UC KEY STRATEGIC INITIATIVES: WORKING SMARTER

Cathy O’Sullivan
Director, Working Smarter
UCOP
WORKING SMARTER
Directly Supports Regents Policy 5100

Five Year Commitment (FY 10-11 thru FY 14-15)

• Redirect $500 million from administrative costs to the academic and research missions;

• Streamline operations to address state funding cuts and the need for commonality among the campuses;

• Implement operational efficiencies that enhance the quality of services to students, faculty and staff;

• Build a sustainable financial model to carry the University forward.

See: http://regents.universityofcalifornia.edu/policies/5100.html
UNIVERSITY OF CALIFORNIA
BUSINESS OFFICER INSTITUTE

WORKING SMARTER GOVERNANCE

Advisory Groups
Academic Senate, COC, COVC, COVCA, CUCSA, ITLC, Staff Advisors to the Regents

Ralph Hexter
EVC and Provost UC Davis

Nathan Brostrom
EVP, Business Operations, UCOP

Tim White
Chancellor, UC Riverside

Peter Taylor
EVP and CFO UCOP

John Plotts
SVC, Finance & Administration UC San Francisco

Executive Steering Committee

Cathy O’Sullivan
Director, Working Smarter

Executive Sponsors

Project Owners

Functional and Local Teams
WORKING SMARTER PORTFOLIO COMPOSITION
34 Projects

EXAMPLES:
- Indirect Cost Recovery
  - Kuali Coeus
- Academic Admin.
- Research Admin.
- Risk Management
- IT
- Environment/Facilities
- Enterprise Administration
- Parent Giving

EXAMPLES:
- Be Smart about Safety
- UC Student Health Insurance Plan
- UC Travel Insurance Program
- Regional Data Centers
- Mainframe Consolidation
- Capital Projects Database
- Statewide Energy Partnership
- Benefits Redesign
- Liquidity Management
- Procurement Transformation
- UC Path
TRACKING PROGRESS: POSITIVE FISCAL IMPACT

<table>
<thead>
<tr>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
</tr>
</tbody>
</table>

GOAL ($M) | ACHIEVED ($M)
---|---
$0 | $132
$100 | $157
## YEAR 2: POSITIVE FISCAL IMPACT
Incremental Cost savings + New Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>YEAR 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Risk Mgmt (Reduced Cost of Risk)</td>
<td>$ 71,062,427</td>
</tr>
<tr>
<td>General Liability Self-Insurance</td>
<td>$ 7,252</td>
</tr>
<tr>
<td>Professional Liability Self-Insurance</td>
<td>$ 12,339</td>
</tr>
<tr>
<td>Workers Compensation Self Insurance</td>
<td>$ 51,471</td>
</tr>
<tr>
<td>Parent Giving</td>
<td>$ 12,000,000</td>
</tr>
<tr>
<td>Liquidity Management (STIP/TRIP)</td>
<td>$ 18,859,955</td>
</tr>
<tr>
<td>Strategic Sourcing</td>
<td>$ 11,441,123</td>
</tr>
<tr>
<td>Connexxus Travel Program</td>
<td>$ 6,480,026</td>
</tr>
<tr>
<td>Purchase Card Program</td>
<td>$ 5,137,669</td>
</tr>
<tr>
<td>Legal Services</td>
<td>$ 3,120,000</td>
</tr>
<tr>
<td>UC Travel Insurance Program</td>
<td>$ 1,878,249</td>
</tr>
<tr>
<td>Banking Services</td>
<td>$ 1,635,000</td>
</tr>
<tr>
<td>UC Equipment Maintenance Insurance Program</td>
<td>$ 564,941</td>
</tr>
<tr>
<td><strong>TOTAL POSITIVE FISCAL IMPACT</strong></td>
<td>$ 132,179,391</td>
</tr>
</tbody>
</table>

★ = New revenue
http://workingsmarter.universityofcalifornia.edu

- Program results
- Project details
  - Case study
  - Team
  - News and updates
- Submit your idea(s)
CURRENT WORKING SMARTER PORTFOLIO

- Analytical Writing Placement Examination (AWPE)
- ApplyUC
- Banking & Treasury Services
- Be Smart About Safety (BSAS)
- Benefits Redesign
- Campus Administrative Relief Initiatives (CARI)
- CampusConnexions
- Capital Projects Database
- Climate Solutions
- Connexxus Travel Program
- Enterprise Risk Management
- Indirect Cost Recovery
- Legal Services
- Library Efficiencies
- Liquidity Management
- Mainframe Consolidation
- Mandatory (Employee) Training
- Parent Giving
- Policy Project
- Procurement Transformation (P200)
- Purchase Card Program
- Regional Data Centers
- Research Administration (Kuali Coeus)
- Statewide Energy Partnership
- Strategic Sourcing Initiative
- Student Health Insurance Plan (UC SHIP)
- UC Equip. Maintenance Insurance Program (UCEMIP)
- UC Ready
- UC Recruit
- UC Tracker
- UC Travel Insurance Program (UC TRIPS)
- UCP Path
- Utility Database (EnergyCAP)
PROJECT FOCUS: UC Recruit

UCI cross-campus effort to automate and streamline a manual, paper-intensive process

UCSD and UCI collaborate on 2 apps: UCI hosts UC Recruit for both locations

All 10 campuses and UCOP agree to use UC Recruit; common system, processes, data

All 10 campuses and UCOP fully implemented
UC Recruit

https://recruit.ap.uci.edu/
https://apol-recruit.ucsd.edu/
https://aprecruit.berkeley.edu/
https://recruit.ucsc.edu/
https://aprecruit.ucsf.edu/
https://recruit.ucdavis.edu/
WHAT DISTINGUISHES A WORKING SMARTER PROJECT?

- Transforms and simplifies
- Identifies and builds on what is or can be common
- Collaborative
- Open and Transparent
- IT strategic planning involved early and often
- Favorable ROI (fiscal, time, ease)
- Resourced*
- Highly aligned to strategic objectives
- Co-benefits other system-wide or local priorities

*See also UCSIP (Strategic Investment Program)
### UC STRATEGIC INVESTMENT PROGRAM (UCSIP)

<table>
<thead>
<tr>
<th>Purpose:</th>
<th>CapEquip (Capital Equipment Financing)</th>
<th>C3 (Cross-Campus Collaborations)</th>
<th>STARs (Strategic Teaching Acquisition &amp; Retention)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment acquisition in lieu of 3rd-party leasing (including re-fi)</td>
<td>Regional centers of excellence, systemwide efficiency initiatives</td>
<td>Lab renovations/equipment specific to a single faculty recruit</td>
<td></td>
</tr>
<tr>
<td>Strategic Goal:</td>
<td>Cut costs through economies of scale inherent in UC debt program</td>
<td>Cut duplication and increase systems commonality</td>
<td>Maintain competitive research and academic excellence</td>
</tr>
<tr>
<td>Size:</td>
<td>$200 million authorized/year</td>
<td>$20-$50 million authorized/year</td>
<td>$20-$50 million authorized/year</td>
</tr>
<tr>
<td>Structure:</td>
<td>Amortizing loans funded via CP on reimbursement basis</td>
<td>Amortizing loans funded via CP on reimbursement basis</td>
<td>Amortizing loans funded via CP on reimbursement basis</td>
</tr>
<tr>
<td>Rate:</td>
<td>1.99% (FY11-12) (subject to annual review)</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Term:</td>
<td>3-7 years</td>
<td>3-7 years</td>
<td>11 years avg. (15 renovations, 7 equipment)</td>
</tr>
<tr>
<td>Debt Service:</td>
<td>Campus funds that formerly paid third-party lease payments</td>
<td>Principal possibly paid by savings (interest covered by program)</td>
<td>Principal possibly paid by ICR (interest covered by program)</td>
</tr>
<tr>
<td>Awards:</td>
<td>Campuses submit authorization requests annually to Regents</td>
<td>Campuses competitively apply throughout the year</td>
<td>Campuses competitively apply throughout the year</td>
</tr>
</tbody>
</table>

**NOTE:** Strategic funds accumulated by CapEquip segment will fund interest costs of the other two segments

HOW CAN YOU CONTINUE CONTRIBUTING TO WORKING SMARTER?

**Day-to-day**
- Reduce touch points in repeated processes
- Re-think/ re-organize
- Connect with customers & stakeholders: what’s most valued?
- Calculate when each project will break even
- Measure, compare, include, improve

**Working Smarter Portfolio Inclusion**
- Write up a 1 to 2 page case study (see website) and some basic financials and/or time analyses
- Focus is on early stage cross-campus projects
- Call or email your ideas
Cathy O'Sullivan
UC Office of the President

cathy.osullivan@ucop.edu
(510) 987-0121

workingsmarter@ucop.edu

http://workingsmarter.universityofcalifornia.edu/