WORKING SMARTER**

HOME ABOUT PROJECTS CAMPUS EFFORTS FISCAL IMPACT UPDATES YOUR IDEAS RSS

Why

Faced with diminishing state support, the University of California community has coalesced around administrative and operational effectiveness as a key tenet of long-term viability. Working Smarter brings together systemwide, regional and campus-level efforts under one umbrella with a strong commitment from the top: the University is committed to elevating its administrative operations to the same level of excellence as its academic and research enterprise. Within five years, the University will redirect \$500 million from administrative costs to the academic and research missions; streamline operations to address state funding cuts and the need for commonality among the campuses; implement operational efficiencies that enhance the quality of services to students, faculty and staff, and build a sustainable financial model to carry the University forward.

Your Ideas

Get involved! The Working Smarter Initiative wants your suggestions for additional ways that the university can work smarter and reduce costs. Please send your ideas - big or small - to workingsmarter@ucop.edu

Fiscal impact

goal over 5 years
\$500 MILLION

cost savings	revenue generation	current total
\$117,338,639	+ \$40,043,455	= \$157,382,094

[find out more](#)

Featured Project

Payroll Personnel System

Deploy a single payroll system and a single human resources system across all ten campuses and five medical centers that meets

Updates

07 / 06 / 11 [PPS Replacement Contract Negotiations Underway](#)

The PPS replacement vendor selection process has now moved forward into contract negotiations with the selection of an apparent awardee in June. The selection comes as the result of a rigorous six-month RFP process that included participation from all campuses and impacted functional areas. The

Working Smarter

- Project is lead by Peter Taylor & Nathan Brostrom
- It's a five-year project with \$500 mm goal
- Lead staff on Working Smarter also include Kobie Crowder and Michael Reese
- Lisa Baird's role is primarily:
 - Project intake (helping folks develop/maintain case studies)
 - Financing (helping folks apply for C3 funds)
 - Communications strategy (website development)
 - Regental updates (bi-annual Regents' items)



Some examples

CapEquip & C3 are online!

<http://www.ucop.edu/finance/ucsip.html>



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Office of the Chief Financial Officer

- ❖ CFO DIVISION
 - Areas of Responsibility
 - Organization Chart
 - Strategic Planning
- ❖ DEPARTMENTS
 - Capital Markets Finance
 - Financial Accounting
 - Financial Services & Controls
 - Procurement Services
 - Risk Services

» UCOP » OP Divisions » Finance Office » UC Strategic Investment Program

UC Strategic Investment Program

In 2010, the CFO Division established the UC Strategic Investment Program (UCSIP) as a suite of internal-loan financing programs that leverage the University's high credit rating to make low borrowing costs available for purposes beyond solely capital construction. UCSIP is a three-pronged funding suite to address capital equipment acquisition, administrative efficiency projects, and faculty recruitment/retention, as described in the table below.

UC Strategic Investment Program (UCSIP)				
	CapEquip (Capital Equipment Financing)	C3 (Cross-Campus Collaborations)		STARs ¹ (Strategic Teaching Acquisition & Retention)
		C3 Loans	C3 Grants	
Purpose:	Equipment acquisition in lieu of 3rd-party leasing (including re-fi)	Regional centers of excellence, systemwide efficiency initiatives	Regional centers of excellence, systemwide efficiency initiatives	Lab renovations/equipment specific to a single faculty recruit
Strategic Goal:	Cut costs through economies of scale inherent in UC debt program	Cut duplication and increase systems commonality	Cut duplication and increase systems commonality	Maintain competitive research and academic excellence
Size:	\$200 million authorized/year	\$20-50 million authorized/year	\$2-5 million authorized/year	\$20-50 million authorized/year
Structure:	Amortizing loans funded via CP on reimbursement basis	Amortizing loans funded via CP on reimbursement basis	Principal forgiveness on some or all of an amortizing C3 loan	Amortizing loans funded via CP on reimbursement basis
Rate²:	4.00% (FY10-11) 1.99% (FY11-12)	0%	N/A	0%
Term:	3-7 years	3-7 years	3-7 years	11 years avg. (15 renovations, 7 equipment)
Debt Service:	Campus funds that formerly paid third-party lease payments	Principal possibly paid by savings (interest covered by program)	N/A	Principal possibly paid by ICR (interest covered by program)
Awards:	Campuses submit authorization requests annually to Regents	Campuses competitively apply throughout the year	Campuses competitively apply throughout the year	Campuses competitively apply throughout the year

¹ STARs is still in the developmental/conceptual stage. It's roll-out date is not yet determined.
² Subject to annual review.

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[Contact the CFO](#)

CapEquip / C3

- CapEquip and C3 both live under the UCSIP umbrella
- CapEquip and C3 are internal loan programs
 - CapEquip is 4% loans for campus capital equipment acquisition (in lieu of leasing)
 - C3 is 0% loans for cross-campus collaborations that require start-up working capital (due to lack of cash)
- Lisa Baird's role is primarily:
 - Developing guidelines and application process for each program under the larger UCSIP umbrella
 - Helping folks apply for the loans
 - Administering the loans once they are written, i.e., getting folks the money when they need it!
- Capital Markets Finance and EIA are major partners!



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How you can help!

- Tell people about our services!
- If you hear about someone who needs financial analysis, send them our way! We provide free labor!
- We are happy to work on just about anything that needs some financial T.L.C.
- Bookmark the Working Smarter website and CapEquip/C3 website - forward the links to people!
- Spread the word that CFO Division is making an impact!



