

**November 2019 Year 3 Mid-Year Update on UCOP Recommendations from CSA Audit of UCOP Administrative Expenditures**

#	Recommendation	CSA Due Date	Status Reported to CSA as of April 2019	CSA's Assessment of Status as of May 2019	Current Status as of November 2019
5	<p>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.</p>	April 2018	<p><b>Status:</b> Fully Implemented <b>Completion Date:</b> May 2018</p> <p>In May 2018, UCOP presented a detailed FY18-19 budget to the UC Regents which significantly surpassed the level of detail required in the CSA's Figure 11 and was approved unanimously by the Board in May 2018.</p> <p>In response to feedback from the CSA, UCOP replicated, adapted and included a representation of Figure 11 in the March 2019 Regents presentation of the UCOP FY18-19 Mid-Year Budget and Second Quarter Forecast. UCOP is also including Figure 11 in the Executive Summary of the FY19-20 and subsequent budget items.</p> <p>In response to the concerns that fund balance and reserves data was contained in the narrative rather than the schedules, UCOP discussed with the CSA in December 2018 the inclusion of a new schedule for the FY19-20 budget presentation. New schedules for fund balances and reserves have been drafted and will be presented in the FY19-20 budget.</p> <p>UCOP will continue to present the budget to the UC Regents in May to align with the scheduled cadence of meetings so that the full board is available to review and take action. This also allows appropriate time to complete second and third quarter forecasts, incorporate critical external budget factors including the Governor's January budget, and review the budget internally and with the President, Executive Budget Committee, and Chancellors.</p> <p>The UC Regents, Executive Budget Committee, third party monitor Sjoberg Evashenk and other key stakeholders support presenting the UCOP budget at the May Regents meeting. What UCOP has done differently this year is to provide the Department of Finance with Budget Change Proposals for each UCOP budget-related line item (general OP budget, UC Path, and ANR). These proposals were presented to DOF on April 8<sup>th</sup>.</p> <p>Agenda items for the May Regents meetings will be publicly available on the Regents' website in the first week of May, shortly after the CSA's April 25<sup>th</sup> deadline.</p>	<p><b>Partially Implemented</b></p> <p>We assessed this recommendation as partially implemented because, although the Office of the President made improvements to its budget presentation as we discuss in recommendation 22, for the second year in a row the Office of the President did not implement the State Auditor's recommendation for developing its budget by April. The failure to do so may hinder the Legislature, Governor, and Department of Finance when making decisions regarding the UC's portion of the fiscal year 2019-20 state budget. This is a critical recommendation that, if successfully implemented, will significantly improve stakeholders' ability to hold the Office of the President accountable. Not completing the budget recommendation on time is a significant deficiency in the Office of the President's response to the audit.</p> <p>The Office of the President publishing and seeking approval for its budget in May does not provide state policy makers adequate time to assess its operations and funding requests. For example, the Office of the President's budget was not available for the California Assembly Budget Subcommittee #2 on Education Finance (assembly budget subcommittee) hearing on May 1, 2019, which included a discussion of the Office of the President's budget. Additionally, the Office of the President posted its budget online on May 6, 2019, and the Regents will not approve the budget until May 16, 2019. This did not give the Governor adequate time to review the Office of the President's budget and make any necessary adjustments to the May Revise which the Governor released on May 9, 2019. Because UCOP presents its budget so close to the start of the new fiscal year, the Office of the President gives decision makers limited time to consider the efficacy of the request and assess that request against other state or university priorities.</p> <p>Moreover, the timing of the Office of the President's budget presentation does not align with the budget processes other state agencies follow, including the process that UC follows when developing the budget for the system. Most state agencies begin developing their budgets in the summer and fall in preparation for the Governor's budget released in January. For example, unlike UCOP, the UC system passed its fiscal year 2019-20 budget for current operations—the budget for the entire system—in November 2018. As such, we do not understand why UCOP cannot follow a similar process so that its budget information will be available earlier in the state budget process.</p> <ul style="list-style-type: none"> <li>Auditee did not address all aspects of the recommendation</li> </ul>	<p><b>Status:</b> Fully Implemented <b>Completion Date:</b> July 2019</p> <p>Per the CSA's assessment, the FY19-20 budget included further improvements such as the CSA's recommended Figure 11.</p> <p>The University agrees with the CSA that, as with most State agencies, the University begins developing its budget in the fall in preparation for the Governor's January budget. The Regents approve the University budget in the fall, which includes critical budget assumptions that govern the entirety of the University's budget. These assumptions form the basis for developing UC location budgets, including each campus and UCOP. Each location's budget process progresses through the spring in parallel with the State's deliberations. All budgets are adjusted as needed once the University's has been finalized.</p> <p>The timing and preparation of the UCOP budget is similar to the budget process of the University's campuses and other locations. UCOP did attempt to address the concerns of the CSA by submitting Budget Change Proposals to the Department of Finance in advance of the April deadline. However, the proposals submitted were not approved.</p> <p>The CSA recommended the State directly appropriate UCOP's budget for three years, and it has done so, holding the appropriation flat to FY16-17 levels. UCOP has managed the flat appropriation by reducing costs and utilizing fund balances while also reallocating funds to the campuses. UCOP staff have invested thousands of hours implementing the CSA's recommendations and actively engaged the Regents, Chancellors and Executive Budget Committee in setting UCOP's priorities within the context of the University's. Sjoberg Evashenk has independently monitored and reported on the audit recommendations.</p>

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22	Continue to present a comprehensive budget based on the presentation in Figure 11 to the regents, the Legislature, and the public.	April 2019	<p><b>Status:</b> Not Fully Implemented  <b>Completion Date:</b> May 2019</p> <p>UCOP continues to present comprehensive, simplified and transparent budget presentations to the UC Regents in May (proposed), March (mid-year) and November (post-year). The process and presentation have continued to be refined and improved upon over the past year. The process is documented in the UCOP Budget Manual which is posted online and publicly available, <a href="https://ucop.edu/ucop-budget/ucop-operating-budget-manual.pdf">https://ucop.edu/ucop-budget/ucop-operating-budget-manual.pdf</a>. UCOP also reviews and compares budget to actuals with variance explanations each quarter and prepares quarterly forecasts in the first, second and third quarters.</p> <p>UCOP anticipates this recommendation to be fully implemented in the first week of May when the UCOP budget becomes publicly available on the UC Regents website.</p>	<p><b>Partially Implemented</b></p> <p>We rate this recommendation as partially implemented because, although the Office of the President's fiscal year 2019-20 budget largely incorporated our recommended budget presentation, the Office of the President did not complete this recommendation by April 2019 and needs to make additional improvements to the budget presentation. As we mention in recommendation 5, we continue to have serious concerns that the timing of the Office of the President's budget may hinder the Department of Finance, the Legislature, and the Governor when making decisions regarding UC's portion of the state budget.</p> <p>We are also concerned that the Office of the President's budget does not recognize millions of dollars in beginning fund balances as available revenue. For example, one schedule in the Office of the President's budget forecasts \$88 million in designated fund balances available for the 2019-20 fiscal year. However, the schedule in the budget summarizing revenue and expenditures only includes \$3 million in designated fund balance revenue and therefore \$85 million is not included as a potential source of funds.</p> <p>The Office of the President also has almost \$12 million in fund balances that is potentially available for reallocation to campuses for the benefit of students in fiscal year 2019-20. These funds are unrestricted, undesignated, and allocated for Office of the President purposes. Although \$12 million could potentially be reallocated, the Office of the President is currently not recommending a reallocation of these funds stating it needs to assess the outcome of the state budget process and intends to review fiscal year-end balances before identifying reallocation opportunities. It plans to report updated numbers to the Regents in November 2019. Additionally, the amount potentially available for reallocation could be higher than the \$12 million as the Office of the President and the Regents continue to evaluate their spending decisions related to the \$85 million in unrestricted funds designated for certain purposes.</p> <p>Furthermore, over \$6.5 million from the Office of the President's reserves may also be available for reallocation because three reserves exceed the reserve target maximum established in the Office of the President's reserve guidelines. For example, the reserve for the housing loan program is \$5.5 million higher than the target maximum. In fiscal year 2018-19, the Office of the President redistributed some of these funds to campuses for housing priorities and could potentially do so again. The UC national laboratories and the UC Washington Center also have over \$1 million in reserves that exceed target maximums according to the Office of the President's new guidelines.</p> <p>We do note that the Office of the President's fiscal year 2019-20 budget is more transparent because it is generally easier to understand. For example, the Office of the President's one page budget summary—based on the recommended budget presentation in our report—clearly summarizes its expenditures, reserves, and fund balances. In contrast to the fiscal year 2018-19 budget, the current budget includes summary line items that clearly display the Office of the President's total reserve and fund balance amounts.</p>	<p><b>Status:</b> Fully Implemented  <b>Completion Date:</b> July 2019</p> <p>The timing of the budget is discussed in Recommendation #5.</p> <p>The CSA assessed Recommendations #3 and #4 as complete which required UCOP to document and review its funds, commitments and reserve policies. The UCOP budget is presented to the Regents each spring with forecasted, not actual, fund balances. Balances are recognized as revenues where possible, but because the year is still in process they are reviewed more thoroughly after fiscal year-end. The \$12M referenced by the CSA was recognized as revenue in the final FY19-20 budget approved in July.</p> <p>Designated balances are also forecasted during the budget process. Additional detail was requested by the Regents Governance Committee in June and provided in Attachment 3 presented to the Regents in July. This budget was approved. Balances were also evaluated during the year-end close process and are being utilized as revenue where appropriate to address the UC Health Collaborative, to fund research programs, or for other strategic priorities. The largest balance is the Lab Fees Research program, a competitive research program funded through Regental approval. Unlike State-funded programs such as the Tobacco-Related Disease Research Program, where fund balances are held by the State, this program is funded from fees earned by the University. The balance represents the total available to be awarded to grantees over multiple years. Commitments reflect multi-year awards already made and new competitions are planned which will further commit remaining balances.</p> <p>Reserves are also forecasted in May and thoroughly reviewed after fiscal year-end close. The reallocation of funds in excess of reserves is considered where appropriate, e.g. the Housing Loan Program, which the CSA identified as forecasting excess reserves, is reallocating \$5M to the campuses this year, which brings the balance within the target range as indicated in the November Regents item which has been provided to the CSA.</p>

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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.	April 2019	<p><b>Status:</b> Fully Implemented <b>Completion Date:</b> March 2019</p> <p>Following the previously approved methodology to include public and private sector data, 66% of employees are at or below the midpoint for their respective positions. Of the 454 employees (34%) whose salaries were above the midpoint, placement within the salary range was appropriate in relation to the depth and breadth of their respective responsibilities. There were no needed reductions to salary amounts resulting from the comparison of the public and private sector data.</p> <p>Independent consultant Sullivan Cotter reviewed these findings with the Regents' Working Group on UC Office of the President Salary Ranges on January 12, 2019, and the Regents Governance Committee on March 13, 2019. Sullivan Cotter also reviewed their identification of best salary administration practices at higher education comparators and confirmed UCOP practices are consistent with our peer institutions.</p> <p>The link below provides the Regents item that was presented for discussion: <a href="https://regents.universityofcalifornia.edu/regmeet/mar19/g5.pdf">https://regents.universityofcalifornia.edu/regmeet/mar19/g5.pdf</a></p>	<p><b>Partially Implemented</b></p> <p>We are assessing this recommendation as partially implemented because policy choices the Office of the President made negated any savings it would have realized from implementing our recommendation and thus we believe the Office of the President's implementation falls short. In our 2017 report, we noted that opportunities existed for the Office of the President to reduce its salary costs for administrative staff by giving a greater weight to public sector positions when it set its salaries. At the time of the audit, the Office of the President asserted that the higher education environment necessitates higher pay for its staff. Although that assertion may have merit for certain executive employees, it has much less merit for administrative staff who perform similar duties whether they are in higher education or not.</p> <p>In April 2019, the Office of the President implemented a new methodology that gives comparable state position salaries a particular weight (12.5 percent) in its calculations of the market rate for its salaries. It then conducted a market survey using this weighting methodology when applicable, and ultimately applied an 8 percent market adjustment to all of its salary ranges as a result of this survey. Because of the 8 percent salary range increase, the Office of the President asserts it did not realize any salary range reductions from implementing our recommendation.</p> <p>If the Office of the President had not applied the full 8 percent increase to all positions, its new methodology for weighing private and public salaries may have resulted in salary savings. We performed an analysis on five administrative positions we reviewed as part of the audit and found that when we reduced the salary midpoints for the Office of the President positions by 8 percent and compared them to comparable state positions, the Office of the President's salary ranges were closer to the comparable state positions than they were when we conducted the audit.</p> <p>However, with the 8 percent salary range increase, all five of these positions continue to make significantly more annually than their state employee counterparts. For example, the Office of the President will pay an executive assistant between \$10,700 and \$42,500 more than a state employee in an equivalent position. Similarly, although the State's accounting manager position has a higher salary minimum, the equivalent position at the Office of the President can ultimately make up to \$70,200 more annually. For four of the five positions we reviewed, the difference between the Office of the President's new salary midpoint and the State's equivalent position was greater than the differences we found during the audit. Therefore, because of its choice to continue to pay administrative positions at levels much higher than comparable state positions, the Office of the President increased salary ranges and did not realize any savings that could be reallocated to campuses for the benefit of students.</p>	<p><b>Status:</b> Fully Implemented <b>Completion Date:</b> March 2019</p> <p>The CSA recommended UCOP develop a method for weighting comparable public and private sector pay data when establishing salaries for policy-covered positions (#10). The CSA assessed this recommendation fully implemented in 2018. UCOP's extensive work in this area was also vetted with independent compensation expert Sullivan Cotter and presented to the Regents.</p> <p>The approved weighting of the public-sector comparators did lower the underlying market data in establishing Career Tracks salary range midpoints by 2% overall. Based on this analysis UCOP did attempt to "set targets for any needed reductions to salary amounts." As presented to the Regents in March 2019, existing employee salaries are not impacted by lowering or raising the midpoints unless the employee's salary either falls below or above the range. Because 91% of Office of the President employees are currently below the 75<sup>th</sup> percentile of their range, the only short-term impact to the UCOP budget occurred at the lower end of the ranges once the outcome of this work was combined with narrowing the ranges per CSA recommendation #24. Lowering midpoints by 2% overall can reduce the need for budget increases in the future if positions turn over or employees reach the range maximum, but this had no material impact within the CSA's three year time-frame.</p> <p>Changes to other elements of UC's compensation methodology, such as periodically making a market adjustment to the salary ranges, were not required by the CSA and do not change the fact that the inclusion of public sector data did have the desired outcome of compressing the overall compensation structure. It was this revised, lower baseline upon which a market adjustment of 8% (less than 3% per year for three years) was made. Market adjustments are consistent with <a href="#">UC Regents Policy 7701</a> which recognizes the need to effectively recruit and retain employees. Without the CSA's recommendations, the base of the adjustment would have been higher.</p>

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31	Reallocate to the campuses funds that it identified during its review of fund restrictions and fund commitments.	April 2020	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>The Office of the President has initiated efforts to implement this recommendation and will provide a status update on its progress at the next reporting milestone.</p>	<p><b>Pending</b></p> <p>The status of this recommendation is pending the Office of the President's reallocation to the campuses' funds that it identified during its review of fund restrictions and fund commitments.</p>	<p><b>Status:</b> Fully Implemented  <b>Estimated Completion Date:</b> November 2019</p> <p>The CSA acknowledges UCOP has fully implemented related Recommendations #3, #4, and #20. Since FY17-18, UCOP has publicly reported to the Regents the reallocations of funds that it identified during its review of fund restrictions and commitments. Over the past three years, UCOP has directly allocated \$87.6M in fund balances to the campuses in support of campus housing projects (\$65.5M), campus seismic work (\$7.1M), the UC Riverside Medical School of Medicine (\$8.0M remaining of a \$20.0M commitment) and development efforts (\$7.0M). In addition, UCOP has indirectly reallocated \$50.8M in funds to campuses by reducing UCOP's fund balances to support strategic priorities that would otherwise have been funded through the campus assessment. Total reallocation activity over the past three years from fund balances, \$138.4M, is being reported in Schedule G of the November Regents item, which has been provided to the CSA.</p>
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.	April 2020	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>The Office of the President has initiated efforts to implement this recommendation and will provide a status update on its progress at the next reporting milestone.</p>	<p><b>Pending</b></p> <p>The status of this recommendation is pending the Office of the President's implementation of our budget recommendations due in April 2020.</p>	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>Completion of this recommendation is scheduled for April 2020.</p>
33	Report to the regents on the amount of funds it reallocated to campuses as a result of implementing our recommendations. (re: budget process)	April 2020	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>The Office of the President has initiated efforts to implement this recommendation and will provide a status update on its progress at the next reporting milestone.</p>	<p><b>Pending</b></p> <p>The status of this recommendation is pending the Office of the President's implementation of our budget recommendations due in April 2020.</p>	<p><b>Status:</b> Fully Implemented  <b>Estimated Completion Date:</b> November 2019</p> <p>As a result of implementing the CSAs budget recommendations across all of the components: fund balances, programs, initiatives, administrative costs, salaries and benefits, total direct and indirect reallocation activity over the past three years, \$166.3M, is being reported in Schedule G of the November Regents item, which has been provided to the CSA.</p>

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34	Adjust its salary levels and ranges to meet its established targets.	April 2020	<p><b>Status:</b> Fully Implemented  <b>Completion Date:</b> April 2019</p> <p>As referenced under responses for CSA Recommendations #23 and #24, UCOP Salary Ranges were adjusted to meet approved targets, effective April 1, 2019 – see Link article:  <a href="http://link.ucop.edu/2019/04/02/salary-ranges/?utm_source=UCOP+Employees&amp;utm_campaign=7f3768ff1e-Link_071018_COPY_01&amp;utm_medium=email&amp;utm_term=0_6cd99fa4c2-7f3768ff1e-186180881">http://link.ucop.edu/2019/04/02/salary-ranges/?utm_source=UCOP+Employees&amp;utm_campaign=7f3768ff1e-Link_071018_COPY_01&amp;utm_medium=email&amp;utm_term=0_6cd99fa4c2-7f3768ff1e-186180881</a>            New salary ranges were also posted on the UCOP HR website:  <a href="https://www.ucop.edu/local-human-resources//files/compensation/ucop-salary-structure.pdf">https://www.ucop.edu/local-human-resources//files/compensation/ucop-salary-structure.pdf</a>.</p> <p>Effective April 1, 2019, salaries were increased for 51 UCOP employees, whose pay either fell below the minimum of the narrowed salary ranges or was compressed with other employees' pay that was adjusted to the minimum of the salary range.</p>	<p><b>Pending</b></p> <p>We are rating this recommendation as pending due to the concerns we expressed in recommendation 23 regarding the 8 percent salary range increase that the Office of the President applied which negated the impact of our recommendation. We will reevaluate any steps the Office of the President takes to resolve our concerns when assessing its April 2020 response to this recommendation.</p>	<p><b>Status:</b> Fully Implemented  <b>Completion Date:</b> April 2019</p> <p>The CSA recommended UCOP develop a method for weighting comparable public and private sector pay data when establishing salaries for policy-covered positions (#10). The CSA assessed this recommendation fully implemented in 2018. UCOP's extensive work in this area was also vetted with independent compensation expert Sullivan Cotter and presented to the Regents.</p> <p>The approved weighting of the public-sector comparators did lower the underlying market data in establishing Career Tracks salary range midpoints by 2% overall. Based on this analysis UCOP did attempt to "set targets for any needed reductions to salary amounts." As presented to the Regents in March 2019, existing employee salaries are not impacted by lowering or raising the midpoints unless the employee's salary either falls below or above the range. Because 91% of Office of the President employees are currently below the 75<sup>th</sup> percentile of their range, the only short-term impact to the UCOP budget occurred at the lower end of the ranges once the outcome of this work was combined with narrowing the ranges per CSA recommendation #24. Lowering midpoints by 2% overall can reduce the need for budget increases in the future if positions turn over or employees reach the range maximum, but this had no material impact within the CSA's three year time-frame.</p> <p>Changes to other elements of UC's compensation methodology, such as periodically making a market adjustment to the salary ranges, were not required by the CSA and do not change the fact that the inclusion of public sector data did have the desired outcome of compressing the overall compensation structure. It was this revised, lower baseline upon which a market adjustment of 8% (less than 3% per year for three years) was made. Market adjustments are consistent with <a href="#">UC Regents Policy 7701</a> which recognizes the need to effectively recruit and retain employees. Without the CSA's recommendations, the base of the adjustment would have been higher.</p>

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36	Reallocate funds to campuses when adjustments to its salaries and benefits result in savings.	April 2020	<p><b>Status:</b> Fully Implemented  <b>Completion Date:</b> April 2019</p> <p>The methodology for narrowing the salary ranges went through extensive stakeholder review as described in the update on the salary range recommendation. In the case of the workstream focused on narrowing the salary ranges, no savings were identified from this work.</p> <p>In the case of employee benefits, all savings have been realized in the FY18-19 budget. Because UCOP is on a direct appropriation of State general funds which is reimbursement based, UCOP cannot accumulate unspent funds and therefore has no surplus funds to reallocate.</p> <p>Reallocation of funds follows the Fund Reallocation Guidelines and decision tree that are located in UCOP's Operating Budget Manual located here, <a href="https://ucop.edu/ucop-budget/ucop-operating-budget-manual.pdf">https://ucop.edu/ucop-budget/ucop-operating-budget-manual.pdf</a>. Should there be savings in the future when UCOP has returned to campus assessment funding, the Fund Reallocation Guidelines provide a clear methodology for evaluating surplus funds, for reallocation.</p>	<p><b>Pending</b></p> <p>We are rating this recommendation as pending due to the concerns we expressed in recommendation 23 regarding the 8 percent salary range increase that the Office of the President applied which negated the impact of our recommendation. We will reevaluate any steps the Office of the President takes to resolve our concerns when assessing its April 2020 response to this recommendation.</p>	<p><b>Status:</b> Fully Implemented  <b>Completion Date:</b> November 2019</p> <p>The net indirect allocation of funds to campuses in this category is \$3.1M from savings that reduced the demand on unrestricted funding and fund balances. UCOP has indirectly reallocated funds to campuses by reducing employee benefits costs by \$3.3M (as submitted to the CSA in April 2019). The total impact of public-sector weighting and narrowing of the salary ranges within the CSA's timeframe increased costs by \$.2M as employees were brought up to the new minimum narrowed ranges. Future savings resulting from including public-sector weighting are not included. Total direct and indirect reallocation activity over the past three years, \$166.3M, is being reported in Schedule G of the November Regents item, which has been provided to the CSA.</p>
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.	April 2020	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>The Office of the President has initiated efforts to implement this recommendation and will provide a status update on its progress at the next reporting milestone.</p>	<p><b>Pending</b></p> <p>The status of this recommendation is pending the Office of the President's implementation of our workforce planning recommendations due April 2020.</p>	<p><b>Status:</b> Fully Implemented  <b>Estimated Completion Date:</b> November 2019</p> <p>The next Phase of the workforce plan, <i>Phase 3: Develop the Workforce Strategy and Action Plan</i> has been completed and has been posted to the UCOP Operations website.</p> <p>Phase 3 is the culmination of Phases 1 and 2 and includes strategy development of the five identified focus areas from Phase 2: Talent Acquisition, Employee Development, Retention, Knowledge Sharing and Talent Assessment and Succession. In addition, the strategy incorporates how the organization will address the five high risk job profiles identified in Phase 2: 1) financial analysis, (2) institutional research, (3) project policy analysis, (4) applications programming and (5) systems and infrastructure administration. The strategy takes a longer term, three year approach while providing a 90-day action plan to begin implementing and testing the strategies.</p>

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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.	April 2020	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>The Office of the President has initiated efforts to implement this recommendation and will provide a status update on its progress at the next reporting milestone.</p>	<p><b>Pending</b></p> <p>The status of this recommendation is pending the Office of the President's implementation of our workforce planning recommendations due April 2020.</p>	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p><i>In Phase 4: Long Term Implementation Plan and Phase 5: Evaluation Strategy, the workforce planning team is leveraging the lessons learned from the 90-day action plan and building a long term implementation plan with metrics for evaluation against proposed strategies. The strategy, implementation and evaluation phases are a long-term iterative process where strategies and actionable tasks will evolve as the organization gains awareness of what proves to be successful and where course correction may be needed. These last two phases will be completed by April 2020.</i></p>
39	Report to the regents on the amount of funds it reallocates to campuses as a result of implementing our recommendations. (re: staffing costs)	April 2020	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>The Office of the President has initiated efforts to implement this recommendation and will provide a status update on its progress at the next reporting milestone.</p>	<p><b>Pending</b></p> <p>The status of this recommendation is pending the Office of the President's implementation of our staffing-related recommendations due April 2020.</p>	<p><b>Status:</b> Fully Implemented  <b>Estimated Completion Date:</b> November 2019</p> <p>As a result of reviewing and completing compensation-related recommendations, including employee benefits, public-sector weighting in SMG and policy-covered positions, and narrowing position ranges, UCOP has reallocated \$3.1M in funds to the campuses within the CSA's timeframe. These reallocations have been reported through the annual FY17-18, FY18-19, and FY19-20 UCOP budget presentations and several additional presentations provided to the Regents. Total direct and indirect reallocation activity over the past three years, \$166.3M, is being reported in Schedule G of the November Regents item, which has been provided to the CSA.</p>
40	Publicly publish its progress in meeting systemwide initiative and administrative cost targets.	April 2020	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>The Office of the President has initiated efforts to implement this recommendation and will provide a status update on its progress at the next reporting milestone.</p>	<p><b>Pending</b></p> <p>The status of this recommendation is pending the Office of the President's implementation of our systemwide initiative and administrative cost recommendations due April 2020.</p>	<p><b>Status:</b> Fully implemented  <b>Estimated Completion Date:</b> July 2019</p> <p>The CSA assessed related Recommendations #18, #19, #28, and #29 as fully implemented. The results of the progress in meeting systemwide initiative and administrative cost targets have been published publicly in the presentations to the Regents of the FY17-18, FY18-19, and FY19-20 UCOP budgets. The most recent budget was approved at the July 2019 Regents meeting.</p>

**November 2019 Year 3 Mid-Year Update on UCOP Recommendations from CSA Audit of UCOP Administrative Expenditures**

#	Recommendation	CSA Due Date	Status Reported to CSA as of April 2019	CSA's Assessment of Status as of May 2019	Current Status as of November 2019
41	Reallocate funds from the review of systemwide and presidential initiatives, as well as any administrative cost savings, to campuses.	April 2020	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>The Office of the President has initiated efforts to implement this recommendation and will provide a status update on its progress at the next reporting milestone.</p>	<p><b>Pending</b></p> <p>The status of this recommendation is pending the Office of the President's implementation of our systemwide initiative and presidential initiative recommendations due April 2020.</p>	<p><b>Status:</b> Fully Implemented  <b>Estimated Completion Date:</b> November 2019</p> <p>The CSA assessed related Recommendations #18, #19, #28, and #29 as fully implemented. As a result of reviewing systemwide and presidential initiatives and administrative costs, UCOP reallocated \$9.6M in funds to the campuses. These reallocations have been reported in the annual FY17-18, FY18-19, and FY19-20 UCOP budget presentations to the Regents. Total direct and indirect reallocation activity over the past three years, \$166.3M, is being reported in Schedule G of the November Regents item, which has been provided to the CSA.</p>
42	Report to the regents on the amount of funds reallocated to campuses. (re: systemwide initiatives)	April 2020	<p><b>Status:</b> Not Fully Implemented  <b>Estimated Completion Date:</b> April 2020</p> <p>The Office of the President has initiated efforts to implement this recommendation and will provide a status update on its progress at the next reporting milestone.</p>	<p><b>Pending</b></p> <p>The status of this recommendation is pending the Office of the President's report to the Regents regarding the amount of funds reallocated to campuses. The impact of this recommendation will vary based on whether the Office of the President is funded via a direct appropriation from the State or the campus assessment in April 2020.</p>	<p><b>Status:</b> Fully Implemented  <b>Estimated Completion Date:</b> November 2019</p> <p>The CSA assessed UCOP related Recommendations #18, #19, #28, and #29 as fully implemented. As a result of reviewing systemwide and presidential initiatives and administrative costs, UCOP directly reallocated \$9.6M in funds to the campuses. These reallocations have been reported in the annual FY17-18, FY18-19, and FY19-20 UCOP budget presentations to the Regents. Total direct and indirect reallocation activity over the past three years of the audit, \$166.3M, is being reported in Schedule G of the November Regents item, which has been provided to the CSA.</p>