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SANTA BARBARA • SANTA CRUZ

SENIOR VICE PRESIDENT --
BUSINESS AND FINANCEOFFICE OF THE PRESIDENT
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

June 25, 2002

VICE CHANCELLORS ADMINISTRATION

RE: June 13 COVCA Discussion of Human Resources/Payroll Systems Directions

Dear Colleagues:

From our brief discussion at the last COVCA meeting, our previous discussions and other input received, I believe the general system architecture and strategy outlined in the attached diagram has been agreed to and should guide our future activities in this area. Specifically, I believe we should pursue the following initiatives as part of our strategy.

One of the key business drivers for the HRIS initiative is the need for better system wide data for planning, analysis and reporting. This need has become especially acute in recent years due to the Legislature's request for a report on allocations of new salary dollars, three systemwide audits by the State auditor, and a plethora of requests for new data by labor unions. Given the importance of responding to these types of requests in an accurate and timely fashion, the first two components of the proposed strategy relate to an enhanced HR data warehouse.

- **Human Resources Data Warehouse:** The existing UCOP data warehouse will be enhanced or a new HR data warehouse will be obtained as necessary to satisfy the various analysis and reporting needs at UCOP. While primarily designed to meet UCOP needs, the data warehouse would also be available for campus use. The availability of better data at UCOP should minimize the number of data requests directed to the campuses and improve the UCOP's ability to respond to ad hoc requests for data.
- **Payroll/Personnel System Enhancements:** UCOP's ability to successfully implement the data warehouse strategy depends, to a large extent, on the availability of data in each campus instance of the Payroll/Personnel System. Hence, UCOP will implement a number of short-term PPS enhancements required to improve data granularity and integrity in PPS. These modifications are illustrated as items two through five on the left side of the attached graphic. They will both increase information availability to the campuses and support better reporting from the UCOP HR data warehouse.

The other major driver for the HRIS initiative is the need to facilitate and expand HR transaction processing capabilities at the campuses. While the campuses have different

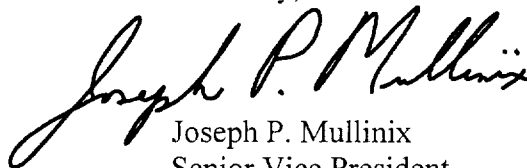
preferred strategies for addressing this need, all campuses appear to concur that a better user interface is required for HR/payroll transactions. In short, some campuses want to pursue local implementation of an HR system using software from a leading vendor and others would like UCOP to invest in building a web front-end to the existing payroll system. The remaining two components are designed to address this need for improved transaction processing while respecting the diversity of opinion that exists on this topic. They also preserve the integrity of the existing payroll system and support my interest in leveraging campus investments in ERP systems.

- **Standard Human Resources Information System:** To the extent that any additional campuses wish to supplement payroll/personnel system functionality with an HR system, it should be a standard implementation, based upon core functionality agreed to by multiple campuses. To facilitate this direction, I suggest that we form a multi-campus workgroup to prepare and issue an RFP to select the product to serve as the core system foundation. Once this system is identified and installed at one campus, funding should be sought to develop a near-real time interface between that core system and the payroll system.
- **Web Interface to the Payroll System:** It appears that there is significant, but not unanimous, interest in implementing a new web interface to the payroll system. This effort would engage us in a beneficial redesign of the processes which deliver payroll and personnel information and services to our users.

This is clearly a time of constrained resources. Expansion of the human resources data warehouse and related modifications to the Payroll/Personnel System are critical steps that must be taken to address acknowledged problems. I will be seeking to identify UCOP resources to address these issues. I will seek UCOP resources to move forward on the system wide elements of the latter two initiatives based on campus priorities.

I understand that the strategy outlined above may be less aggressive than some would like and perhaps more aggressive than others would prefer, but I believe it represents a good balance to respond to the needs and issues that have been discussed over the last year. It is imperative that we leverage our investments in HR system capabilities. I hope that you will agree that the plan outlined above accomplishes this objective, and I welcome your questions or comments.

Sincerely,



Joseph P. Mullinix
Senior Vice President

Enclosure

VICE CHANCELLORS ADMINISTRATION

June 25, 2002

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cc: President Atkinson
Vice President Broome
Vice President Hershman ✓
Associate Vice President Boyette
Assistant Vice President Dolgonas
Deputy Hafner
Campus Planning and Budget Officers

Proposed System Strategy and Costs: HR, Payroll/Personnel, and UCOP Data Warehouse

