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# University of California Office of the President

COO DIVISION  
2016-2020 STRATEGIC PLAN

*2017 Update*

UNIVERSITY  
OF  
CALIFORNIA

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# 2017 COO Division Strategic Planning Team

The COO Division’s strategic planning team conducted its annual strategic plan review between March and May 2017. The planning team included the following members:

NAME	DEPARTMENT	TITLE
Rachael Nava	COO Immediate Office	EVP, Chief Operating Officer
Cathy O’Sullivan	COO Immediate Office	Chief of Staff to the COO
David Phillips	Energy & Sustainability	AVP, Energy & Sustainability
Tom Andriola	Information Technology Services	Chief Information Officer
Dan Russi	Information Technology Services	Deputy Chief Information Officer
Zoanne Nelson	Strategy and Program Management Office	AVP, Strategy & Program Management Office
Mark Cianca <sup>1</sup>	Operational Services	AVP, Operational Services
Dwaine Duckett	Human Resources	Vice President, Human Resources
Dianna Henderson	Human Resources	Chief of Staff to the VP of HR and Director of HR Policy
Thera Kalmijn	UCOP Operations	Executive Director, Operations

Facilitator: Kathy Eftekhari, Senior Organizational Consultant, UCOP Strategy & Program Management Office

<sup>1</sup> Replaced Jim Leedy

# Strategic Plan Purpose

The COO and CFO strategic plans were developed to guide the two divisions in consciously focusing their energy and resources on actions that will best position the University of California to achieve its academic, research and public-service mission.

The strategic plan establishes a multi-year framework that allows the organization to prioritize, resource, communicate and collaborate with key stakeholders, including other divisions and campus locations. The need for strategic planning was identified in a number of recent review processes, including:

COO/CFO Realignment – 2014

Strategic Organizational Review – 2014/2015

Presidential Retreats – 2015

The COO and CFO divisions completed this process as a pilot; the process has since been rolled out to other UCOP divisions, namely Agriculture and Natural Resources (UC ANR), Academic Affairs and UC Health.

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# Strategic Planning Decision Drivers

# Strategic Planning Decision Drivers

The following decision factors were considered as the COO and CFO mission, vision, values, strategic objectives and goals were developed and honed:

1. Role of UCOP relative to the campuses and other locations/ stakeholders we support
2. Market conditions
  - Financial realities
  - Changing landscape of higher education
3. UC current-state assessment
  - Financial
  - Operational
4. SWOT analysis of each division
5. Campus feedback regarding service needs from UCOP

# Supporting A World-Class University

The COO and CFO strategic plans inform our commitment to build solid and sustainable financial and operational models for UC that will maintain and enhance the University's three pillars of excellence:

## 1. Quality

- 6 campuses are AAU members
- Of the top ten public universities in the US News and World Report, five are UC campuses
- UC campuses train one-half of the medical students and residents in California

## 2. Access

- 34% of Fall 2014 California freshman are from underrepresented ethnic groups
- 42% of UC undergraduates are Pell Grant recipients
- Over 40% are first-generation college students

## 3. Affordability

- Over 55% of our undergraduates pay no tuition
- Only half of UC students take out debt and debt levels are \$10,000 less than national averages



# Reflecting Changing Economics

Goals within the COO and CFO strategic plans reflect the changing economics of public higher education:

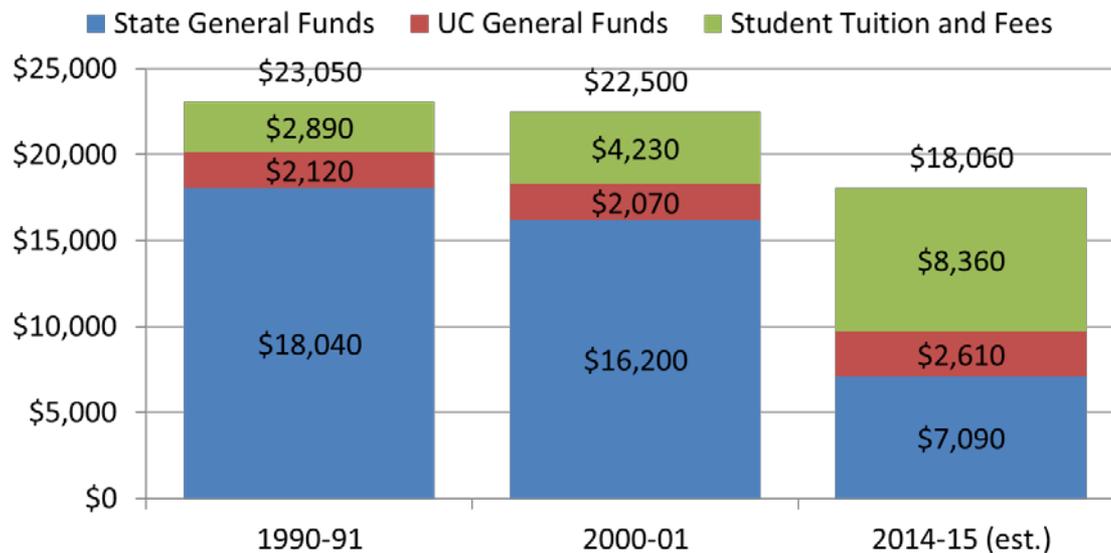
## 1. Declining State Support

- UC funding crowded out by expenditure growth driven by voter initiatives and federal mandates
- UC receives same absolute level of funding as in 1999-2000 when it had over 80,000 fewer students and one less campus.

## 2. Need for predictable, moderate tuition

- UC has passed on the volatility of state funding to students
- Over the past 25 years, tuition was held flat or declined for 12 years and then rose by double-digit percentages in 11 years

**Average Education Expenditures Per Student**



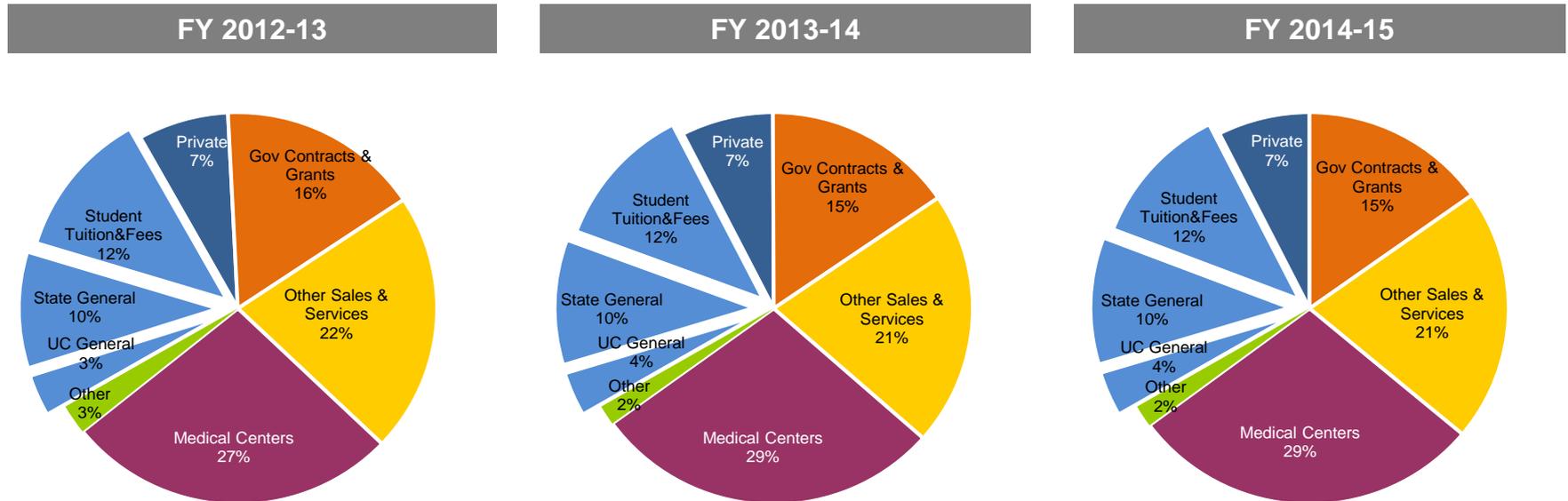
Average inflation-adjusted resources per general campus student. Excludes financial aid.

# Reflecting The Changing Enterprise

The COO/CFO strategic plans also reflect growth in other parts of the University's enterprise:

1. **Core funds** – primarily state support and tuition – now represent roughly 25% of UC's revenues

## UC Core Revenues



2. **Other segments of UC** – medical centers and research, for example – have been growing at much faster rates. UC medical centers have doubled their revenues in the past decade

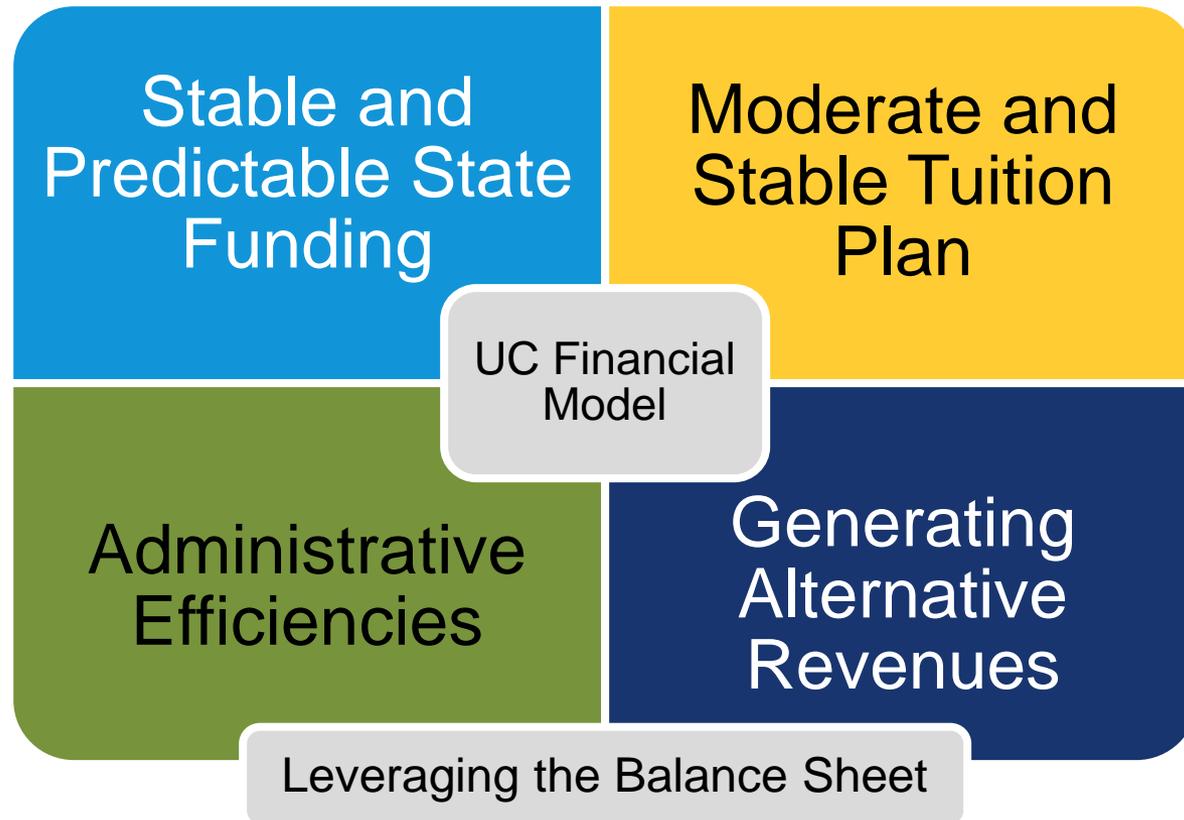
# Leveraging Scale to Control Cost

The strategic plan also looks to the size and scale of the University to control our cost growth.

1. The University's balance sheet now counts nearly \$100 billion in assets.
  - Offers opportunities to enhance asset management and shore-up liabilities
  - Also opens up greater opportunities for self-insurance and self-funding of programs
2. The size of the University's operations can drive down costs in a variety of areas:
  - Procurement
  - Administrative enterprise systems
  - Benefits management

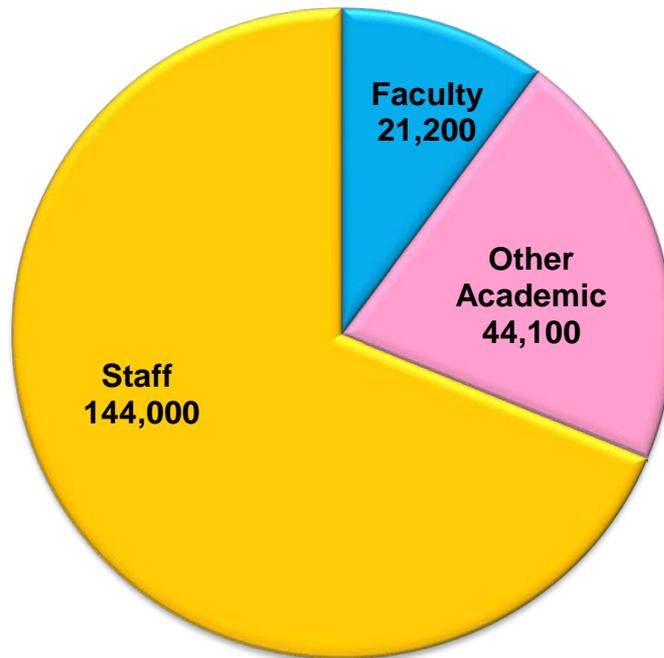
# Aligning Financial Priorities

Elements of the strategic plan align with the four financial priority areas already established by the CFO division:



# Building A Strong Workforce

COO/CFO goals strive to optimize UC's workforce and leverage our role as California's 3rd largest employer.



## Focusing on:

- Employee engagement
- Recruitment
- Performance management
- Enhancing management skills

# Driving Best Practices

COO/CFO goals are focused on driving innovation through accountable business practices

- Operational streamlining and risk reduction through common systems
- Bending the curve on climate change
- Contain cost through UC Procurement, benefits management

**UCPATH QUICK FACTS**

UCPATH is the University of California's program to implement a single payroll, benefits, human resources and academic personnel solution for all UC employees.

**BENEFITS OF UCPATH**  
 Consistent, quality data  
 Efficient, accurate payroll  
 Lowered risk  
 Reliable, 24/7 service

**UCPATH LOCATIONS**  
**10 UC CAMPUSES**  
 Berkeley Riverside  
 Davis San Diego  
 Irvine San Francisco  
 Los Angeles Santa Barbara  
 Merced Santa Cruz

**UNIVERSITY OF CALIFORNIA**  
 UC President Janet Napolitano: "UCPATH IS A PRIORITY FOR THE UNIVERSITY OF CALIFORNIA."

**BUSINESS TRANSFORMATION**  
 UCPATH will create efficiencies that support the University of California's CORE MISSION of teaching, research and public service.

**STANDARDIZED PROCESSES**  
 Experts from throughout THE UC SYSTEM WORKED TOGETHER to standardize approximately **100 UC-WIDE PROCESSES**

**TECHNOLOGY UPGRADE**  
 PeopleSoft, an INDUSTRY STANDARD tool. The idea for replacing our current system came from CAMPUSES controllers, chief human resource officers and academic personnel directors.

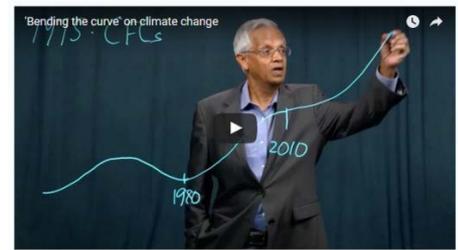
**SHARED SERVICES**  
 To support the UC system, the UCPATH CENTER will likely employ about **415 PEOPLE**. The UCPATH Center in RIVERSIDE, CA has been set up in a LEED GOLD CERTIFIED building.

**IT SUPPORT**  
 600 faculty, 600 staff (~40% of whom joined by collective bargaining means) bring ~200,000 W-2s annually. CURRENT AS AT 8/15/15

UCPATH = UC PAYROLL, ACADEMIC PERSONNEL, TIMEKEEPING & HR

## UC researchers present 10 scalable solutions for climate change

By Andy Murdock, UC Newsroom  
 Tuesday, October 27, 2015



Credit: University of California  
 Renowned atmospheric scientist V. Ramanathan of UC San Diego's Scripps Institution of Oceanography explains how the state of California and the UC system together can lead the charge through the Carbon Neutrality Initiative and 'bend the curve' in global warming.

University of California climate experts today (Oct. 27) announced 10 scalable solutions for moving the world towards carbon neutrality, a practical framework that outlines both immediate and longer-term actions for staving off catastrophic climate change.

Gov. Jerry Brown, who joined UC President Janet Napolitano

### UC joins Bill Gates-led group to invest in climate solutions

The University of California announced Sunday (Nov. 29) that it has joined the Breakthrough Energy Coalition, an influential group of investors led by Bill Gates that is

# Reflecting SWOT Analysis

In order to ensure the plan's responsiveness to current organizational and environmental conditions, the COO and CFO divisions outlined the following new considerations through SWOT analysis:

## Strengths

- Brightest people in the world within the UC system
- Service-oriented; manage complexity
- Commitment to Excellence
- Commitment to the Mission
- Experience gained in shared-service implementation
- Adopted strategic planning importance
- Building credibility with the campuses

## Opportunities

- Size & Scope; leverage Power of 10
- Locations open to incorporating best-practices
- Governance – collective decision-making
- Greater collaboration w/ CSU and other colleges
- Forward-thinking President
- Cyber security promotes need for shared systems/services
- Predictable funding for next 4 years
- Changing face of CA mirrors our own diversity
- Broad portfolio – opportunity for professional growth
- New people/leadership, fresh viewpoints, questioning status-quo
- Outstanding global reputation/brand
- Attention from leading private-sector partners
- UCOP Audit – catalyst for change opportunity to engage with state leaders
- UC's 150<sup>th</sup> anniversary - highlight our work/advocacy

## Weaknesses

- Siloed
- Outdated, inefficient, ineffective tools, resources, processes and policies
- Over-engineer operationally; consensus driven
- People spread too thin and not “ideally” engaged
- Roles and responsibilities between OP and campuses not clearly defined
- Initiative fatigue w/ unreasonable timelines

## Threats

- Limited resources with demand for constant improvement
- Unplanned initiatives; unfunded mandates
- Systemwide information silos
- Pressure to compromise quality
- Complacency
- Cyber security
- Age of facilities; deferred maintenance
- Anticipated increase in UC retirements over next two years; attrition- knowledge transfer; succession planning required
- Job market has reached full-employment for the first time in years – UC competitiveness, especially for skill-sets in high demand
- Reputational damage from UCOP audit
- Framework for Growth – financial considerations
- Uncertain environment in Washington D.C.
- Polarized political tensions present risk

# Responding To Campus Requests

## 2015:

A needs survey was sent to VCA and VCPB colleagues at all 10 campuses, LBNL and UC ANR eliciting:

1. Their top financial and/or operational goals over the next 3-5 years
  2. 3-5 things UCOP's COO and CFO divisions could do to specifically help them reach their goals
- 8 campuses, LBNL, ANR responded
  - 13 of the original COO/CFO goals directly addressed one or more specific requests
  - Many of the other goals indirectly address noted campus needs, especially in the areas of revenue generation and cost containment

## 2017:

An integrated and abbreviated version of the COO and CFO strategic plans was sent to all 10 campuses and UC ANR outlining estimated FY17-18 campus resource impact related to planned activity under 20 of the goals. Campuses were asked to:

1. Confirm resource estimates
  2. Rank order the 20 goals
- All locations responded
  - That feedback was then analyzed and used to inform decisions regarding plan amendments during the COO and CFO annual plan review meetings, held on May 22 and May 23, 2017, respectively

# Campus Ranking of COO/CFO Goals

The table below presents a consolidated campus ranking of Tier 1 and Tier 2 goals. The higher the priority, the lower the rank number. Bolded items are COO division goals.

Goal #		Topic	Average Rank	Standard Deviation
<b>COO / CFO</b>	<b>3.01</b>	<b>Deploy UCPATH &amp; Expand Shared Systems &amp; Services</b>	<b>1.82</b>	<b>1.25</b>
<b>COO</b>	<b>3.02</b>	<b>Strengthen Cyber-Risk Management</b>	<b>5.09</b>	<b>3.08</b>
CFO	3.02	Address Deferred Maintenance Liability	5.18	3.12
CFO	1.01	Generate Stable/Predictable New Core Funding	6.00	3.97
CFO	1.02	Generate Alternative Revenues	6.64	2.84
CFO	2.03	Evolve P200 to SC500	6.73	4.15
CFO	3.03	Support Addition of New Student Housing	8.27	4.41
<b>COO</b>	<b>3.06</b>	<b>Enhance Labor Relations/Collective Bargaining Strategy</b>	<b>10.27</b>	<b>3.13</b>
CFO	2.04	Contain Cost of Capital Project Delivery	10.55	5.56
<b>COO</b>	<b>3.03</b>	<b>Fully Implement Career Tracks</b>	<b>11.55</b>	<b>5.26</b>
CFO	2.01	Leverage Fiat Lux and ERM	11.82	5.55
CFO	3.05	Implement Common Chart of Accounts	11.86	5.85
<b>COO</b>	<b>2.02</b>	<b>Leverage Shared IT Infrastructure Services Systemwide</b>	<b>12.55</b>	<b>6.31</b>
CFO	3.01	Implement Systemwide Financial Planning Model	12.86	3.94
<b>COO</b>	<b>4.01</b>	<b>Improve Employee Engagement</b>	<b>13.77</b>	<b>3.50</b>
<b>COO</b>	<b>5.01</b>	<b>Achieve Net Carbon Neutrality by 2025</b>	<b>14.14</b>	<b>6.03</b>
<b>COO</b>	<b>4.03</b>	<b>Build People Management and Leadership Curriculum</b>	<b>14.68</b>	<b>4.31</b>
<b>COO</b>	<b>4.02</b>	<b>Implement Employee Performance Management Framework</b>	<b>14.95</b>	<b>2.49</b>
<b>COO</b>	<b>5.02</b>	<b>Achieve STARS Platinum Rating/Sustainability Goals</b>	<b>15.41</b>	<b>4.07</b>
<b>COO</b>	<b>3.05</b>	<b>Leverage a Systemwide Executive Recruitment Program</b>	<b>15.86</b>	<b>4.00</b>

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# Our Mission, Vision, Values & Strategic Objectives

# COO Division Mission and Vision

## *Our Mission:*

In partnership with the UC community, we provide innovative, efficient and effective operational services to support the University's mission.

## *Our Vision:*

We will achieve a level of operational excellence equivalent to UC's world-class teaching and research enterprise.

## ❖ *Vivid Description:*

We will be a role model of quality, innovation, sustainability and operational excellence. Our efficiency will help facilitate economic mobility through education and jobs. We will be the #1 public-sector employer in the area of employee engagement. We will attract top talent and our employees will find meaning and purpose in their jobs. We will drive UC strategic planning and performance management. By 2025, all campuses will be carbon neutral and each will be a living lab for sustainable solutions. We will use shared systems and services to enhance quality, free-up time and redirect resources towards the UC mission. We will facilitate the sharing and adoption of best practices and tools across the system. Our support of the UC mission will be rigorous and data-driven.

# COO/CFO Division Core Values



## **EXCELLENCE**

Our work is balanced, rigorous, timely and accurate. We maintain a high performance standard and promote efficient, effective outcomes which exceed expectations.

## **ACCOUNTABILITY**

We are responsive to our stakeholders' needs, follow through on our commitments and take ownership for our decisions and actions.

## **DIVERSITY**

We embrace diversity in all its forms, practice mutual respect, and strive for a community that fosters an open, inclusive and productive environment.

## **INTEGRITY**

We act in an ethical, credible and trustworthy manner.

## **TEAMWORK**

We are collaborative, believing that collective action produces greater results than that of any one individual.

## **INNOVATION**

We remain open-minded and employ ingenuity to solve problems and critically evaluate options to improve outcomes and processes.

# COO/CFO Strategic Objectives

- The following 5 strategic objectives are broad-based, long-term aims that will move the divisions towards actualizing their visions. All COO and CFO goals support one of these strategic objectives:

<b>Revenue Generation</b>	<b>Develop a solid and sustainable revenue model to support the University's core mission</b>
<b>Cost Containment</b>	<b>Develop a solid and sustainable administrative expense model to support the University's core mission</b>
<b>Operational Excellence</b>	<b>Drive accountable, transparent management practices that promote service and balance risk, reputation, cost and compliance</b>
<b>People</b>	<b>Attract, develop and retain diverse, highly-productive and motivated talent who seek a mission-driven experience</b>
<b>Public Service</b>	<b>Leverage the power of the UC academic and research mission to address global challenges</b>

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# COO Division Goals

# COO Division Goal Snapshot

Strategic Objective	Goal #	Lead Dept.	Goal Topic	Priority
Revenue Generation	1	CFO IO*	Create Path to Stable Funding for UCRP and OPEB	●
Cost Containment	2	HR*	Contain Benefit Costs and Maintain Quality	●
Operational Excellence	3	OPS	Deploy UCPath	●
	4	OPS*	Deploy Shared Services	◆
	5	IT	Strengthen Cyber-Risk Management	●
	6	COO IO	Implement 2017 State Audit Recommendations	●
	7	HR	Improve Administrative Mgmt. of Pension System (Redwood)	■
	8	SPMO	Deploy Best-Practice Management Methodologies	■
	9	UCOP Ops	Optimize UCOP Operations	●
People	10	HR	Fully Implement Career Tracks	■
Public Service	11	ES	Achieve Net Carbon Neutrality by 2025	●

Priority Key: ● : High Impact and/or High Urgency ■ : High/Moderate Impact and Moderate Urgency ◆ : High/Moderate Impact and Less Urgency

\* Denotes shared COO/CFO goal

# Revenue Generation Goals

<div style="background-color: #8ebf40; color: white; padding: 5px; text-align: center; font-weight: bold;">Revenue Generation</div>		<i>Develop a solid and sustainable revenue model to support the University's core mission</i>	
LEAD DEPT	GOAL #	GOAL TOPIC	PRIORITY
CFO IO*	1	In partnership with the CFO Division, create funding goals for UCRP and OPEB established by systemwide policy by July 2020	●

Priority Key: ● : High Impact and/or High Urgency    ■ : High/Moderate Impact and Moderate Urgency    ◆ : High/Moderate Impact and Less Urgency

\* Denotes shared COO/CFO goal

# COO Goal 1 (CFO #3) Create Path to Stable Funding for UCRP and OPEB

Revenue Generation

Lead Department: CFO IO/Brostrom

Priority: ●

**Goal:** In partnership with the CFO Division, create funding goals for UCRP and OPEB established by systemwide policy by July 2020

**Opportunity:**

The unfunded liabilities in UCRP and retiree health represent two of the most significant strains on the University's financial status. Not only do they lead us to a negative unrestricted position, they impose growing demands on our operating budget. Currently, UCRP stands at approximately 84% funded on a market basis, while our retiree health liability exceeds \$21 billion.

**Proposed Solution:**

The COO Division will continue to drive the funding of these unfunded liabilities through:

- Investing to maximize the likelihood of meeting our return targets
- Extend partnership with the State to contribute towards our unfunded liabilities
- Evaluation of current and ongoing benefits
- Internal borrowing to enhance the funded status of UCRP and retiree health
- Contributions from the University and the employees

**Benefits:**

1. Continued progress towards sufficient funding of the programs
2. Ability to continue providing attractive benefits for faculty and staff
3. Reduced pressure on the UC operating budget

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
3	<b>In partnership with the CFO Division, create funding goals for UCRP and OPEB established by systemwide policy by July 2020</b>					
3a	Continue contributions from University and our employees (ongoing)					
3b	Continue annual borrowing from internal liquidity sources within the constraints of liquidity requirements to fund the annual required contribution of UCRP					
3c	In partnership with HR, evaluate the funding of retiree health (ongoing)					
3d	Continue advocacy with the State for one-time (Prop 2) or ongoing support for the unfunded liability in pension or retiree health (ongoing)					
3e	Develop funding plan, and evaluate internal borrowing, for funding of our retiree health liability by December 2017					

# COO Goal 1 (CFO #3) Create Path to Stable Funding for UCRP and OPEB

**Goal: In partnership with the CFO Division, create means to achieve funding goals for UCRP and OPEB established by systemwide policy by July 2020**

**Assumptions:**

1. Sufficient liquidity in STIP to enable internal borrowing
2. Implementation of the 2016 pension tier
3. Successful outcome of CFO Goal 2.05 for post-employment benefits (contain benefit costs at or below 4% annual growth)

**Metrics and Targets:**

1. UCRP funded to 90% by 2025
2. Start reducing our retiree health liability in FY17-18

**FY16-17 Activity Update:**

CAS&F conducted analysis related to STIP borrowing and the contribution rate required to fund UCRP. IO drafted a memo for the President regarding OPEB liability and proposed growth cap. Rating Agencies confirmed AA rating. Contributions have continued. Borrowing has continued as planned. Regents reviewed the pension and retiree health liabilities at the July 2017 meeting, and approved an increase in employer contributions and a four-year commitment to continued STIP borrowing.

**Additional Information:**

N/A

# Cost Containment Goals

<b>Cost Containment</b>		<i>Develop a solid and sustainable administrative expense model to support the University's core mission</i>	
OWNER	GOAL #	GOAL TOPIC	PRIORITY
HR*	2	In partnership with the CFO Division, evaluate all benefit offerings to contain annual percentage growth to 4% or below while balancing benefit quality through July 2020	

Priority Key: ● : High Impact and/or High Urgency   ■ : High/Moderate Impact and Moderate Urgency   ◆ : High/Moderate Impact and Less Urgency

\* Denotes shared COO/CFO goal

Cost Containment

Lead Department: HR/Duckett

Priority: ●

**Goal: In partnership with the CFO Division, evaluate all benefit offerings to contain annual percentage growth to 4% or below while balancing benefit quality through July 2020**

**Opportunity:**

Over the past 5 years, UC’s medical, vision and dental benefit costs for current and retired employees have risen, on average, a total of 6% per year. The University recognizes that overall benefit offerings are tied to employee satisfaction, recruitment and retention. Setting a target growth rate creates parameters for the benefit negotiation process and provides a level of predictability that will enable more effective financial forecasting.

**Proposed Solution:**

A range of possible solutions that will hold benefit increases to 4% will be developed and socialized annually with stakeholders.

**Benefits:**

1. Partial flattening of our overall benefits cost curve
2. Greater predictability around cost increases; enables better financial forecasting

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
2	<b>In partnership with the CFO Division, evaluate all benefit offerings to contain annual percentage growth to 4% or below while balancing benefit quality through July 2020</b>					
2a	Develop overall health benefit strategy by July each year reflecting an entire budget of 4% for active EEs and 3% for retirees with any remaining overage of rates to be cost-shared against EEs and retirees.					
2b	Gain approval of strategy by August each year					
2c	Negotiate w/ vendors annually from August through June of the following year					

**Goal: In partnership with the CFO Division, evaluate all benefit offerings to contain annual percentage growth to 4% or below while balancing benefit quality through July 2020**

**Assumptions:**

1. Gain buy-in on annual strategy from campuses (at many levels) , OP Leadership, and unions
2. Ability to purchase/provide desired benefit levels with limited 4% cost increase

**Metrics and Targets:**

1. Cost of employer and employee contributions to plans; target = maximum of 4% annual increase

**FY16-17 Activity Update:**

Achieved the 4% budget target for plan year 17-18. Continued progress with Med Center and Healthnet on budgets for risk agreements will result in lower rates to meet 4% budget call. Also, with the pending new American Health Care Act in progress, the result, if passed, will remove the additional Health Insurance Tax levied against the plans. As of July 2017 the AHCA had not passed and no savings have yet been identified.

**Additional Information:**

N/A

# Operational Excellence Goals

Operational Excellence		<i>Drive accountable, transparent management practices that promote service and balance risk, reputation, cost and compliance</i>	
LEAD DEPT	GOAL #	GOAL TOPIC	PRIORITY
OPS*	3	In partnership with the CFO division, improve efficiency and leverage scale through the deployment of UCPath by December 2018	●
OPS*	4	In partnership with the CFO division, create cost efficiencies by expanding the concept and deployment of shared systems and blended services by July 2021	◆
IT	5	Better protect the assets and reputation of the University by strengthening cyber-risk management capabilities by July 2020	●
COO IO	6	In partnership with all UCOP divisions, implement the April 2017 recommendations of the California State Auditor by April 2020	●
HR	7	Improve administrative management of UC's pension program by implementing a new pension application (Redwood) to support multiple pension tiers by April 2020	■
SPMO	8	Support systemwide leadership in the management of operations, projects and initiatives by deploying best-practice methodologies by December 2018	■
UCOP Ops.	9	Improve accountability, efficiency, and culture within UCOP Operations by December 2020	●

Priority Key: ● : High Impact and/or High Urgency ■ : High/Moderate Impact and Moderate Urgency ◆ : High/Moderate Impact and Less Urgency

\* Denotes shared COO/CFO goal

Operational Excellence

Lead Department: Op. Svcs/Cianca

Priority: ●

**Goal: In partnership with the CFO division, improve efficiency and leverage scale through the deployment of UCPath by December 2018**

**Opportunity:**

For more than three decades the University ran payroll via 11 instances of a heavily modified legacy system. Due to the aging system and significant changes in UC's operational and informational requirements, the need for a more stable, uniform, real-time, web-based HRIS and payroll system combined with simplified/standardized procedures led to the kick-off of the UCPath project in 2011. The UCPath Center emerged in 2012 as a systemwide shared service center solution with enhanced capabilities in HR/payroll management and customer service.

**Proposed Solution:**

The University will consolidate all versions of the legacy PPS system into a single UCPath database via a phased deployment which is expected to be completed in late 2018. UCPath will be based upon 103 business processes standardized across all UC locations to support payroll, HR, benefits administration, and academic personnel activities. UCPath production and customer support will be located in the Riverside-based UCPath center. UCPath will be governed by University stakeholders to assure continuous improvement and location oversight of UCPath services.

**Benefits:**

1. Reduced risk and increased compliance in administrative transactions
2. Standardized business processes across all UC locations
3. Commonly defined and understood data elements across all UC locations
4. Retirement of legacy systems
5. Improved quality of service delivery (reduced errors, improved data/analytics)
6. Managed cost of service (common systems leverage size and scale and enable budget forecasting)
7. Potential long-term opportunity to generate revenue by delivering common systems and services to other pub. entities

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
3	<b>In partnership with the CFO division, improve efficiency and leverage scale through the deployment of UCPath by December 2018</b>					
3a	Fully deploy the UCPath system at all UC locations by end of 2018					
3b	Fully operationalize the UCPath Center at all UC locations by December 2018					

**Goal: In partnership with the CFO division, improve efficiency and leverage scale through the deployment of UCPath by December 2018**

**Assumptions:**

1. Campus readiness and capabilities to achieve UCPath targeted deployment dates
2. Ability of UCPath Center to execute staff ramp-up in alignment with deployment timeline
3. Ability to accommodate operational changes (new pension tier, etc.) during deployment timelines

**Metrics and Targets:**

1. ASA (average speed to answer), 80% of all calls <30 seconds.
2. Payroll error rate <1%.
3. Employee (customer) Satisfaction >80%
4. Onboarding, 80% completed <2 days
5. Employees utilizing Direct Deposit >95%

**FY16-17 Activity Update:**

Completed design/build phase for pilot campus deployment. Pilot campus deployment moved from August to December 2017. Deployment 1 campuses moved from April to June 2018. Final target date maintained.

**Additional Information:**

N/A

Operational Excellence

Lead Dept.: Op. Svcs/Cianca

Priority: ◆

**Goal: In partnership with the CFO division, create cost efficiencies by expanding the concept and deployment of shared systems and blended services by July 2021**

**Opportunity:**

Leveraging both systemwide and local successes to share systems and services, UC has an opportunity to build a program and governance structure to evaluate, select and execute upon shared services to fill capability gaps and create cost efficiencies for the University in the future.

**Proposed Solution:**

UC leadership can reuse strategies deployed by UC Health to examine other opportunities for shared administrative and IT systems and services to leverage the size and scale of the University for cost reduction and avoidance. Functions such as travel, finance, procurement, and IT could be evaluated for their possibility to leverage the scale of the University to drive out unnecessary complexity and cost duplication – building on the current work of the UC Controllers, CHROs, and CIOs – see their position papers.

This initiative could be based on an “opt-in” principle and ask the UC community to leverage UC’s size and scale for “commodity” services. With this strategy, the UC can recover and re-deploy funds for more mission-critical needs at campuses.

**Benefits:**

1. Reduced unnecessary complexity & risk
2. Increased compliance in administrative transactions
3. Retirement of legacy systems
4. Improved quality of service delivery (reduced errors, improved data/analytics)
5. Managed cost of service (common systems leverage size and scale and enable budget forecasting)
6. Leverage existing under-utilized assets
7. Potential long-term opportunity to generate revenue by delivering common systems and services to other pub. entities

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
4	<b>In partnership with the CFO division, create cost efficiencies by expanding the concept and deployment of shared systems and blended services by July 2021</b>					
4a	Create shared infrastructure through consolidated data centers (in Quincy, WA and UC South); start migration by July 2016 and continue expanding footprint of systems through July 2021					
4b	Develop & implement a common infrastructure services roadmap for the health systems by July 2018					
4c	Develop & implement a common infrastructure services roadmap for the campuses by July 2020					

**Goal: In partnership with the CFO division, create cost efficiencies by expanding the concept and deployment of shared systems and blended services by July 2021**

**Assumptions:**

1. Buy-in by locations to adopt existing solutions and services over creating new services
2. Effective location-led, shared governance for reviewing opportunities and making decisions
3. Funding mechanism for capital and operational requirements and transitions
4. Building of shared long-term vision and high-level roadmap (priorities/interdependencies)
5. Planning to develop specific goals/initiatives will begin after campuses complete UCPath deployments in FY19

**Metrics and Targets:**

1. \$75M in cumulative cost savings/value across all UC locations using shared infrastructure services by 2021, with a breakdown of savings/value of \$15M annually by campuses and \$60M by health systems

**FY16-17 Activity Update:**

N/A - this goal was added to the plan in June 2017

**Additional Information:**

Savings projections for initiatives outside of infrastructure services will be developed within initiative proposals.

Operational Excellence

Lead Department: ITS/Andriola

Priority: ●

**Goal: Better protect the assets and reputation of the University by strengthening cyber-risk management capabilities by July 2020**

**Opportunity:**

For all industries, including higher education and health care, it is critical to manage cyber-risk to reduce the significant financial, reputational and legal harm that breaches pose to an organization. UC has the responsibility to reduce its risk by leveraging its scale and expertise and developing a coordinated systemwide approach to managing cyber-risk.

**Proposed Solution:**

UC will establish practices and capabilities that are “consistent & coordinated” to help reduce overall risk across the University and provide operational support to the Cyber-Risk Governance Committee. Specific activities have already been discussed and decided as part of our new governance process for Cyber-risk.

**Benefits:**

1. Reduced financial, reputational and legal harm to UC from major security breaches
2. Reduction in self-insurance claims made for cyber incidents
3. Increased staff time focused on supporting mission activities to improve UC's cybersecurity posture, rather than incident response

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
5	<b>Better protect the assets and reputation of the University by strengthening cyber-risk management capabilities by July 2020</b>					
5a	Hire staff for a Cyber Coordination Center in support of cyber-risk governance by June 30, 2016	<b>Completed</b>				
5b	Coordinate Cyber-Risk Initiatives for ongoing risk management and mitigation identified thru NIST (ongoing)					
5c	Enhance systemwide threat detection and intelligence by the end of FY 17-18					
5d	Enhance cyber-risk management process by the end of FY 17-18					
5e	Report on common metrics across UC by the end of FY 16-17, with ongoing reporting to 2020					

**Goal: Better protect the assets and reputation of the University by strengthening cyber-risk management capabilities by July 2020**

**Assumptions:**

1. The new Cyber-Risk Governance Committee achieves effective engagement at locations

**Metrics and Targets:**

1. Reduce the number of reportable events across the University by 75% (based on 3-year rolling average) by July 2020

**FY16-17 Activity Update:**

Enhanced threat detection (FireEye) being implemented systemwide. On target for 75% deployment completion by the end of FY16-17. All locations on track to complete risk assessments by end of Q3-FY17, resulting in a systemwide rollup report by the end of FY16-17. Systemwide cyber-security metrics defined and are reported regularly to leadership. Creation of the Cyber Coordination Center to support all locations across the system

**Additional Information:**

Cyber-risk management costs are funded through the general campus assessment.

Operational Excellence

Lead Department: COO IO/Nava

Priority: ●

**Goal: In partnership with all UCOP divisions, implement the April 2017 recommendations of the California State Auditor by April 2020**

**Opportunity:**

In April 2017, UCOP received an audit report from the California State Auditor (CSA). UCOP accepted, and has already begun implementing, all 33 recommendations that were made to the President’s office. The recommendations, largely about transparency and best practices, are constructive. The hallmark of institutional excellence is the eagerness and resolve to continually improve, which is what the University of California has been doing for nearly 150 years.

**Proposed Solution:**

To effectively and efficiently manage implementation, all 33 CSA recommendations were divided into 10 workstreams in order to connect multiple recommendations within a single functional area. A ten-member Audit Taskforce was convened and workstream responsibility was distributed across the taskforce membership. The recommendations will be implemented thoroughly and on time, UCOP will report back at regular intervals to the Legislature and the UC Board of Regents. Beyond that reporting, a website was developed and is updated regularly to provide a public view into the implementation progress and UC’s broader commitment to continuous improvement.

**Benefits:**

1. Greater budget transparency to the UC Board of Regents and the State
2. Improved operational efficiencies
3. Better relationship between UCOP and external stakeholders

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
<b>6</b>	<b>In partnership with all UCOP divisions, implement the April 2017 recommendations of the California State Auditor by April 2020</b>					
6a	Set targets for UCOP employee (including leadership) salary ranges (Audit TF workstreams 1, 2, 3) by April 2020					
6b	Align expense reimbursement policies with best practices (Audit TF workstream 4) by April 2020					
6c	Implement workforce and staffing plans (Audit TF workstream 5) by April 2020					
6d	Reassess fund restrictions (Audit TF workstream 6) by April 2020					
6e	Establish UCOP reserve policy (Audit TF workstream 7) by April 2018					
6f	Clarify UCOP budget presentation (Audit TF workstream 8) by April 2019					
6g	Improve UCOP budget process (Audit TF workstream 9) by April 2020					
6h	Define systemwide initiatives and establish budget targets (Audit TF workstream 10) by April 2020					

**Goal: In partnership with all UCOP divisions, implement the April 2017 recommendations of the California State Auditor by April 2020**

**Assumptions:**

1. Each of the 10 workstreams has a comprehensive set of assumptions, which are posted at <http://www.ucop.edu/ucop-audit-implementation/workstreams/budget-presentation/index.html>
2. State Auditor, the President, and the UC Board of Regents will accept validity of data used to drive decisions/outcomes

**Metrics and Targets:**

1. President Napolitano is satisfied that UCOP has satisfactorily complied with all recommendations
2. UC Board of Regents is satisfied that UCOP has satisfactorily complied with all recommendations
3. State Auditor is satisfied that UCOP has satisfactorily complied with all recommendations

**FY16-17 Activity Update:**

N/A - this goal was added to the plan in June 2017

**Additional Information:**

N/A

Operational Excellence

Lead Department: HR/Duckett

Priority: ■

**Goal: Improve administrative management of UC’s pension program by implementing a new pension application (Redwood) to support multiple pension tiers by April 2020**

**Opportunity:**

The University of California Retirement Plan (UCRP) is a tax-qualified defined benefit plan with multiple tiers and membership classifications and approximately 250,000 total members. UCOP administers the program and investments to fulfill fiduciary, compliance and reporting requirements. Having a functional pension administration system is a fiduciary responsibility to plan members. Because of the convergence of changes to post-employment benefits, escalating mainframe costs as the current Payroll Personnel System sunsets, numerous challenges in maintaining an aging 30-year-old COBOL system, and increased compliance and reporting needs, Human Resources and ITS have determined that the current pension administration system needs to be replaced. Maintaining the current system into the future represents a significant risk to the execution of our fiduciary responsibilities and for the timely delivery of benefits.

**Proposed Solution:**

New pension administration software is being developed which is expected to provide greater flexibility, integration, enhanced functionality and customer service features – all of which promote operational efficiency. HR is working with consultants (see Additional Info. on next page) to design and operationalize this new system by 2020.

**Benefits:**

1. A fully functional pension system that can accurately manage UC's multiple plans & tiers
2. Increased operational efficiency and the flexibility to administer benefits to multiple tiers of membership
3. Increased ability for plan compliance
4. Enhanced reporting and analytical capabilities
5. Enhanced web-based self-service so that employees can best understand, plan for and access UCRP information
6. Integration of multiple systems and databases.

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
7	<b>Improve administrative management of UC’s pension program by implementing a new pension application (Redwood) to support multiple pension tiers by April 2020</b>					
7a	Complete design sessions (HR, IT, vendor) by December 2018					
7b	Demonstrate Redwood solution by December 2018					
7c	Complete key development activities by January 2019					
7d	Code and test foundation modules by February 2019					
7e	Launch new application by April 2020					

**Goal: Improve administrative management of UC's pension program by implementing a new pension application (Redwood) to support multiple pension tiers by April 2020**

**Assumptions:**

1. RASC/BPA/ITS/BIS staff must continue their involvement with the design and testing activities, balancing their regular operational workload
2. The vendor project teams will remain stable (no loss of key personnel)
3. UC core team members will approve general usability of system

**Metrics and Targets:**

1. RASC staff hours spent on routine member processes; target = 25% reduction
2. ITS support hours; target = 15% reduction
3. RASC call volume; target = 15% reduction as more members utilize the web, based on current UCRP activities

**FY16-17 Activity Update:**

Completed Phase 2A Design – System Administration and Membership. Completed Phase 2B Design – Benefit Calculations and Payments. Started Phase 2C Design (final design phase). Completed Redwood Lab and hosted Greenhouse change management event. Completed Lookout Point change management event and Redwood demonstration (2 processes- address change and retirement estimates). Completed Phase 2A Development – System Administration and Membership. Complete Phase 2A System Testing – System Administration and Membership. Completed Phase 2B Development – Benefit Calculations and Payments. Completed Phase 2B System Testing – Benefit Calculations and Payments.

**Additional Information:**

- Project is currently in its implementation stage and is on schedule and on budget.
- The project is staffed by UC employees from Human Resources, Benefit Plan Accounting, and Information Technology Services, with consultant support. 17 full-time equivalent UC staff members will staff the project, on average. Procurement Services is assisting with contract oversight. Consultant support includes:
  - Sagitec Solutions, the software vendor, has a significant on-site team, housed in office space they have leased near the Kaiser Building
  - Linea Solutions, a firm with 16 years pension software project oversight experience, is assisting with oversight and professional services
  - Icon Integration, a vendor specializing in pension system data conversion, was hired in advance of the software vendor award to begin data integrity and conversion services

# COO Goal 8

# Deploy Best-Practice Management Methodologies

Strategic Advantage

Lead Department: SPMO/Nelson

Priority: ■

**Goal: Support systemwide leadership in the management of operations, projects and initiatives by deploying best-practice methodologies by December 2018**

**Opportunity:**

A number of factors such as the annual budget process, the 2015 strategic organizational review and the feedback from campuses before and during the CFO-COO strategic planning exercise have highlighted the need for the multi-year planning of projects, budgets and resources at the UCOP division level. A pilot strategic planning process was initiated with the CFO and COO divisions in fall 2015 to provide a foundation for prioritizing the divisions' work and improving communications between UCOP and the campuses regarding system-wide plans and priorities. Strategic plans need to be developed for all OP divisions. OP and campuses have also recognized that plans, performance metrics and targets, and solid governance and decision-making practices are necessary to improve the University's ability to continue delivering excellence in teaching, research and public service.

**Proposed Solution:**

The Strategy and Program Management Office (SPMO) will work with executive leadership to develop and implement strategic plans, performance management metrics and targets, and multi-year budget and resource plans. Major projects and initiatives will be vetted through a strategic planning process and through an advisory board that will monitor projects as they are initiated, implemented and closed. The PMO will ensure OP and the campuses are collaborating on the development and implementation of these plans and related metrics, and that executive-level governance structures are optimized for fast and effective decision-making.

**Benefits:**

1. Planning, budgeting and managing to specific performance metrics will improve the ability of the Office of the President to prioritize, maximize resources, and be an effective partner with the campuses
2. Projects are completed on time and on budget or are course-corrected in a timely and transparent manner
3. Decisions are made and documented at the systemwide executive level utilizing sound governance practices

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
8	<b>Support systemwide leadership in the management of operations, projects and initiatives by deploying best-practice methodologies by December 2018</b>					
8a	Ensure that all Presidential initiatives are following best-practice program management methodologies by December 2016 and large/complex initiatives have a dedicated PM resource assigned					
8b	Establish process to systematically/transparently vet and monitor all strategic OP projects and initiatives over \$300,000 by July 2017					
8c	Implement best practice methodologies to manage systemwide executive-level governance, decision-making, and communications by June 2018					
8d	Develop multi-year strategic plans and defined performance standards for every UCOP division by December 2018					
8e	Develop and implement performance management dashboards that University executives will use to closely manage and monitor administrative functions by December 2018					

**Goal: Support systemwide leadership in the management of operations, projects and initiatives by deploying best-practice methodologies by December 2018**

**Assumptions:**

1. Executive sponsorship to enable the process and then manage to it
2. Transparent, timely and accurate reporting

**Metrics and Targets:**

1. Major projects are completed on time and on budget or are course-corrected in a timely and transparent manner
2. Every division has a multi-year strategic plan, performance management plan and budget plan
3. System-wide leadership governance rules are consistently followed and documented
4. Dashboard is reviewed on a regular basis; issues are addressed and actions are taken utilizing dashboard information

**FY16-17 Activity Update:**

Supported CNI Strategy, Retirement Options, GFI, Undocumented Students, SVSH policy review and implementation, I&E, Framework, Innovation and International Thinking Days. Quarterly review/approval process for projects over \$300k has been developed and is scheduled for July 2017 implementation. Strategic Planning: UC ANR and Academic Affairs strategic plans completed. UC Health planning process launched in May 2017 with expected completion by November 2017. Timeline for remaining plans contingent upon on-boarding of key division leaders/staff. Integrated COO/CFO strategic plan created and distributed to campuses for input/prioritization. COO/CFO Annual Strategic Plan Review process/meetings completed; plan revisions underway.

**Additional Information:**

N/A

Strategic Advantage

Lead Department: UCOP Ops/Kalmijn

Priority: ●

## Goal: Improve accountability, efficiency, and culture within UCOP Operations by December 2020

### Opportunity:

UCOP Operations provides core operational services and programs to all of UCOP including budget, financial analysis, human resources, employee engagement, diversity, financial transactions/audit, real estate, building, and technology support services and programs. In each of the operational areas, there is an opportunity to improve what UCOP Operations offers in terms of both quality and scope of service. For example, the budget and financial analysis function has been very limited, due to a lack of a fully functional budget and forecasting tool, lack of standards in reporting, limited resources, and a long-standing, unnecessarily complex, and opaque budget process. Another area of focus for Operations is the development of a consistent service-oriented culture with a high level of employee engagement. This Operations culture building work was initiated in FY16-17 and will continue to be an opportunity in FY17-18. In addition, the responsibility for developing UCOP-wide employee engagement, diversity, and inclusion lies within Operations. Progress was made in FY16-17 and a continued focus is necessary, particularly given the potential negative impacts of recent external audits, policy changes, and upcoming facilities changes. UCOP Budget and Finance and HR will also continue to need to address the CSA audit recommendations over the coming two years.

### Proposed Solution:

By implementing the key strategies below, UCOP Operations will significantly improve service and efficiency of operational services for UCOP, improve transparency in budgeting and spending, achieve audit implementation goals, drive culture change in Operations, and support UCOP in achieving employee engagement, diversity and inclusion goals.

### Benefits:

1. Robust and consistent service in key processes such as budget and financial analysis, HR processes, etc.
2. Improved alignment of UCOP operational functions units to increase efficiency, talent management, and effectiveness
3. Improved ease of use/client experience
4. Reduced cost per person served
5. Clearer processes
6. Clearer roles and responsibilities

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
<b>9</b>	<b>Improve accountability, efficiency, and culture within UCOP Operations by December 2020</b>					
9a	Optimize UCOP Operations structure, resources, processes, practices, and tools to improve efficiency and effectiveness by 5-10% by June 30, 2020 (e.g. improve budget and analysis function, develop key metrics, etc. Includes leveraging best practice process redesign and realigning resources to support work as it is shifted in the organization)					
9b	Restructure and stabilize UCOP real estate portfolio/holdings to reduce total real estate costs by 1-3% by December 2020					
9c	Reduce gross (prior to recharge) UCOP Operations cost per person served by 3-5% without impacting service levels (excluding real estate portfolio savings and annual merit or across the board increases) by December 2019					
9d	Create and implement programs to drive improved service and engagement within Operations, including the implementation of ACT/HEAR service guidelines by December 2017 and development of organizational competencies by December 2018.					
9e	Improve service satisfaction 5-10% across all UCOP Operations services by December 2020					
9f	Improve overall employee engagement at UCOP by 3-5% by December 2020					

**Goal: Improve accountability, efficiency, and culture within UCOP Operations by December 2020****Assumptions:**

1. Ability to acquire reliable data for effective and accurate analysis of existing state
2. Buy-in from key stakeholders on service delivery structure changes, changes in tools, structure and processes
3. Funding availability for critical tool and process upgrades (e.g., budget software, ServiceNow, training, etc.)
4. Funding availability for building improvements
5. Ability to sell real estate assets at expected price to free up resources
6. Ability to acquire tools where needed to develop and derive key operational metrics and related management reports for UCOP Operations
7. Ability to acquire reliable data to create significantly improved transparency, accountability and accuracy for UCOP budgets and spending
8. Ability to gain widespread participation in changes/interventions that will positively effect employee engagement
9. Ability to leverage best practice process redesign
10. Ability to realign resources to support work as it is shifted into Operations

**Metrics and Targets:**

1. Use of service and productivity metrics from ServiceNow in BRC and ITCS. Metrics and baseline in BRC under development in FY17-18
2. Use of process metrics for budget process and Procure to Pay process leveraging the Lean Six Sigma methodology to measure value of process improvements
3. Survey of "ease of use/client experience" and "service effectiveness" as part of service satisfaction survey, pulse surveys – improvement of 5-10%
4. Service cost per person – reduction of 3-5% cost per person serviced from FY17-18 budget baseline
5. Employee engagement survey improvements – overall 3-5% improvement
6. Reduce total real estate costs 1-3% per year by December 2020

**FY16-17 Activity Update:**

Completed components of UCOP Operations structure optimization including a review of structure, realignment of Ops. Teams, culture assessment, new cross-functional teams, new communication vehicles, started Lean Six Sigma, Procedure to Pay process review, completed implementation of ServiceNow for BRC purchase order and payments teams. Finalized negotiations related to Oakland real estate strategy on 1100 Broadway, reduced Kaiser lease commitments and developed Sacramento facility proposal/analyses. Started onboarding process improvement project with a goal to improve satisfaction and improve efficiency. Various employee engagement and talent attraction improvements: new welcome packet, Employee Engagement and Diversity Engagement workgroup developed, diversity speaker series. Designed and implemented improvements to performance review process.

**Additional Information:**

Estimates need to be updated once final numbers regarding sale of properties and new lease costs are known. Est. update by 12/2017.

# People Goals

<b>People</b>		<i>Attract, develop and retain diverse, highly-productive and motivated talent who seek a mission-driven experience</i>	
LEAD DEPT	GOAL #	GOAL TOPIC	PRIORITY
HR	10	Improve job classification structure to promote employee career mobility by fully implementing Career Tracks at all campus and medical centers for all non-represented, policy-covered staff by July 2020	

Priority Key: ● : High Impact and/or High Urgency   ■ : High/Moderate Impact and Moderate Urgency   ◆ : High/Moderate Impact and Less Urgency

People

Lead Department: HR/Duckett

Priority: ■

**Goal: Improve job classification structure to promote employee career mobility by fully implementing Career Tracks at all campus and medical centers for all non-represented, policy-covered staff by July 2020**

**Opportunity:**

Each UC location incurs additional salary expense by responding to individual employees' requests for reclassification amounting to 1.5 to 2 percent of total salaries, annually. This one-off approach creates pay disparities and risk for the University since comparable or similar positions are difficult to identify under the current classification system which heavily utilizes generic titles such as manager or analyst without distinguishing if a manager or analyst is financial, systems or administrative, each having a distinct market. Career Tracks provides a single, systemwide method for classifying jobs and aligning salary ranges with the local market. Employees will be able to identify opportunities for advancement at any location, thereby reducing turnover expense and increasing opportunities for developing internal talent. Labor costs will be easily assessed so that organizations understand how much money is being spent across their enterprise by function. Organizational strategies can be established once labor costs and budgets are understood. Less administrative time will be spent on managing classifications and compensation since it will be standardized and processes streamlined. Consistent, standard classifications also mean greater compliance with regulations and laws.

**Proposed Solution:**

In response to campus requests and a broad need to manage compensation expense and labor costs more closely, Career Tracks has already been implemented at OP, Berkeley, ANR, Riverside, Santa Cruz, UCSF and Merced. Other campuses are in varying stages of implementation. Systemwide Compensation is working with the remaining locations to fully implement Career Tracks; the majority of locations will be fully implemented by the end of FY 17-18. UCI (campus and med center) has not begun, but plans full implementation by mid 2019. UCLA (campus and med center) is implementing a pilot program for IT positions and expects to be fully implemented for all functions by mid 2020

**Benefits:**

1. Clear transparent classification process
2. Mitigates risk associated with current approach to compensation/classification
3. Clearly defined career opportunities for staff; supporting development, talent management, succession planning, etc.
4. Job descriptions are foundation of performance management
5. Functional job classifications support ability to analyze and manage labor and compensation costs
6. Consistent, system-wide market-alignment of compensation

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21
10	<b>Improve job classification structure to promote employee career mobility by fully implementing Career Tracks at all campus and medical centers for all non-represented, policy-covered staff by July 2020</b>					
10a	The Job Builder system and databases will be implemented to support systemwide project and facilitate consistency will go live at the original 3 locations in Q2 FY17-18, plus 1 additional location in Q3. Starting in Q3, the system will be available for use by other UC locations.					
10b	Systemwide Compensation will work with each campus and health system to develop project plans, budgets, staffing allocations, and providing consulting and support services to fully implement Career Tracks, systemwide by <b>June 2020</b>					
10c	Confer with CHROs and the VP Systemwide Human Resources to construct a governance board to ensure consistency in senior level classifications by January 2018					

**Goal: Improve job classification structure to promote employee career mobility by fully implementing Career Tracks at all campus and medical centers for all non-represented, policy-covered staff by July 2020**

**Assumptions:**

1. Chancellors make implementation of Career Tracks a priority, obtain senior campus leadership support, and allocate HR staff and time to implement
2. Robust, frequent, recurring communications and training of mgrs. and staff at locations utilizing communications/training materials provided by OP
3. Campus/med center implementations scheduled so that OP Compensation staff are available to provide support, analysis, training, communications
4. Job Builder System enhanced to scale to support full system implementation and facilitate transparency with staff and managers
5. Chancellors pull back delegations of authority for classification so that authority resides with central campus HR and not at the department level

**Metrics and Targets:**

1. Adoption/implementation on-schedule with the Davis and San Diego campuses, other locations fully implemented by the end of FY 2019-20 (or with project plans to complete implementation within a reasonable-time frame with deference given to the UCPath project), assuming project is fully funded/resourced. Implementation of Career Tracks for represented staff would begin after the full implementation of non-represented staff, subject to bargaining.

**FY16-17 Activity Update:**

Systemwide Compensation fully implemented at UCB, UCM, OP, ANR Systemwide, UCR, UCSC, and UCSF Campus and Medical Center. In FY 17-18 Career Tracks is expected to be fully implemented at the following additional locations: UCSD Campus, UCD Campus and MC, UCSB and UCSD MC. Completion of an IT Pilot for UCLA Campus and MC is expected to be completed during FY 17-18 with the exact date dependent on UCPath implementation.

**Additional Information:**

All campus and medical center CHROs and most leadership support implementation of Career Tracks but lack the resources (knowledge, staff, budget) to implement more aggressively. In some cases, executive sponsorship may not be available or a priority. Success of this project will depend on Chancellors' and other campus leadership support and sponsorship, as well as adequate resources, and a commitment to deep and frequent communications and training for employees and managers.

# Public Service Goals

<b>Public Service</b>		<i>Leverage the power of the UC academic and research mission to address global challenges</i>	
GOAL #		GOAL TOPIC	PRIORITY
ES	11	Achieve net carbon neutrality in UC's greenhouse gas emissions by 2025	

Priority Key:  : High Impact and/or High Urgency  : High/Moderate Impact and Moderate Urgency  : High/Moderate Impact and Less Urgency

Public Service

Lead Department: E&S/Phillips

Priority: ●

## Goal: Achieve net carbon neutrality in UC's greenhouse gas emissions by 2025

### Opportunity:

The University has made a public commitment to decarbonize the energy we use to power our operations. We aim to develop scalable solutions that are reasonably-priced, reliable and sustainable. Our carbon neutrality goal presents a trifecta of opportunities: enhance UC's reputation by addressing a tough, global challenge; modernize campus infrastructure and energy systems; and demonstrate the value of coordinated systemwide action.

### Proposed Solution:

The solution set will evolve over the next 10-30 years. For the initial 2025 goal of net-carbon-neutrality, the University should accelerate energy conservation efforts, obtain cost-effective renewable energy supplies and obtain a portfolio of reasonably priced short- and long-term carbon abatement instruments. Longer-term strategies should aim to further minimize use of natural gas through strategic infrastructure investments.

### Benefits:

1. Reduced greenhouse gas emissions and, therefore, reduced environmental impacts
2. Stronger operational connections with researchers and students through the testing of new technologies on our campuses
3. Public service leadership by providing a "how-to" of vetted actions for other enterprises to implement
4. Utility price stability, and potentially, reduced long-term net costs

#	Goal/Key Strategies & Timeline	16-17	17-18	18-19	19-20	20-21+
<b>11</b>	<b>Achieve net carbon neutrality in UC's greenhouse gas emissions by 2025</b>					
11a	By the end of March 2016, develop a framework for strategic planning including historical actions, current emissions and a roadmap of key future decision points to meet the 2025 carbon neutrality goal		Completed			
11b	By the end of June 2016, identify the likely range of options available at specific locations to reduce carbon emissions		Completed			
11c	By the end of 2016, formalize the shared vision for how UC can best achieve climate neutrality		Completed			
11d	Coordinate and support periodic updates to campus Climate Action Plans, and provide systemwide integration through a series of on-line dashboards that are updated at least annually starting in 17-18 to reflect campus decisions and progress					
11e	Identify and eliminate the most significant administrative and financial barriers to achieving carbon neutrality by Dec. 2020					
11f	Facilitate the acceleration of energy efficiency projects by improving and expanding utility incentive programs and providing new options for funding/financing by December 2018					
11g	Implement the ESU Governing Board's directives to cost-effectively de-carbonize UC's electricity supplies and obtain new biomethane supplies to replace 40% of existing natural gas use by July 2018					

## **Goal: Achieve net carbon neutrality in UC's greenhouse gas emissions by 2025**

### **Assumptions:**

1. Commitment to the goal from campuses and OP leadership through the timely, stepwise completion of strategic actions.
2. Campus and OP budget support to implement strategy based on forecast, though uncertain, costs for energy and carbon compliance.
3. Campuses will aggressively implement all cost effective energy efficiency and on-site renewable generation projects.
4. The net cost to achieve carbon neutrality can be accomplished without a significant increase in UC's historical purchased utility budgets.
5. Campus electricity supplies can be decarbonized through direct UC procurement of low-carbon power, contractual arrangements with our utility suppliers and/or other approved, indirect strategies.
6. Biomethane is an acceptable strategy to decarbonize the natural gas used in central plants.
7. Other off-campus actions, supported by the campus stakeholders, will be implemented to fully mitigate remaining emissions.

### **Metrics and Targets:**

1. Verified greenhouse gas emissions decrease over time per our strategic plans
2. Actual natural gas and electricity consumption align with reduction and growth forecasts
3. Energy use intensity drops in accordance with energy efficiency goals
4. Number and impact of abatement activities or projects match plans
5. Overall cost of programs consistent with forecasts

### **FY16-17 Activity Update:**

The CNI Strategic Framework was developed and presented to key stakeholders. LADWP joined the Statewide Energy Program, bringing incentives to UCLA. New electricity contract with Riverside Public Utilities includes energy efficiency incentives for the first time in many years. Two long-term contracts for biomethane were established, providing approximately 10% of UC's natural gas needs. The first of the two systemwide solar PV projects began operations. UC became a leading member of the USEPA's Green Power Partnership. A systemwide Task Force developed a set of recommendations to remove key financial and administrative barriers to carbon neutrality.

### **Additional Information:**

The cost range of the solution set for carbon-neutrality is wide. The University can spend a few million in voluntary offsets and be carbon neutral. However, to match the spirit of the initiative and our carbon imperative, a mix of renewable energy supply and load reduction projects along with University-initiated offsets is proposed. Actions through 20-21 are expected to result in operational savings, since early actions include energy efficiency and cost-effective energy contracts.

# COO Division Goal Timeline

#	GOAL	16-17	17-18	18-19	19-20	20-21	21-22+
1	Create Path to Stable Funding for UCRP and OPEB					Jul 20	
2	Contain Benefit Costs and Maintain Quality					Jul 20	
3	Deploy UCPath			Dec 18			
4	Deploy Shared Services						Jul 21
5	Strengthen Cyber-Risk Management					Jul 20	
6	Implement 2017 State Audit Recommendations				Apr 20		
7	Improve Administrative Mgmt. of Pension System (Redwood)				Apr 20		
8	Deploy Best-Practice Management Methodologies			Dec 18			
9	Optimize UCOP Operations					Dec 20	
10	Fully Implement Career Tracks					Jul 20	
11	Achieve Net Carbon Neutrality by 2025						Jun 25

# Monitoring Plan

Progress on the goals within the COO/CFO strategic plans will be monitored as follows:

## *Monthly*

- Progress will be reported on a monthly basis
  - Chief of Staff will collect and assemble data using the milestone template created by the SPMO
  - This division-wide report will be reviewed in Direct Report/1:1 meetings
  - Department-specific reports will be reviewed within the departments
- Optional additional and/or broader ad hoc meetings will be scheduled if/as needed

## *Quarterly*

- Targets will be reviewed on a quarterly basis (% of target completed) – template to be created

## *Annually*

- The Strategic Planning Group will convene annually to review progress and update the plans

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# Appendix A: Goal Summary Components & 2017 Amendments

# Goal Summary Components

Each goal within the plan has a corresponding 2-page summary that outlines the following:

COMPONENT	DEFINITION
Goal Statement	Specific, quantifiable, realistic targets that will move the division towards accomplishing a strategic objective over a specified period of time
Opportunity	Describes the purpose/motivation behind achieving the goal
Proposed Solution	Defines scope and objectives
Benefits	Outlines the benefits that will be derived from achieving this goal
Key Strategies	Key activities/steps required to achieve the goal
Assumptions	Defines processes/events that must happen/ “go right” (usually outside the department’s direct control) in order for this goal to be successfully achieved
Metrics & Targets	Outlines how success will be measured with associated desired targets
Financials	Details on next page
Lead Department/Owner	Lists department and person who will be accountable for progress on this goal
Priority	<p>Color-coded ratings have been assigned to each goal to illustrate relative impact and urgency. These ratings may also carry implications regarding precedence for short-term resource allocation.</p> <ul style="list-style-type: none"> <li>● : High Impact and/or High Urgency</li> <li>■ : High/Moderate Impact and Moderate Urgency</li> <li>◆ : High/Moderate Impact and Less Urgency</li> </ul>

# Goal Summary Financials

## 1. All figures listed are high-level estimates

- In many instances, full business cases will need to be developed to determine exact amounts.
- Amounts often vary over time and by location.

## 2. Resource Assumptions:

- Feasibility is based upon the assumption of financial resource stability; goal adjustments may need to be made to accommodate changing financial realities over the timeframe of this plan.
- Where campus/location resources will be needed, implementation is based upon the assumption that locations will have the resources and ability to fully implement and achieve this goal.

## 3. UCOP Impact:

- Numbers reflect expenses and revenue/savings that will be covered by the UCOP AA budget. As with all OP expenses, new line items may impact campus assessment.

## 4. Campus/Location Impact:

- Numbers reflect expenses and revenue/savings expected to come directly from/to the campuses, labs, and/or medical centers.
- Amounts listed are for all impacted UC locations combined.

## 5. One-time Project Costs:

- Total estimated (temporary) project implementation costs (staff, technology, consulting, etc.) that will be incurred from July 2017 through June 2022. Previously incurred project costs are not included.
- General resources (staff/other) that will be dedicated to this project but are already included in the operating budget are not included in this line item.

## 6. Annual Costs:

- Numbers represent anticipated new steady-state (permanent) operational costs that will be incurred each year over and above the existing budget as a result of realizing this goal.
- General resources (staff/other) that will be dedicated to this project but are already included in the operating budget are not included in this line item.

## 7. Annual Revenue/Savings:

- Numbers represent the anticipated annual increase in new revenue and/or savings through cost containment as a result of realizing this goal.

# 2017 COO Strategic Plan Amendments

- The following amendments were made to the COO strategic plan in 2017 (note: all COO and CFO goals were also renumbered):

## **Completed/Suspended/Removed Goals**

1. COO 3.05 - *Leverage a Systemwide Executive Recruitment Program*
2. COO 3.06 – *Enhance Labor Relations/Collective Bargaining Strategy*
3. COO 4.01 - *Improve Employee Engagement*
4. COO 4.02 - *Implement Employee Performance Management Framework*
5. COO 4.03 - *Build People Management and Leadership Curriculum*
6. COO 5.02 - *Achieve STARS Platinum Rating/ Sustainability Goals*
7. COO 5.03 - *Transform Precision Medicine with Data Assets (moved to UC Health)*

## **New Goals**

1. Goal #4 - *Deploy Shared Services* (separated from *Deploy UCPath* Goal #3)
2. Goal #6 – *Implement 2017 State Audit Recommendations*

## **Merged Goals**

1. COO 2.02 - *Leverage Shared IT Infrastructure Services Systemwide* (moved under new Goal #4 - *Deploy Shared Services*)