

---

# University of California Office of the President

UC Finance Division

STRATEGIC PLAN RENEWAL 2023-2027

# Table of Contents

Introduction	3
Strategic Plan Purpose	4
UC Finance Strategic Planning Team – 2022	5
UC Finance Division	6 - 7
Strategic Planning Decision Drivers	8 - 13
Landscape of Higher Education	9 - 11
Stakeholder Input Survey	12
Staff SWOT Input	13
Strategic Plan Review	14
UC Finance Mission, Vision, Core Values and Strategic Objectives	15 - 19
UC Finance Goal Statements	21 - 25
UC Finance Strategic Plan Communication & Monitoring	26 - 28
Appendix A: Goal Summary Sheet Description and Financial Terms	29 - 31
Appendix B: UC Finance Goal Summary Sheets (Goals 1-16)	32 - 68

# Introduction

---

The fall of the 2022-23 academic year represents an important time to update and revise the UC Finance strategic plan. The factors that make this an appropriate time include:

- **New leadership in UC Finance:** Since the last revision of the strategic plan (2017), there has been a significant turnover in the leadership of UC Finance. Of the eight senior leaders, six are new to these roles in the past four years. There has also been significant turnover in campus financial leadership, with over half of our campus counterparts starting these positions in the past two years.
- **New leadership at UCOP:** The new leadership at UC Finance has been matched by changes in leadership at the Office of the President. We have welcomed a new President, await the arrival of a new Provost, and have been joined by two other new senior leaders on the President's Advisory Group.
- **Changes in higher education:** As we will lay out in a later section, the higher education landscape has shifted considerably in recent years, driven primarily by the experiences of the pandemic but also reflecting demographic trends in California and across the country.

UC Finance strategic planning efforts have been guided by the **strategic priorities** set forth by President Drake in September 2022. These priorities include:

1. Expanding opportunity and excellence
2. Leading on climate change
3. Strengthening an inclusive, respectful and safe university community
4. Promoting health across California, including its most vulnerable communities

Our division plays an important role in each of these priorities, particularly through initiatives to optimize revenues and control expenses. As we develop our goals, we check and recheck to ensure that our division aligns with the priorities of the President, the goals of our neighboring divisions at UCOP, and the goals of our campuses, as we have engaged through their budget process and strategic planning.

# Strategic Plan Purpose

This [UC Finance Strategic Plan](#) is presented for the period of [2023-2027](#). This renewal builds off the division’s initial strategic plan published in May 2016 for the period of 2016-2020. Delayed during the COVID-19 pandemic, this 5-year plan has been thoughtfully [developed by a strategic planning team of UC Finance leaders](#) who sought input from UC stakeholders and UC Finance division staff.

UCOP division strategic plans incorporate and adopt the Values and Strategic Objectives outlined in the [UCOP Strategic Framework](#) published in 2019. With UCOP leadership revisiting the Framework in 2023, future updates to the UC Finance Strategic Plan may be necessary to maintain alignment between the division and UCOP.

Serving as a guide for the division to [focus time, talent and resources to best serve the University of California](#), the strategic plan aims to define goals that move UC Finance towards its vision and builds alignment between UCOP divisions and UC campuses/locations.

The UC Finance strategic plan offers [16 goals across 5 strategic objectives](#) to align with stakeholder priorities, leverage division strengths and opportunities, and address weaknesses and threats – all to support the division’s progress in achieving its vision.

COMPONENT	DEFINITION
MISSION VALUES VISION	Our Core Purpose: Cause—Action—Impact Guiding principles that guide our actions Picture of our “preferred future” (BAG)
STRATEGIC OBJECTIVES (Level 1)	Broad-based, long-term (3-5 years out) aims that move the division towards actualizing its vision
DIVISION GOALS (Level 2)	Specific quantifiable, realistic targets that move the division towards accomplishments of strategic objective over a specified period of time (SMART: specific, measurable, achievable, realistic, time-bound)
KEY STRATEGIES (Level 3)	Key activities/steps required to achieve a specific goal (SMART and assigned to a business unit and person)

# UC Finance Strategic Planning Team – 2022

The [UC Finance Strategic Planning Team](#) convened five times between April 2022 and December 2022 to develop the division’s 5-year strategic plan for the period of 2023-2027.

Name	Title
<b>Nathan Brostrom</b>	<b>Executive Vice President, Chief Financial Officer</b>
David Alcocer	Associate Vice President, Budget Analysis and Planning
Barbara Cevallos	Associate Vice President, Systemwide Controller, UC Controller
Kevin Confetti	Associate Vice President, Chief Risk Officer, Risk Services
Meghan Gutekunst	Associate Vice President, Capital Markets Finance
David Phillips	Associate Vice President, Capital Programs, Energy & Sustainability
Michelle Vanier	Division Administrator
Brad Werdick	Chief of Staff
Paul Williams	Associate Vice President, Chief Procurement Officer, Procurement Services

## **Facilitators – UCOP Strategy and Program Management Office (SPMO)**

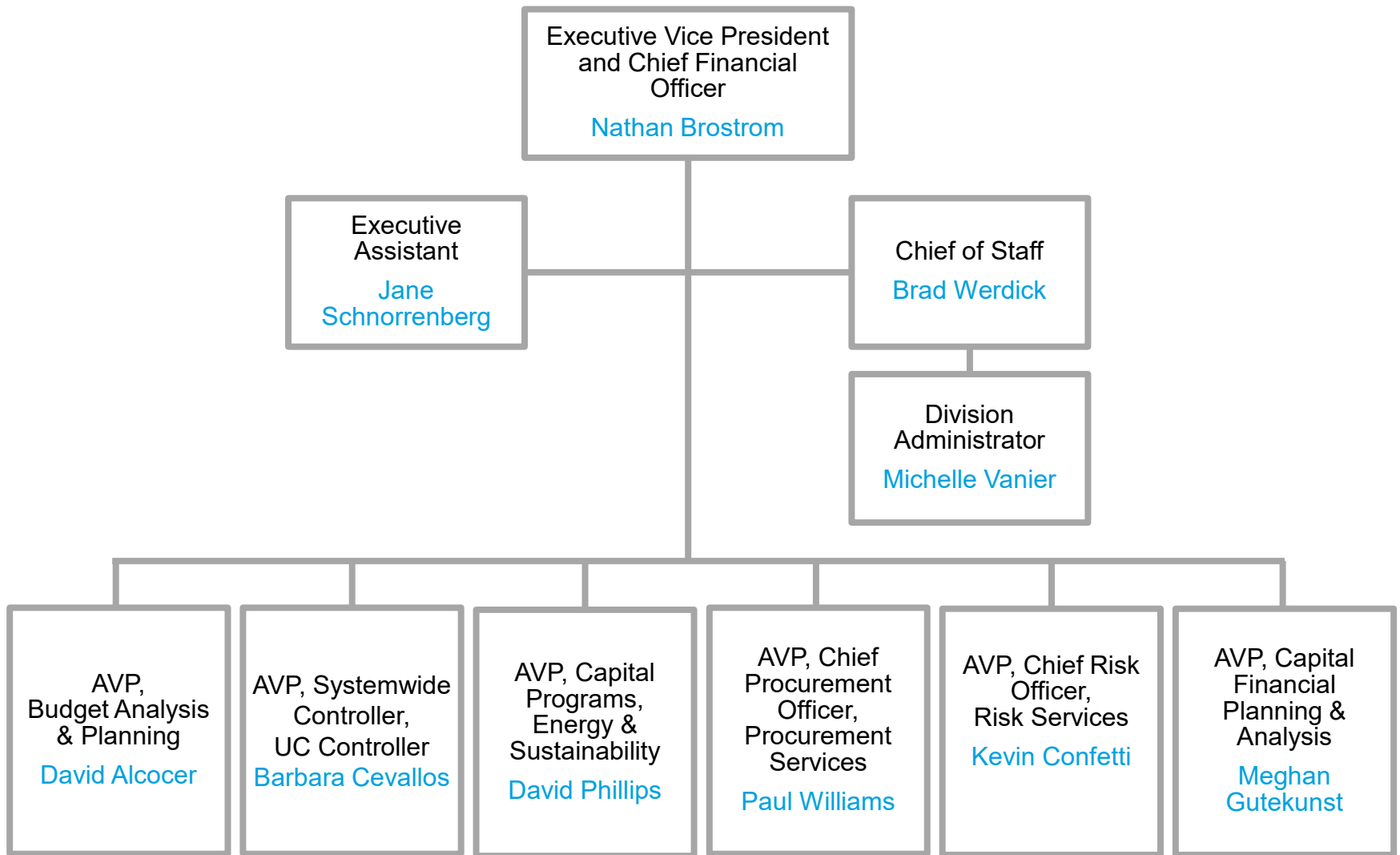
- Deanna Geddie, Senior Strategic Advisor
- Gale Sheean-Remotto, Senior Strategic Advisor

# UC Finance Division: Functional Areas

UC Finance manages and oversees systemwide financial and capital project management. Listed below are the [six departments](#) and [two enterprise-wide initiatives](#) that comprise the division.

Budget Analysis & Planning	Manages UC's annual budget and conducts long-range financial planning requiring analysis of complex factors which influence the university's budget; develops annual budget requests to the State; and coordinates with leadership from across the university system to integrate local and UC-wide priorities into forecasts and planning.
Capital Programs, Energy & Sustainability	Provides leadership and support in capital project policy, planning, environmental reviews, design, contracts and regulatory issues, real estate strategies and transactions; develops strategies and implements programs to meet UC's sustainability goals; supports efficient use of university resources through leadership and coordination on capital programs, climate, energy, transportation, green building, zero waste, water and food programs/initiatives.
Capital Markets Finance	Supports capital-raising activities systemwide; originates and services mortgage loans for certain faculty and senior staff; manages Treasury department annual cash flow and serves as a systemwide partner in cash and liquidity management, banking services, and cash forecasting.
UC Controller	Provides strategic leadership and support of systemwide financial functions including corporate accounting, federal and extramural costing policy, benefit plan accounting, endowment and investment accounting, payroll policy and compliance and taxation. Delivers efficient and effective financial services, provides best practices and guidance to our campus and medical center communities, develops and administers systemwide policies and procedures, and ensures the University's financial systems are compliant with all University, State and Federal laws, rules and regulations.
Procurement Services	Develops and implements systemwide purchasing policies and strategies; leverages strategic and collaborative sourcing methods supported by technology and data analysis to optimize spend across UC and create significant savings for the University.
Risk Services	Enables university faculty, staff and students to identify and manage risk through systemwide Enterprise Risk Management; ERM works to identify and develop strategies to minimize the impact of risk while reducing costs and improving safety to create greater financial stability and protect UC's resources in support of the UC mission.
Fiat Lux	Formed in 2012, this not-for-profit insurance company finances the University's retained risk layers, purchases reinsurance directly, fills gaps in insurance coverages, and participates with reinsurance underwriters.
Global Climate Leadership Council (GCLC)	Formed in 2014 to advise UC on achieving carbon neutrality by 2025 while also providing guidance for furthering its other longstanding sustainability goals; provides guidance on integrating the carbon neutrality initiative and other sustainability goals into UC's teaching, research and public service mission.

# UC Finance Division: Organizational Structure



---

# UC Finance Strategic Planning Decision Drivers



# Landscape of Higher Education

---

The development of this strategic plan comes at a pivotal time of change in higher education, both within California and across the nation. Many of the factors were accelerated by the global pandemic, but the underlying trends were always there. The reputation of the University, and the growing demand particularly for undergraduate admissions, lessens some of these issues, but they still represent important factors as we set forth our work for the next few years. These factors include:

**Declining population of college-age students:** While the number of high-school graduates is projected to grow slightly throughout the Western United States, the National Center for Education Statistics (NCES) projects that, in California, the number of high-school graduates will decline by close to 5% by 2026-27. This trend is also confirmed by the California Department of Finance, which projects a 10% decline in California public high school graduates over the next five years. For the University of California, this overall decline has been mitigated somewhat by the growth in the number of California high school graduates who have taken their A-G requirements, which enables them to apply to the UC.

**Disruptions of the pandemic:** The global COVID-19 pandemic presented significant challenges to the functions of the University, as our teaching and learning had to switch immediately to on-line modalities, with consequent impacts on learning loss and students' feelings of connectedness. However, this rapid transition also taught both professors and students what works and doesn't work in on-line and hybrid instruction. As a result, the amount of online instruction will likely continue to grow at the University, both during the academic year and especially for summer session, when students greatly benefit from the flexibility afforded by these courses. The same impacts have been felt in our medical centers, with a significant conversion to telemedicine for a broad range of clinical visits.

# Landscape of Higher Education (cont.)

---

**Economic uncertainty:** The global economy is in turmoil, giving off confusing signals on the direction of the U.S. and global economies. On the one hand, the economy is at full employment, with strong wage growth and worker demands for more flexibility in their work environment. However, the economy is also crippled by high and persistent inflation, rising interest rates as the Fed attempts to curb inflation, and supply chain woes brought on by the resumption of economic activity after the pandemic and the impacts on energy and food prices brought on by Russia's invasion of Ukraine. Each of these factors — employment, wage growth, the rise in health care costs, general inflation and supply chain concerns — has direct impacts on the University of California and our work. We are particularly affected by the impact on State revenues, which correlates strongly with the State and national economy, and investment returns in the capital markets.

**Climate change:** The dramatic increase in greenhouse gas emissions, and the consequent rise in global temperatures and severe weather events, must be a planning factor for any economic sector. It is particularly compelling for the University of California because of our tripartite mission of research, education and public service. UC's operations are already being impacted by climate change driven events like wildfires, drought, and extreme heat. Our own campuses serve as living laboratories on how to achieve carbon neutrality, and eventually complete decarbonization, across large institutions, including medical centers. A large portion of our research focuses on addressing climate change and exploring issues of environmental justice and the disparity of climate change impacts. Finally, we play an important role in educating future generations, as well as the California public, on behavioral changes necessary to avert the threats of climate change

**Cost of housing:** Particularly acute to our work across the University has been the sustained, soaring cost of housing around all of our campuses, a feature that affects our students, our faculty and our staff. Our campuses lie in some of the most expensive metropolitan areas in the country, with rates of increase that grew rapidly prior to the pandemic. The cost of housing represents one of our most vexing issues in recruiting and retaining faculty and staff, who can find comparable positions at universities with affordable, attractive housing options. For our students, it drives us to build a greater number of beds on our campuses, so we can control the cost and the rates of increase for housing, which when combined with dining is a greater percentage of the costs of education than tuition.

# Landscape of Higher Education (cont.)

---

**Affordability of college:** The prior two factors — the tremendous economic uncertainty and the disruptions of the pandemic — amplified a growing concern about college affordability and the increasing debt loads on America’s college students. President Biden featured student loan forgiveness as one of the platform planks when he ran for president and issued an executive order for a means-tested version of debt relief. The University of California has long outperformed national trends in this area: fewer than half of our undergraduate students graduate with any debt and, of those that do, their overall debt burdens are less than \$20,000, about \$10,000 less than the national average. Nevertheless, this is a factor that has a high priority in our emerging strategic plan.

**Value of college degrees:** The rising costs of college, and the growing political polarization which questions the ideological profile of college campuses, have led to a growing number of students, and their families, questioning the value of a college degree for their professional success and personal fulfillment. We know, from data analyzed by Raj Chetty and the “Equality of Opportunity” project, that a college degree from any school has a significant impact on economic mobility and career opportunities. This impact grows substantially for universities like our UC campuses. In spite of this compelling analysis, schisms not only exist but are growing across the county, driven by political and ideological differences, on the importance of college.

**Future of work:** Apart from the impact on pedagogy for our students and faculty, the pandemic introduced broad changes in how and where we will work going forward. With the checkered success of remote work, many universities are looking at hybrid work environments with staggered time between in-person and remote work. This development presents challenges as we strive to create culture and community among our work teams, as well as connection to the broader mission of the University. However, it also creates opportunities to both recruit from a broader pool of applicants for many positions. It also enables us to evaluate our space needs comprehensively and look at opportunities to reconfigure some administrative spaces for academic uses. This factor also greatly affects our health care enterprise, as it faces the need for growth in clinical facilities and a reduction in administrative space.

# UC Finance Stakeholder Input Survey

To align the division’s strategic direction with stakeholder priorities, the strategic planning process begins with input from stakeholders.

- UC Finance Stakeholder Survey dates: April 15-30, 2022
- 42 UC Finance stakeholders approached – UCOP leadership, Vice Chancellors of Planning & Budget, Vice Chancellors of Administration, and UC Medical Center CFOs
- 13 responses (31% response rate): 4 across four UCOP divisions; 9 across seven UC locations
- Stakeholders shared their top priorities for the next 3-5 years, ways UC Finance could support advancing their top priorities, and activities that could benefit by decentralizing with locations or centralizing at UC Finance.

## Stakeholder Priorities – themes ordered from most to fewest responses:

1. Tools & Processes	2. Capital	3. Staff	4. Financial Growth / Recovery	5. Sustainability	6. Suppliers / Supply Chain
<ul style="list-style-type: none"> <li>• Financial systems</li> <li>• Budget models</li> <li>• Process automation</li> <li>• UCPath improvements</li> <li>• New information systems</li> </ul>	<ul style="list-style-type: none"> <li>• Deferred maintenance / seismic safety</li> <li>• Campus housing</li> <li>• Space for growth</li> <li>• Health care facilities</li> <li>• Real estate</li> </ul>	<ul style="list-style-type: none"> <li>• Staffing shortfalls</li> <li>• Talent retention</li> <li>• Diversity, equity and inclusion</li> <li>• Mental health</li> <li>• Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue generation</li> <li>• Pandemic recovery</li> <li>• Debt strategy</li> <li>• Research growth</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon neutrality</li> <li>• Energy efficiency</li> <li>• Alternative transportation</li> <li>• Climate resiliency</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier diversity</li> <li>• Construction cost escalation</li> <li>• Supply chain challenges</li> </ul>

## Stakeholder-identified Support Needs – eight themes ordered from most to fewest responses:

1. Tools & Processes
2. UC Policies & Priorities
3. Financial Strategy
4. Capital
5. Advising / Best Practices
6. Sustainability
7. Collaboration
8. Staffing Models / Wages

# UC Finance Staff SWOT Input

Staff input on the division’s Strengths, Weaknesses, Opportunities and Threats supports decision-making and goal development in the strategic planning process.

- UC Finance Staff SWOT Survey dates: April 15-30, 2022
- 175 UC Finance division staff engaged; 122 total responses (70% response rate)
- Staff provided perspective on the division’s strengths, weaknesses, opportunities and threats.

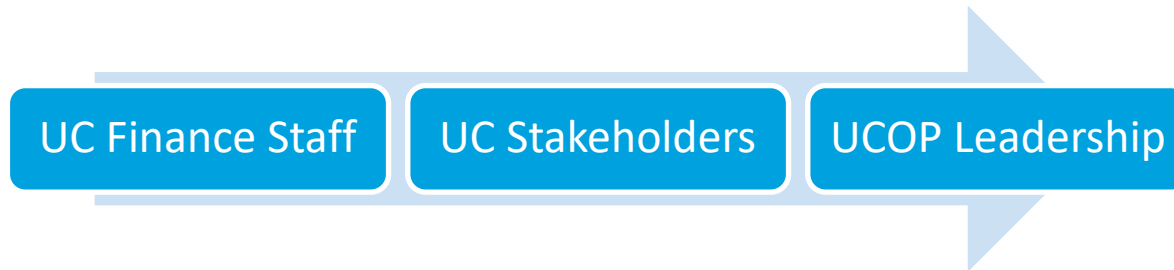
SWOT analysis – themes ordered from most to fewest responses:

HELPFUL		HARMFUL	
INTERNAL	<b>STRENGTHS</b> <ul style="list-style-type: none"> <li>• Trusted, knowledgeable staff</li> <li>• Collaborative culture</li> <li>• Leadership</li> <li>• Employee support</li> <li>• Creative problem solvers</li> <li>• Communication</li> <li>• Mission-Driven</li> </ul>	<b>WEAKNESSES</b> <ul style="list-style-type: none"> <li>• Centralized systems, services, processes</li> <li>• Silos</li> <li>• Work environment</li> <li>• Staffing levels</li> <li>• Employee development</li> <li>• Retention, succession plan</li> <li>• Lack of training</li> </ul>	
	<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>• Collaboration, synergy</li> <li>• Workforce, resources, office culture</li> <li>• Political climate, government funds surplus</li> <li>• Branding, awareness building</li> <li>• Tools and technology</li> <li>• Power of 10</li> </ul>		
EXTERNAL			

# UC Finance Strategic Plan Review

---

Prior to finalizing the UC Finance Strategic Plan, division staff, UCOP leadership and UC stakeholders had an opportunity to review and provide feedback on the Mission, Vision and Goals set out in the plan.



1. UC Finance division staff reviewed the draft plan with department leaders in team meetings scheduled between mid-December 2022 to mid-January 2023. Staff feedback was discussed at the January UC Finance division leadership meeting and consideration was given to update the plan.
2. UC Vice Chancellors for Planning and Budget (VCPBs) and Administration (VCAs) reviewed the draft plan in February 2023. They were provided an opportunity to provide comments on the full plan through the month of March.
3. Additional stakeholders across UCOP and UC campuses/locations received the draft plan by email for feedback between late-January to late February. Stakeholder feedback was discussed with UC Finance division leadership and consideration was given to update the plan.
4. UCOP executive leadership, including President Drake, reviewed the draft plan at an EPAG meeting in mid-April. Consideration of feedback was given to update the plan.

---

# UC Finance

## Mission, Vision, Core Values and Strategic Objectives

# UC Finance Mission

---

## Our Mission

In partnership with the UC community, we **optimize and steward resources** to continually enhance **financial sustainability** in support of the **University's mission**.

1

### Our Cause

Who, what, where we serve

---

### Our Actions

What we do

---

### Our Impact

Changes for the better

<sup>1</sup> Source: <http://lucyinthescrum.com/wp-content/uploads/2018/03/Mission-Statement-Exercise.pdf>



# UC Finance Vision

---

## Our Vision

We will collaborate as innovative financial stewards to anticipate and meet the evolving challenges of a world-class public research university and health system.

### ❖ Vivid Description

*We will be problem-solvers for UC's biggest challenges and clear the pathway to "yes" for faculty, staff and students. UC's diversity will reflect the demographics of California – from our students and employees to our contractors and suppliers. Our sustainable financial model will position UC to adapt quickly to changes in higher education and in UC leadership and priorities.*

*We will strive for excellence and continuously improve operations with our stakeholders in mind. Campuses will welcome our partnership to collectively drive greater value for the university. Our increased attention to the unique needs of campuses will foster their resilience, financial stability and accelerated growth.*

*All students regardless of financial need will have access to an extraordinary UC education and degree. Students will have a place to live on campus and their basic needs covered. Through an enriched UC experience, students will graduate with a positive, lifelong relationship with the university. All UC campuses will be welcoming, safe and decarbonized to support an unrivaled world-class education and research experience.*

*We will attract, develop and retain diverse, top talent and expand career path opportunities. Employees will be supported, valued and engaged, and feel their work is meaningful, significant and connected to UC's mission. We will cultivate an environment of collaboration, agility, intellectual curiosity, joyful urgency and best-in-class traits – creativity, integrity, flexibility and financial prowess.*

*We will be closely integrated with California State University and California Community College institutions to expand UC's reach and impact. Local communities, the state of California, the nation and the world will recognize UC's contributions and stand up in support of The University of California.*

# UCOP Core Values

UC Finance adopts UCOP's Core Values outlined in the *UCOP Strategic Framework* published in 2023

## ACCOUNTABILITY

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

## EXCELLENCE

We adhere to the highest standards of professionalism, quality, and expertise. We lead our respective disciplines and foster a system that delivers superior outcomes.

## INNOVATION

By establishing an environment which supports creative and diverse thinking, we consistently evaluate perspectives, re-define problems, and seek opportunities to identify, test, and implement new solutions that produce desired outcomes. We accept risk taking as an opportunity to learn.

## COLLABORATION

We believe collective insight and action produces greater results than that of any individual or organization. We facilitate the exchange of information, expertise, and skills to optimize resources and generate the highest quality outcomes. We foster teamwork and, where appropriate, systemness.



## INTEGRITY

We set high ethical standards and lead by example. We build a culture of trust with our words and actions. We treat all people with respect, professionalism, and fairness.

## EQUITY & INCLUSION

We value the diverse perspective and identities of our workforce and are intentional in developing a culture of inclusion and belonging for all. We strive towards becoming an anti-racist organization that dismantles systemic discrimination. We center the needs and experiences of our workforce most impacted by historical injustices in our practice and policy, so all have the opportunity to thrive.

## PUBLIC IMPACT

Through our public service and commitment to the mission, we advance positive change in California, the nation, and beyond

# UCOP Strategic Objectives Guidance

UC Finance adopts UCOP's Strategic Objectives outlined in the 2023 UCOP Strategic Framework.

Strategic Objective	Strategic Objective Guidance
<b>Strengthen an Inclusive UC Workforce and Community</b>	<ul style="list-style-type: none"> <li>• Build a diverse community by seeking and valuing the multiple identities and perspectives of our prospective current workforce</li> <li>• Cultivate a culture of inclusion and belonging where all individuals can authentically speak and know they are heard</li> <li>• Work towards equity by centering the needs and experiences of our workforce most impacted by historical injustices in all decisions</li> <li>• Implement competitive and flexible workforce strategies to attract and retain high performing talent in the new Future of Work environment</li> <li>• Improve employee engagement through building a culture of trust and inclusion, professional development, mentorship and strategic engagement. Strive to be an employer and partner of choice</li> </ul>
<b>Develop and Maintain Sustainable Financial Models</b>	<ul style="list-style-type: none"> <li>• Continue to advocate for strong and growing core budget revenues</li> <li>• Implement additional strategies to generate and grow alternative revenues</li> <li>• Develop initiatives and funding models to address capital needs, particularly in seismic, energy efficiency and capital renewal</li> <li>• Work with campuses to advance debt-free pathways for all UC students</li> </ul>
<b>Deliver Operational Service Excellence</b>	<ul style="list-style-type: none"> <li>• Deliver the highest level of customer service within UCOP and to the locations in an efficient and cost-effective manner</li> <li>• Provide effective systems and innovative, nimble processes with effective risk controls that meet the operational needs of stakeholders</li> <li>• Design, implement, and enforce internal policies that promote effective and efficient business operations</li> </ul>
<b>Support a Prosperous, Resilient, and Healthy California</b>	<ul style="list-style-type: none"> <li>• Marshal the institution's expertise and external partners to effectively advance a more inclusive and prosperous California</li> <li>• Demonstrate leadership and innovation in addressing climate change</li> <li>• Identify pathways for expanding reach of UC healthcare and improving health equity</li> <li>• Utilize and promote UC's intellectual capital and world class research to drive public policy</li> </ul>
<b>Expand Opportunities in Learning and Research</b>	<ul style="list-style-type: none"> <li>• Make tangible, metric-informed progress in closing equity gaps and in admission, retention, graduation and student debt in service of social mobility</li> <li>• Improve the efficiency and affordability of higher education through initiatives that increase access to degree completion and new modes of pedagogy</li> <li>• Develop new models of higher education that are adapted to fiscal realities, pedagogical excellence, and student success</li> <li>• Promote the innovation pipeline through increased investment in research and accelerated technology transfer</li> </ul>

# UCOP Strategic Objectives and Sample KPIs

UC Finance adopts UCOP's Strategic Objectives outlined in the 2023 [UCOP Strategic Framework](#).

Strategic Objective	Sample Key Performance Indicators
<b>Strengthen an Inclusive UC Workforce and Community</b>	<ul style="list-style-type: none"> <li>• Employee retention and vacancy rates including career mobility</li> <li>• Workforce diversity statistics</li> <li>• Employee engagement scores</li> <li>• Implementation progress on UCOP's EDI and Anti-Racism Advisory Group</li> <li>• Recognition as employer of choice</li> </ul>
<b>Develop and Maintain Sustainable Financial Models</b>	<ul style="list-style-type: none"> <li>• UCRP funding ratios</li> <li>• Capital funding shortfalls</li> <li>• University ratings/debt ratios</li> <li>• Volume of student housing by campus</li> <li>• Student debt levels</li> </ul>
<b>Deliver Operational Service Excellence</b>	<ul style="list-style-type: none"> <li>• Service satisfaction scores</li> <li>• Performance against service level agreement targets</li> <li>• Budget performance to targets</li> <li>• Systems enhancements delivered on time and on budget</li> <li>• Policy compliance</li> </ul>
<b>Support a Prosperous, Resilient, and Healthy California</b>	<ul style="list-style-type: none"> <li>• Continued positive impact on the state's innovation economy</li> <li>• Climate and sustainability targets</li> <li>• UC Health usage and outcomes</li> </ul>
<b>Expand Opportunities in Learning and Research</b>	<ul style="list-style-type: none"> <li>• 2030 Plan targets</li> <li>• Governor's Compact target</li> <li>• UC Capacity plan targets</li> <li>• Funding for teaching and research</li> </ul>

---

# UC Finance Goal Statements

# UC Finance Goal Titles by Strategic Objective

Strategic Objective	Goal #	Goal Owner	Goal Title
Strengthen an Inclusive UC Workforce and Community	1	Brad Werdick	Develop Division Community
	2	Barbara Cevallos	Restructure UC Controller Department
Develop and Maintain Sustainable Financial Models	3	David Alcocer	Implement a Stable and Predictable Funding Model
	4	David Phillips	Reduce Capital Renewal Project Liabilities and Seismic Safety Upgrades
	5	Meghan Gutekunst	Develop Working Capital Management Strategy
	6	David Phillips	Optimize Space Management Planning Across UC
Deliver Operational Service Excellence	7	Barbara Cevallos	Develop and Implement Payroll Compliance Strategy
	8	Paul Williams	Increase Supplier Diversity & Sustainability
	9	Paul Williams	Drive Greater Value for the University
	10	Kevin Confetti	Strengthen UC's Insurance Model and Maximize Value of Risk Financing
	11	Barbara Cevallos	Complete UCOP Financial Systems Modernization
	12	David Alcocer	Increase Efficiencies in UCOP/Campus Budget Operations
	13	Paul Williams	Establish UC Finance Center of Expertise
Support a Prosperous, Resilient, and Healthy California	14	David Phillips	Achieve 2025 Carbon Neutrality
Expand Opportunities in Learning and Research	15	David Alcocer	Expand Debt-Free Pathways
	16	David Phillips	Drive Increases in Affordable Housing

# UC Finance Goal Statements (1 – 6)

Goal #	Goal Title	Goal Statement
1	Develop Division Community	By July 2027, break down silos, reinvigorate a sense of community and build a more inclusive environment within UCF to advance a culture of inclusion where each employee feels valued and a sense of belonging.
2	Restructure UC Controller Department	By the end of fiscal year 22/23, complete assessment of the UC Controller department organization structure to determine optimal design for improved performance and employee growth and satisfaction.
3	Implement a Stable and Predictable Funding Model	Enable campuses to develop sustainable multi-year financial plans by implementing a funding model for increasing stability and predictability of core-funded revenue and non-core resources on an ongoing basis, beginning FY23.
4	Reduce Capital Renewal Project Liabilities and Seismic Safety Upgrades	Mitigate current threats to financial strength and campus safety and operations by systematically implementing projects and programs that reduce UC's backlog of capital renewal projects and seismic safety upgrades by 2% each year starting in FY22-23
5	Develop Working Capital Management Strategy	Develop a systemwide strategy to manage the University's working capital in order to provide campuses with an additional revenue stream through increased investment returns, with strategy implementation beginning FY2022-23 and completion by FY2024-25.
6	Optimize space management planning across UC	By January 2024, campuses will complete space assessments to optimize existing facilities use and inform future capital needs and implement systemwide space management systems to consistently report these data and strategies.

# UC Finance Goal Statements (7 – 13)

Goal #	Goal Title	Goal Statement
7	Develop and Implement Payroll Compliance Strategy	Develop payroll compliance strategy by 2023 to reduce payroll errors and ensure alignment with applicable policies; implement strategy in 2024.
8	Increase Supplier Diversity & Sustainability	Prioritize and increase supplier diversity and sustainability by incorporating into UC sourcing processes, decision making, and reporting to reach 25% Economically and Socially Responsible Spend by July 2025, and achieve 100% compliance with Required Level Green Spend criteria and 25% Green Spend within three fiscal years of product categorization.
9	Drive Greater Value for the University	Drive greater value for the University by connecting the buying power of the UC system and engaging collectively in strategic sourcing and supplier relationship management to generate 4% savings in annual spend by FY25.
10	Strengthen UC's Insurance Model and Maximize Value of Risk Financing	Mitigate impacts of unfavorable insurance market conditions and resulting decline in the value of purchasing commercial insurance by integrating new technology resources and using commercial insurance partners to develop and maintain a more fiscally efficient insurance model.
11	Complete UCOP Financial Systems Modernization	Complete the modernization of the University's outdated financial systems to enhance and streamline processes for the efficient and effective delivery of financial information by fiscal year 2025.
12	Increase Efficiencies in UCOP/Campus Budget Operations	Increase efficiencies in the University's state budgeting processes, legislative reporting requirements, and campus data collection by identifying opportunities for reporting relief and updating guidance for campus data collection beginning in FY2022-23.
13	Establish UC Finance Center of Expertise	Increase operational efficiency and improve client experience by establishing a Center of Expertise focused on continuous improvement and building integrated, KPI-driven processes by July 2024.



# UC Finance Goal Statements (14 – 16)

Goal #	Goal Title	Goal Statement
14	Achieve 2025 Carbon Neutrality	By 2025, achieve net carbon neutrality in UC’s operational GHG emissions through the development of cost-effective reliable, scalable, and sustainable solutions and/or establish plans and a commitment to make our operations entirely fossil-free in the future.
15	Expand Debt-Free Pathways	Enhance the affordability of an undergraduate UC education by expanding debt-free pathways to all students with financial need at every UC undergraduate campus by FY2029-30, subject to available state and federal resources.
16	Drive Increases in Affordable Housing	Develop and implement systemwide strategies and actions to drive increases in affordable housing available for students, faculty and staff to meet each campus’s defined objectives by 2030.

---

# UC Finance Strategic Plan Communication & Monitoring

# UC Finance Strategic Plan Communication

---

The final UC Finance Strategic Plan (2023-2027) will be made available on the UC Finance website. Initial communications to launch the Strategic Plan are targeted to begin in May 2023 and will include:

## UC Finance Staff Communication

- UC Finance leadership will share the Strategic Plan in a division all-hands meeting in spring 2023. Goal owners will present goals at the launch and department project managers will provide periodic updates at future all-hands meetings.

## UCOP Stakeholder Communication

- UC Finance leadership will present the Strategic Plan to UCOP Division Leadership at a PAG (President's Advisory Group) standing meeting.
- UC Finance will share the Strategic Plan with UCOP colleagues through various channels, which may include relevant project meetings, UC Link staff newsletter, UCOP Town Hall, and UCOP Lunch and Learns.

## UC Regents and Campus/Location Stakeholder Communication

- CFO Brostrom will share the Strategic Plan with Chair Cohen and Vice Chair Makarechian of the UC Regents Finance and Capital Strategies Committee.
- UC Finance leadership will share the Strategic Plan with campus and location leadership including Chancellors and Vice Chancellors, and with colleagues across the University.

# UC Finance Strategic Plan Monitoring

---

Progress monitoring on the UC Finance Strategic Plan will include:

## Ongoing Progress Monitoring

- On a rotating basis, goal owners will report goal progress quarterly at standing UC Finance Leadership meetings, beginning June 2023. Project managers assigned to goals will be invited to present to leadership.
- As appropriate, goal owners and division staff will include UC Finance Strategic Plan goals and key strategies in STEP performance plans, beginning March 2023.

## Annual Strategic Plan Review and Refresh

- The UC Finance Strategic Planning Team will convene annually (**2024, 2025, 2026**) to review goal progress, collect and review metrics, and refresh plan. Refresh may include goal updates, additions or deletions as well as re-alignment with Presidential Priorities.
- UC Finance Leadership will communicate progress annually to UC Finance staff and EPAG (Executive President's Advisory Group).

## 5-Year Strategic Plan Renewal

- Strategic Planning Team convenes before the end of year 5 (**2027**) to review goal progress, collect and review and metrics, and renew strategic plan for the next 5-year period (**2028-2032**).

---

# Appendix A: Goal Summary Sheet Descriptions & Financial Terms

# Goal Summary Sheet: Section Descriptions

Each goal within the strategic plan has a corresponding [Goal Summary Sheet](#) that outlines the following:

Section	Description
Goal Owner	Assigns accountability for goal progress to a specific department and/or person.
Goal Statement	Clarifies a specific, measurable, achievable, realistic and timebound (SMART) target that brings greater clarity, focus and motivation for the division to successfully achieve the desired results.
Opportunity	Describes the purpose/motivation behind the goal.
Proposed Solution	Defines the goal's scope and objectives, and potential partners.
Benefits	Outlines measurable benefits to be derived from achieving the goal.
Key Strategies	Highlights key activities/steps required to achieve the goal.
Assumptions	Identifies processes/events that must happen or "go right" (usually outside the division's direct control) in order for the goal to be successfully achieved.
Metrics and Targets	Outlines how success will be measured with associated desired targets.
Financials	(See Goal Summary Sheet Financials.)

# Goal Summary Sheet: Financial Terms

## Financial Estimates

- Amounts are high-level estimates and often vary over time and by campus/location.
- Full business cases may be needed to determine exact amounts.

## Resource Assumptions

- Goal feasibility assumes financial resource stability. Goal adjustments may be needed to accommodate changing financial realities.
- Where campus/location resources will be needed, goal implementation assumes campuses/locations will have the resources and ability to fully implement and achieve the goal.

Financial Term	Description
<b>UCOP Impact</b>	Amounts reflect expenses and revenue/savings that will be covered by the UCOP division budget. As with all UCOP expenses, new line items may impact campus assessment.
<b>Campus/Location Impact</b>	Amounts listed are for all impacted UC locations combined, and reflect expenses and revenue/savings expected to come directly from/to the campuses/locations
<b>One-time Project Costs</b>	New, additional one-time costs incurred during the strategic plan period for implementing the goal. Does not include project costs already incurred or compensation of existing staff.
<b>Ongoing Annual Expenses</b>	New, additional ongoing expenses incurred each year over and above the existing budget as a result of realizing this goal. Does not include annual expenses already incurred or compensation of existing staff.
<b>Annual Revenue/Savings</b>	New, additional sources of annual revenue or savings anticipated with achieving the goal.

---

# Appendix B: UC Finance Goal Summary Sheets (1-16)



# DIV GOAL #1

# Develop Division Community

Strengthen Inclusive UC Workforce

Goal Owner: Werdick

**Goal:** By July 2027, break down silos, reinvigorate a sense of community and build a more inclusive environment within UCF to advance a culture of inclusion where each employee feels valued and a sense of belonging.

**Opportunity:**

Per the recent SWOT survey, 32% of UC Finance staff indicated feeling a lack of belonging and being siloed. Part of the issue has been working remotely with no one in the office. It is important for employee fulfillment and retention and to strengthen the sense of community for UC Finance to focus on creating an environment where the staff feel connected to a team and feel they are contributing to the mission of the University.

**Proposed Solution:**

Scope: Strengthen the sense of community within UC Finance and connection to the mission of the University.

Objectives:

1. Provide opportunities for staff to learn more about UC’s mission, core responsibilities of departments within the division and at UCOP at large.
2. Develop a better understanding of why staff are feeling isolated and develop strategies on how they can be addressed in our new hybrid work model.
3. Expand diversity within division so it better reflects California’s demographics.
4. Support career development and mobility to grow within the University.

**Benefits:**

1. Improve sense of community and connectivity to the mission
2. Increase retention and keep institutional knowledge
3. Stronger team that is more productive
4. Supportive environment
5. Improve morale
6. Happier employees
7. A stronger UCOP

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
#1	<b>By July 2027, break down silos, reinvigorate a sense of community and build a more inclusive environment within UCF to advance a culture of inclusion where each employee feels valued and a sense of belonging.</b>					
1a	Hold annual or biannual UC Finance Town Hall to share team accomplishments, upcoming goals, welcome new staff, and provide greater access to management					
1b	Build community and strengthen team morale through quarterly social events, brown bags and/or a division newsletter to increase communication that in turn increases sense of belonging and inclusion					
1c	Support professional growth and awareness building through staff campus visits each year so that UCF staff will develop a deepening understanding of how their work connects to the mission and supports the campuses.					
1d	Work with UCF unit and department leaders to choose a competency/goal for the purpose of understanding the staff’s sense of community that the entire division will implement by the 23-24 performance evaluation process.					
1e	Create a division EDIB network with a lead liaison and work with department representatives to align UCF with UCOP EDIB goals					
1f	Work with an equity advisor to develop a recruitment and interview process to anonymize applicants to ensure the hiring of more diverse staff					
1g	Incorporate UCOP EDIB & Anti-Racism Advisory Group recommendations into division processes and practices					
1h	Provide resources and support for professional development opportunities to encourage career mobility; work with managers to ensure that they are coaching staff to identify professional growth interests and opportunities during yearly performance evaluations.					

# DIV GOAL #1

# Develop Division Community

**Goal: By July 2027, break down silos, reinvigorate a sense of community and build a more inclusive environment within UCF to advance a culture of inclusion where each employee feels valued and a sense of belonging.**

**Assumptions:**

1. Must follow HR and operational policies for social events; Policies around COVID, e.g., social distancing can inhibit being together.
2. There is sufficient funding to fully cover the costs of events (campus visits, etc.).
3. UCOP will develop an organization-wide DEI data benchmarking.

**Metrics and Targets:**

1. Staff engagement survey; compare SWOT vs. post-engagement survey to compare outcomes.
2. Division "listening sessions" where staff can talk and ask questions of leadership.
3. Use feedback event surveys to solicit input.
4. Track campus visits by department.
5. Prepare an annual review of division demographics and compare to UCOP's organization-wide DEI benchmarks.
6. Leverage STEP performance tool as a feedback channel to understand furtherance of staff morale.

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

UC Finance anticipates that all costs to execute this goal, such as staff enrichment activities, will be covered in the current UC Finance division budget. No additional funds are requested at this time.

**Additional Information:**

# DIV GOAL #2

# Restructure UC Controller Department

Strengthen Inclusive UC Workforce

Goal Owner: Cevallos

**Goal:** By the end of fiscal year 22/23, complete assessment of the UC Controller department organization structure to determine optimal design for improved performance and employee growth and satisfaction.

**Opportunity:**

The nature of the UC Controller department’s workload has changed significantly with the implementation of Oracle GL, new accounting standards and the onset of hybrid/remote work. A review of our organizational structure is necessary to determine the optimal size and scope of the department and each unit within it. Based on initial feedback, there is a need for increased headcount. A new structure will support current employees in their career goals and aspirations, as well as provide optimal service to the rest of UCOP and the University as a whole.

**Proposed Solution:**

Scope: Perform organizational assessment of the UC Controller department to improve performance and support employees

Objectives:

1. Determine optional organizational structure for future of the UC Controller departmental work
2. Align structure with business needs (new accounting pronouncements and new IT systems) and staff strengths. Consider remote work to attract talent.
3. Leadership development for unit heads
4. Training and development for staff
5. Professional growth and career path opportunities

**Benefits:**

1. Align organization to work required by new systems and accounting pronouncement implementations
2. Improve employee performance and satisfaction
3. Provide pathways for career growth
4. Improve synergies of similar work by realigning teams
5. Increase efficiency and productivity within the department

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
2	<b>By the end of fiscal year 22/23, complete assessment of the UC Controller department organization structure, to determine optimal design for improved performance and employee growth and satisfaction.</b>					
2a	Engage consulting firm and perform initial listening campaign (completed)					
2b	Based on listening campaign results, complete Phase 2 organizational discovery and create design in Fall 2022					
2c	Identify needs for any additional headcount before budget process for FY2024 based on results of Phase 2					
2d	Change management to move from old org design to new, supporting employee transitions to new positions and units in Winter/Spring 2023					
2e	Hire additional headcount necessary in FY2024					

# DIV GOAL #2

# Restructure Financial Accounting Department

**Goal:** By the end of fiscal year 22/23, complete assessment of the UC Controller department organization structure, to determine optimal design for improved performance and employee growth and satisfaction.

**Assumptions:**

1. Staff participation in the organization assessment is key
2. Consultant work product must be timely, accurate and complete
3. Change management assistance from consultant and SPMO is needed
4. Budget approval is necessary if additional headcount is needed

**Metrics and Targets:**

1. Actionable Org assessment results meeting UC Controller deadlines
2. Identify headcount needs to meet new structure
3. Once revised structure is operational, improved performance should be measurable in employee satisfaction, detailed by revisiting org survey
4. Improved employee experience should be measurable in lower turnover rates and improved performance documented in STEP.

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)	\$545K											
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

**UCOP DIV Project Costs:**

- Funds for the assessment will be needed - although we can use vacancy savings to date to fund a portion of the cost in the current departmental budget
- If leadership development is deemed necessary and current UC resources are not sufficient, potential for engaging the consultant in some leadership development activities

**UCOP DIV Annual Costs:**

- If the assessment results show that increased headcount is necessary, a budget request for FY2024 for the additional staff will be required. (ongoing annual)

**Additional Information:**

## DIV GOAL #3

## Implement Stable and Predictable Funding Model

Sustainable Financial Models

Goal Owner: Alcocer

**Goal: Enable campuses to develop sustainable multi-year financial plans by implementing a funding model for increasing stability and predictability of core-funded revenue and non-core resources on an ongoing basis, beginning FY23.**

### Opportunity:

Campuses have been challenged to sustain their core-funded budgets in recent years due to highly variable levels of State support, limited access to new tuition revenue, and undergraduate enrollment above State-supported targets. Campuses also vary in their ability to generate non-core revenues. The new multi-year compact with the Governor, the Tuition Stability Plan, proposed revisions to rebenching, and other developments provide an opportunity to increase both the amount and predictability of core-funded revenue. If successful, these efforts will result in annual increases in core funding per student at every campus and across the system. Facilitating the expansion of Professional Degree Supplemental Tuition (PDST) programs and self-supporting graduate degree programs, improving campuses' use of working capital, instituting assessments on non-core revenues and assets, monetizing real estate opportunities, increasing indirect cost recovery rates and participation levels, and other strategies provide an opportunity to further increase non-core resources.

### Proposed Solution:

- Support UC in meeting its commitments under the multi-year compact with the Governor to position the University for regular annual increases in State support, while also pursuing additional funding for enrollment growth and critical capital investments.
- Continue the successful phase-in of the Tuition Stability Plan to provide regular and predictable increases in undergraduate and graduate tuition revenue.
- Finalize and implement proposed changes to rebenching.
- Integrate multi-year enrollment plans and anticipated funding under the compact to create multi-year revenue projections for campuses.
- Provide campuses with common University-wide tools to develop multi-year financial plans and to consolidate them across the system.
- Work with the Regents to streamline the PDST approval process.
- Further streamline the approval process for self-supporting graduate degree programs, in conjunction with Academic Affairs.
- Create opportunities for campuses to share best practices regarding revenue generation, operational efficiencies, and resource allocations.
- Anticipate the need to advocate for sustained University support in the event of future erosion in the State's budget.
- Ensure that State budget requests are as broad and discretionary as possible (i.e., avoid line items).
- Continue to develop and disseminate best practices in asset management and the management of non-core revenues.

### Benefits:

- 1) Greater predictability for campuses with respect to growth in core-funded revenues.
- 2) Fewer barriers for campuses to generate additional revenues through PDST and self-supporting programs.
- 3) Increased knowledge-sharing across campuses to identify new revenues and improve operational efficiencies.
- 4) Stronger partnership with the Governor's Office and the Department of Finance, which can benefit the University in both good and bad economic circumstances.

# DIV GOAL #3

# Implement Stable and Predictable Funding Model

Sustainable Financial Models

Goal Owner: Alcocer

**Goal: Enable campuses to develop sustainable multi-year financial plans by implementing a funding model for increasing stability and predictability of core-funded revenue and non-core resources on an ongoing basis, beginning FY23.**

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
3	<b>Enable campuses to develop sustainable multi-year financial plans by implementing a funding model for increasing stability and predictability of core-funded revenue and non-core resources on an ongoing basis, beginning FY23</b>					
3a	Beginning FY23, develop and implement a strategic framework for ensuring that UC meets its commitments under the Compact with the Governor: 1) identify UCOP lead(s) for each category of Compact commitments, 2) Have each lead develop multi-year strategies for meeting assigned commitments, and 3) Track progress for each commitment and submit required annual reports to DOF (FY23 and subsequent years)					
3b	Beginning FY23, work with IRAP to ensure that annual budget requests accurately reflect campus enrollment plans: 1) Develop a timeline for annual submission and review of rolling multi-year enrollment plans by each campus and 2) Incorporate campus plans into annual Regents budget proposal (FY23 and subsequent years)					
3c	Finalize and implement proposed changes to rebenching (FY24): 1) Share President’s proposed modifications to rebenching with VCPBs, Chancellors for input, 2) Finalize modifications for implementation in FY24, and 3) Develop multi-year campus allocation projections based on campus enrollment plans and modified rebenching formula					
3d	Beginning FY23, deploy common University-wide forecasting tool across all 10 campuses: 1) Complete initial design of Syntellis planning tool, 2) Partner with selected campuses to pilot the tool, 3) Revise application as needed in response to feedback from pilot, and 4) Deploy application to all 10 campuses					
3e	Redesign PDST approval process to be more streamlined for campuses and UCOP: 1) Meet with ASAC Chair to explore options/Regental interest in a redesigned process, 2) Develop revised calendar for reviewing/approving PDST programs that avoids unmanageable “spikes” in proposals requiring Regental approval, 3) Develop Regents items to extend existing multi-year plans as needed to implement a revised schedule , and 4) Evaluate revised schedule to see if there are additional opportunities to streamline and/or simplify process					
3f	Partner with Academic Affairs to identify opportunities to streamline the approval of self-supporting academic degree programs and their multi-year tuition programs: 1) Meet with new Provost to learn his/her perspective of self-supporting programs; 2) Develop options for delegating limited approval authority to Chancellors; and 3) assess potential for streamlining Academic Senate review of proposals.					
3g	Promote cross-campus collaboration: 1) Schedule systemwide forums (via Zoom) to allow campuses to showcase best practices related to budget management/operations, 2) Solicit ideas from VCPBs about topics of interest, 3) Identify campuses with noteworthy efforts/achievements, and 4)Schedule events through FY24.					

## DIV GOAL #3

# Implement Stable and Predictable Funding Model

**Goal: Enable campuses to develop sustainable multi-year financial plans by implementing a funding model for increasing stability and predictability of core-funded revenue and non-core resources on an ongoing basis, beginning FY23.**

### Assumptions:

1. Inflation must remain low enough to keep the Compact and Tuition Stability Plan viable
2. No major economic downturn in the immediate term
3. Campuses must be willing to develop credible strategies for achieving academic goals
4. The new Provost must be amendable to streamlining the PDST and self-supporting degree approval processes
5. The selected platform for the systemwide planning tool (Syntellis) must be flexible enough to meet campuses' needs

### Metrics and Targets:

1. Publish multi-year campus allocations by July 31, 2023
2. Incorporate modified weights and other changes to rebenching in campus allocations by July 31, 2023
3. Consult with incoming Provost on possible changes to PDST, self-supporting processes by December 31, 2022
4. Have revised PDST review schedule in place by September 30, 2023
5. Campus forum topics and dates established by September 30, 2023

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

UC Finance anticipates that all costs to execute this goal will be covered in the current UC Finance division budget. No additional funds are requested at this time.

### Additional Information:

# DIV GOAL #4 Reduce Capital Renewal Projects Liabilities & Seismic Safety Upgrades

Sustainable Financial Models

Goal Owner: Phillips

**Goal: Mitigate current threats to financial strength and campus safety and operations by systematically implementing projects and programs that reduce UC’s backlog of capital renewal projects and seismic safety upgrades by 2% each year starting in FY22-23**

## Opportunity:

Now that UC has prioritized systemwide list of capital renewal needs (\$74 billion) and facilities that require seismic upgrades (\$36 billion) by 2030 we need to demonstrate progress in reducing the existing liabilities through thoughtful, continuous actions. Without this progress, UC’s operations and campus safety and smooth operations will be threatened.

The State has been a partner in providing funding to address capital renewal and the seismic retrofits needed by 2030. By reducing ongoing liabilities, UC can reduce risk, improve the safety of our campus communities, and reduce operational costs. Savings can be redirected to campus priorities.

## Proposed Solution:

Scope: All UC locations to reduce ongoing year-over-year cost estimates for capital renewal backlogs and seismic upgrades.

Objectives:

1. A baseline to measure progress against annual 2% year-over-year decrease, focusing on highest-priority projects.
2. Actively evaluate administrative space potential
3. Accurate and current capital renewal projects and seismic safety databases
4. Increased engagement and advocacy with state partners to meet ongoing funding needs
5. Updated seismic policies to establish prioritized, realistic goals
6. Encourage investment in new construction and avoid investments in outdated facilities
7. Develop funding plans such as assessments of campus financial assets or bonding against declines on our state GO balances.

## Benefits:

1. Improve our overall financial situation and redirect funds to other high-priority goals.
2. Reduce safety risks and disruptions to campus operations
3. UC’s upgraded facilities will perform much better in the event of an earthquake
4. Demonstrating continual progress and greater efficiencies will place UC in a stronger position to advocate for more investments from the State.

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
4	<b>Mitigate current threats to financial strength and campus safety and operations by systematically implementing projects and programs that reduce UC’s backlog of deferred maintenance and seismic safety upgrades by 2% each year starting in FY22-23</b>					
4a	Establish baseline DM and Seismic backlog totals as of July 1, 2022 by the end of 2022.					
4b	Determine the most appropriate indexes to adjust costs over time by the end of 2022.					
4c	Using the November 2022 Regents list, establish systemwide advocacy for State funding for the FY 23-24 budget cycle					
4d	Plan a proposal for a GO bond to cover highest priority needs by July 2023.					
4e	Provide recommendations for Seismic Safety Policy updates by November 2024.					



## DIV GOAL #4

## Reduce Capital Renewal Projects Liabilities & Seismic Safety Upgrades

**Goal: Mitigate current threats to campus safety and routine operations by systematically implementing projects and programs that reduce UC’s backlog of deferred maintenance and seismic safety upgrades by 2% each year starting in FY22-23.**

### Assumptions:

1. State funding and/or a Statewide GO Bond are key long-term needs.
2. Increased operating budget funding for facilities functions would help mitigate the DM list from growing.
3. Campus leadership support to fund seismic upgrades and address DM are key success factors.

### Metrics and Targets:

1. 2% reductions for both DM and Seismic Safety Upgrades are the key metrics.
2. Hopefully, we won’t experience a significant earthquake to demonstrate the success of our work.
3. Defined indexes to monitor adjustments of cost over time
4. Successfully lobby and secure State funding in the FY 23-24 and subsequent budget cycles
5. Deliver recommendations for Seismic Safety Policy updates

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

Funding for ICAMP will be taken off the top from any State one-time funding provided. Other UCOP support for these goals, including seismic, will be completed using existing staff and funding and will be covered in the current UC Finance division budget. No additional funds are requested at this time.

### Additional Information:

## DIV GOAL #5

# Develop Working Capital Management Strategy

Sustainable Financial Models

Goal Owner: Gutekunst

**Goal:** Develop a systemwide strategy to manage the University's working capital in order to provide campuses with an additional revenue stream through increased investment returns, with strategy implementation beginning FY2022-23 and completion by FY2024-25.

### **Opportunity:**

Currently, the University has a significant balance in the Short-Term Investment Pool (STIP) that could be shifted to a higher returning fund(s). For example, based on May 31, 2022, balances, the University would increase investment returns by approximately 3%, or \$90 million to \$120 million annually, if funds are transferred from STIP to the Total Return Investment Pool (TRIP). The extra funding could potentially be targeted towards liabilities such as seismic or deferred maintenance.

### **Proposed Solution:**

Scope: University of California campus and medical center working capital funds (STIP and TRIP)

Objective: Optimize the management of working capital investments, while also ensuring the University maintains sufficient liquidity. Starting in FY2022-23, the UC Controller department will begin manually transferring a portion of a campus' month-over-month increase in STIP to TRIP. The ultimate solution will make that process automatic and will also involve providing the campuses data and guidelines on working capital management. Outside of UC Finance, the campuses and UC Investments will be key partners in this process.

### **Benefits:**

1. Increase investment returns for the campuses through improved management of working capital.
2. Potentially use the additional revenue for capital renewal, seismic and other capital needs that currently have no funding source.
3. Establish sufficient certainty of earnings to enable Chancellors to incorporate investment earnings into their annual budget and one-time budget needs.

# DIV GOAL #5

# Develop Working Capital Management Strategy

Sustainable Financial Models

Goal Owner: Gutekunst

**Goal: Develop a systemwide strategy to manage the University’s working capital in order to provide campuses with an additional revenue stream through increased investment returns, with strategy implementation beginning FY2022-23 and completion by FY2024-25.**

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
5	<b>Develop a systemwide strategy to manage the University’s working capital in order to provide campuses with an additional revenue stream through increased investment returns, with strategy implementation beginning FY2022-23 and completion by FY2024-25.</b>					
5a	Begin manual transfer of campus funds from STIP to TRIP per guidance provided on 7/1/22 UCF Letter to campuses					
5b	Engage with campuses on working capital investments and what resources/strategies would be most beneficial (ongoing)					
5c	Launch data collection to share with campuses. Data points include: Opportunity of cost over allocation in STIP; Additional income provided by transfer of funds into TRIP (see #6a); and Data from new Treasury Management System on daily/monthly cash flow needs (ongoing). Explore possibility of creating a data dashboard.					
5d	Engage outside partners (financial advisor/banks) to advise on appropriate working capital investment strategy for system and campuses based on campus size/cash flows/level of expertise					
5e	Assess the FY2022-23 working capital transfer process to determine if modifications should be made (e.g., the percent transferred to TRIP) by following fiscal year					
5f	Set up the automatic transfer of funds from STIP to TRIP following the e-ledger transition					
5g	Integrate UC Controller, Capital Markets Finance (CMF), Treasury and UC Investments working capital functions into a more streamlined/efficient process					
5h	Establish Systemwide working capital best practices based on data collected and guidance provided by the University’s external partners. Explore potential inclusion of guidance/guardrails around increased investment earnings for liabilities such as deferred maintenance and seismic work					
5i	As a part of the debt policy review, explore potentially including additional policies to incentivize working capital investment strategies, particularly the use of funds for capital projects related to energy, seismic and deferred maintenance					

# DIV GOAL #5

# Develop Working Capital Management Strategy

**Goal: Develop a systemwide strategy to manage the University’s working capital in order to provide campuses with an additional revenue stream through increased investment returns, with strategy implementation beginning FY2022-23 and completion by FY2024-25.**

**Assumptions:**

1. Campus engagement and buy in allows for following Systemwide guidelines
2. Continued growth of the University’s financial resource base
3. TRIP returns, on average, continue to exceed STIP returns by a substantial margin (2 – 3%)
4. The new working capital transfer process with 75% of the month-over-month increase in TRIP is approximately the correct percentage
5. Eledger transition to Oracle allows for automatic transfer from STIP to TRIP
6. Staffing for CMF and UC Controller allows for meeting project targets
7. Rating agency requirements for the University’s liquidity do not change substantially

**Metrics and Targets:**

1. Monthly transfer of excess STIP begins in 8/2022 and, over time, successfully increases the TRIP balance, lowers the STIP balance (Target: average STIP balance falls to the \$2 - \$4 billion level and TRIP realizes a similar increase [excluding returns])
2. Data shows the transfer increases investment returns and, as a result, revenue for campuses (Target: higher investment returns for campuses relative to baseline without automatic transfers to TRIP)
3. Consistently higher investment returns give campuses the ability to use additional revenue for key priorities that currently do not have a revenue stream (Target: campuses include the investment returns in the annual operating budgets)

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)			\$100,000									
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

**Additional Information:**

One Time Costs:

- A. Potential additional cost for eledger transition to Oracle for automatic transfers (\$100,000)
- B. Potential one-time meeting or travel costs (minimal)
- C. Potential additional cost of external advisor(s) (incorporated into bond transaction)

Additional Revenue potential

- Higher investment returns as a result of transferring additional funds from STIP to TRIP or other investment funds (expected to be around \$100 million on an annually)

## DIV GOAL #6

# Optimize Space Management Planning Across UC

Sustainable Financial Models

Goal Owner: Phillips

**Goal:** By January 2024, campuses will complete space assessments to optimize existing facilities use and inform future capital needs and implement systemwide space management systems to consistently report these data and strategies.

### Opportunity:

Remote work and learning will be greatly expanded relative to the pre-pandemic University given our experiences and outcomes from the pandemic. The shift to hybrid and remote working arrangements has reduced our administrative space needs. The shift to more online learning resources has changed the types of facilities that are most needed. Our capital financial plans do not yet reflect these new realities. By developing space management planning tools and collecting consistent data from all campuses, UC can make data-driven decisions to optimize existing campus facilities while exploring a decrease in future capital needs. This approach will allow for the reallocation of funds towards higher-priority investments.

### Proposed Solution:

**Scope:** Achieve operational excellence in space management by setting systemwide standards for space use reporting and planning with a focus on making effective use of resources through data-driven decisions.

### Objectives:

1. Effective space management is challenging in a multi-campus university setting requiring the development of standardized process(s) for collecting data. UCOP will work with campus colleagues to set standards, identify data needs, improve the quality and visibility of space management information and reporting.
2. Identify systemwide space reporting/planning management tool(s)
3. Achieve operational budget savings by cancelling off-campus leases that are no longer necessary.
4. Consider policy changes in the approval process for new capital projects to require assessments of existing facilities before moving forward with the construction of new facilities.
5. Update the Capital Financial Plan in 2023 to incorporate these concepts and report data through an on-line system.

**Partners:** Campus VCPBs to assist with resource development; ITS to assist with resource development; HR and future of work leaders.

### Benefits:

1. UC will continue to support expanded enrollment and strategic growth without a proportional increase in spending for new facilities.
2. Reconfiguring existing space can improve operational and educational effectiveness, improving collaboration and enhancing the functionality of our workspaces.
3. UC's Capital Financial Plan will reflect reduced net costs after incorporating these concepts.
4. Consistent data gathering and data-driven decision making.
5. Reduction of energy use and the campus carbon footprint.
6. Decrease capital costs in these categories will support investments in other high-priority needs.

## DIV GOAL #6

## Optimize Space Management Planning Across UC

**Goal: By January 2024, campuses will complete space assessments to optimize existing facilities use and inform future capital needs and implement systemwide space management systems to consistently report these data and strategies.**

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
10	<b>By January 2024, campuses will complete space assessments to optimize existing facilities use and inform future capital needs and implement systemwide space management systems to consistently report these data and strategies.</b>					
10a	Summarize this future goal in the FY23 updated Capital Financial Plan.					
10b	Develop policy approach and talking points to include this goal in the Regents items for each new proposed building.					
10c	Develop proposal for the campuses to address this goal in each new lease, acquisition, and renewal.					
10d	Provide an overview of current status and plans for each campus to the Regents by November 2023.					

### Assumptions:

1. Campus leadership will embrace opportunities to change their historical business models.
2. Staff will support changes in how they use campus space (e.g., hoteling, hybrid work, etc.)

### Metrics and Targets:

1. Space tracking over time (e.g., admin space per number of staff, total admin space per student, etc.)
2. Report to Regents by FY23-24 Q2 campus assessment findings and strategy for addressing campus capital needs

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

Given the assumption that existing staff and existing software tools will be used for this work UC Finance anticipates that all costs to execute this goal will be covered in the current UC Finance division budget. No additional funds are requested at this time.

### Additional Information.

# DIV GOAL #7

# Develop and Implement Payroll Compliance Strategy

Operational Service Excellence

Goal Owner: Cevallos

**Goal: Develop payroll compliance strategy by 2023 to reduce payroll errors and ensure alignment with applicable policies; implement strategy in 2024.**

**Opportunity:**

Ensure payroll accuracy, compliance and adherence to policy. Subject matter experts within UC Finance worked to implement UCPATH, and now that it is fully implemented, this highly effective team can partner with the UC Path Center (UCPC) and locations to focus on payroll compliance through reporting, monitoring and training.

**Proposed Solution:**

Scope: A payroll management strategy that aligns with payroll compliance and standardized policy

Objectives:

1. Clear definition and delineation of roles and responsibilities between this group, locations, HR and UCPC that is well understood and communicated
2. Propose a governance structure to ensure success
3. Perform regular monitoring of key payroll activities to ensure compliance and consistency
4. Provide training to locations and UCPATH where needed, to ensure activities are compliant and consistent
5. Provide support to locations and UCPATH regarding compliance

Partner with UCPATH leadership to better delineate and communicate the roles between payroll policy and compliance, and the UCPC. Also partner with locations to provide support to their controller’s offices and payroll offices as they look for creative solutions to ensure accuracy and compliance in the most efficient and effective manner.

**Benefits:**

1. Avoid legal risks and reduce future costs
2. Clarity on alignment with payroll policy and compliance
3. Strengthen alignment with campus payroll process
4. Mitigate risk and reduced payroll errors
5. Increased payroll accuracy and process efficiencies

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
7	<b>Goal Statement – Develop payroll compliance strategy by 2023 to reduce payroll errors and ensure alignment with applicable policies; implement strategy in 2024.</b>					
7a	Align on goals of this group that would support new strategy – use Mercer as part of the larger UC Controller department org assessment to determine goals, as well as work with UCPATH and Systemwide HR to align on roles/goals					
7b	Based on goals and org assessment, validate staff number and assignments, any additions to go through budget process					
7c	Draft strategy in Spring 2023, vet through UCPATH, Systemwide HR, CFO; propose governance structure					
7d	Publish strategy and communicate widely (on website or in some other way) so that locations/UC Path/HR/UCF are clear on role this group plays in larger compliance constellation					

## DIV GOAL #7

# Develop and Implement Payroll Compliance Strategy

**Goal: Develop payroll compliance strategy by 2023 to reduce payroll errors and ensure alignment with applicable policies; implement strategy in 2024.**

### Assumptions:

1. Alignment with UCPath and Systemwide HR is key to our success
2. Clarity and acceptance for all “customers” including location HR and Payroll
3. Org assessment work with Mercer allows for exploration of strategy for this group

### Metrics and Targets:

1. Clear strategy of this group, with defined role in relation to UCPath and Systemwide HR, well communicated and understood – as measured by documentation
2. Implement governance structure and procedures
3. Process efficiencies – measured by number of process improvements created and implemented.
4. Over time we would see fewer payroll errors because of increased monitoring and training. Ideally a report could be developed to track payroll errors and we could see improvements over time.

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

### Additional Information:

Currently there is no financial impact as no new tools or personnel are needed. If, after further analysis, it is determined that tools or headcount are needed, we will assess the financial needs at that time.



## DIV GOAL #8

# Increase Supplier Diversity & Sustainability

Operational Service Excellence

Goal Owner: Williams

**Goal:** Prioritize and increase supplier diversity and sustainability by incorporating into UC sourcing processes, decision making, and reporting to reach 25% Economically and Socially Responsible Spend by July 2025 and achieve 100% compliance with Required Level Green Spend criteria and 25% Green Spend within three fiscal years of product categorization.

### **Opportunity:**

With an annual Procurement spend of \$10 billion and a total economic impact of \$83 billion, UC is uniquely positioned to increase economic opportunities in our communities, and impact UC's footprint on the environment. We will be deliberate and strategic in our sourcing processes to support a holistic approach in delivering supplier diversity and sustainability solutions.

### **Proposed Solution:**

The scope includes supplier sourcing across the UC system. Our key objective is to increase procurement spend with Economically and Socially Responsible suppliers and Green suppliers as a percentage of total UC spend. We will achieve this by addressing:

- **STRATEGIC INTEGRATION** -- Developing longer-term sourcing plans and Category Strategies to allow adequate time for targeted supplier development and sustainable solutions to be built into sourcing strategies.
- **FULL-IMPACT REPORTING** -- Expanding and aligning reporting beyond Small Business Utilization to highlight UC's complete impact, including spend with MBE's and LGBTQ+; and driving certifications of eligible suppliers.
- **ACCESS TO CAPITAL** – Partnering with UC Investments to address gaps in access to capital for small and diverse businesses and partnering with diverse investment firms for targeted supplier development.
- **STRUCTURAL CHALLENGES** -- Addressing structural barriers to supplier diversity through partnering with organizations such as XPRIZE Foundation, BuildingOUT, Minority Supplier Development Council, and Supplier Diversity Advisory Council members.
- **COMMUNITY OUTREACH** – Executing a communications strategy that highlights ways for suppliers to do business with UC and shifts the mindset of UC buyers to Supplier Diversity as a source of under-utilized value rather than solely a social responsibility.
- **SUSTAINABLE PROCUREMENT PARTNERSHIPS** – Increasing Sustainability impact via partnerships with UC buyers and external organizations.

This requires partnerships with the following groups: Campus Procurement, Campus Finance, Design & Construction, Sustainable Procurement Working Group, Small Business Advisory Council, and External Supplier Diversity Networking Organizations.

# DIV GOAL #8

# Increase Supplier Diversity & Sustainability

Operational Service Excellence

Goal Owner: Williams

**Goal:** Prioritize and increase supplier diversity and sustainability by incorporating into UC sourcing processes, decision making, and reporting to reach 25% Economically and Socially Responsible Spend by July 2025 and achieve 100% compliance with Required Level Green Spend criteria and 25% Green Spend within three fiscal years of product categorization.

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
8	<b>Prioritize and increase supplier diversity and sustainability by incorporating into UC sourcing processes, decision making, and reporting to reach 25% Economically and Socially Responsible Spend by July 2025 and achieve 100% compliance with Required Level Green Spend criteria and 25% Green Spend within three fiscal years of product categorization.</b>					
8a	Increase transparency of Procurement value delivery by implementing a common and updated Financial Validation process by Q1 FY24					
8b	Launch more robust Category Sourcing Strategy and Supplier Relationship Management Processes by Q1 FY24, complete training of systemwide Procurement by Q4 FY24					
8c	Complete a Procurement Systems Inventory and Roadmap Plan by Q1 FY24; launch governance process by Q2 FY24.					
8d	Implement steps to improve Procurement Data accuracy and structure that allow for better sourcing analysis by Q1 Y25					
8e	Implement a systemwide Category Strategy Review process by Q2 FY24					
8f	Introduce a 3-year Sourcing Calendar by Q3 FY24.					
8g	Develop a Tail Spend Management Strategic Plan by Q3 FY24, implemented by Q2 FY25					
8h	Develop and deploy comprehensive Procurement Training Program for Procurement, a half-day course for key partners, and a 30-minute "Procurement for Non-procurement" colleagues by Q1 FY25					
8i	Pilot the Supply Chain Innovation Lab (SCIL) by Q4 FY24, expanded launch first full cohort in FY25, second cohort in FY27					

## DIV GOAL #8

## Increase Supplier Diversity & Sustainability

**Goal:** Prioritize and increase supplier diversity and sustainability by incorporating into UC sourcing processes, decision making, and reporting to reach 25% Economically and Socially Responsible Spend by July 2025 and achieve 100% compliance with Required Level Green Spend criteria and 25% Green Spend within three fiscal years of product categorization.

### Benefits:

1. Expand UC's sourcing options
2. Reduce UC's environmental footprint
3. Increase UC's economic impact on the State of California, particularly in historically underrepresented communities

### Assumptions:

1. The 10 Key Supplier Diversity Initiatives outlined on page 6 of this [Procurement Excellence Overview](#) must be properly resourced and executed for the Supplier Diversity goal to be successful.
2. Continued partnership and constructive engagement with the Alice Waters Institute is required for the Sustainable Procurement strategy to be implemented.

### Metrics and Targets:

1. Deliver on UC's commitment to 25% economic impact spending by FY25
2. Improve UC's sustainable Procurement performance by achieving the target reaching 100% compliance with Required Level Green Spend criteria within three (3) fiscal years of the addition of a given product and/or product category to the Sustainable Procurement Guidelines.
3. Improve UC's sustainable Procurement performance by reaching 25% Green Spend as a total percentage of spend per product category within three (3) fiscal years of that product and/or product category being added to the Sustainable Procurement Guidelines.

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)	250,000	350,000	150,000	150,000	350,000							
Ongoing Annual Costs (Permanent)		200,000	1,700,000		200,000							
Annual Savings/Revenue		150,000	1,550,000	2,000,000	150,000							

### Additional Information on how budget impacts breakdown across Key Strategies:

- **#8d:** Access to Capital - Launch of Invoice Factoring Program, FY23-24 \$150,000; FY24-25 \$1,500,000; FY25-26 \$2,000,000; FY26-27 \$2,000,000
- **#8g:** Structural Challenges - Launch and harvest XPRIZE Challenge and harvest results, FY23-24 \$50,000
- **#8f:** Implement Community Outreach Plan - FY22-23 \$250,000; FY23-24 \$150,000; FY24-25 \$150,000; FY25-26 \$150,000; FY26-27 \$150,000
- **#8i:** Implement Sustainable Procurement partnerships - FY23-24 \$200,000; FY24-25 \$200,000

## Operational Service Excellence

Goal Owner: Williams

**Goal: Drive greater value for the University by connecting the buying power of the UC system and engaging collectively in strategic sourcing and supplier relationship management to generate 4% savings in annual spend by FY25.**

### Opportunity:

UC spends \$10 billion systemwide each year on goods and services to support the University's mission, yet our siloed and event-driven approach with suppliers does not provide value to UC that represents our collective buying power, and fragments decision making, diverts resources, and costs UC missed financial opportunities. By strategically connecting the power of the entire UC system to deliver innovative supply chain solutions, we have the opportunity to drive greater value from our suppliers and save the University 4% in spend each year (equates to \$400 million). The success of the venture also requires close and continued collaboration with procurement for the UC Health.

### Proposed Solution:

The scope includes sourcing at each UC location. Our key objective is to increase value and savings for the University through strategic sourcing and supplier relationship management. We will achieve this by addressing:

- **DATA & REPORTING –**
  - Improving the credibility, awareness, and understanding of Procurement reporting by refining value delivery definitions and introducing a Financial Validation Process that includes a review of Procurement results by Finance prior to reporting.
  - Improving Procurement data quality by updating reporting tools and data management processes to drive clearer, systemwide spend visibility and a probabilized value delivery pipeline.
  - Establishing a systemwide Procurement dashboard that will enable better resource planning, benefit forecasting, project accounting, and clearer visibility to results delivery, KPI's, and key project statuses.
- **SUPPLIERS & SOURCING –**
  - Implementing a standardized and systemwide approach to strategic Supplier Relationship Management (SRM) process which will include supplier segmentation, category management plans, and better benefit forecasting and accounting.
  - Establishing a standardized Category Strategy Management process that includes a 3-to-5-year sourcing plan for pipeline management.
  - Coordinating a strategic systemwide category review process.
  - Strategically addressing low dollar tail spend.
- **TRAINING & LEADERSHIP DEVELOPMENT –**
  - Developing and deploying a detailed Strategic Sourcing and SRM training session for Procurement colleagues, a shorter half-day course for collaborating stakeholders, and a brief (30 minute) online course for all non-Procurement colleagues.
  - Establishing the Supply Chain Innovation Lab (SCIL), a focused improvement team and leadership development process that will deliver key sourcing and process improvement projects and increase exposure and cross-pollination across UCOP and campuses.

This requires partnerships with the following groups: Campus Procurement, Campus Finance, Design & Construction, UC Health Procurement, Sustainable Procurement Working Group, Small Business Advisory Council, and External Supplier Diversity Networking Organizations.

# DIV GOAL #9

# Drive Greater Value for the University

Operational Service Excellence

Goal Owner: Williams

**Goal: Drive greater value for the University by connecting the buying power of the UC system and engaging collectively in strategic sourcing and supplier relationship management to generate 4% savings in annual spend by FY25.**

**Benefits:**

1. Increase savings on targeted spend.
2. Increase value for the University.

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
9	<b>Drive greater value for the University by connecting the buying power of the UC system and engaging collectively in strategic sourcing and supplier relationship management to generate 4% savings in annual spend by FY25.</b>					
9a	Increase transparency of Procurement value delivery by implementing a common and updated Financial Validation process by Q1 FY24					
9b	Launch more robust Category Sourcing Strategy and Supplier Relationship Management Processes by Q1 FY24, complete training of systemwide Procurement by Q4 FY24					
9c	Complete a Procurement Systems Inventory and Roadmap Plan by Q1 FY24; launch governance process by Q2 FY24.					
9d	Implement steps to improve Procurement Data accuracy and structure that allow for better sourcing analysis by Q1 FY25					
9e	Implement a systemwide Category Strategy Review process by Q2 FY24					
9f	Introduce a 3-year Sourcing Calendar by Q3 FY24.					
9g	Develop a Tail Spend Management Strategic Plan by Q3 FY24, implemented by Q2 FY25					
9h	Develop and deploy comprehensive Procurement Training Program for Procurement, a half-day course for key partners, and a 30-minute "Procurement for Non-procurement" colleagues by Q1 FY25					
9i	Pilot the Supply Chain Innovation Lab (SCIL) by Q4 FY24, expanded launch first full cohort in FY25, second cohort in FY27					

# DIV GOAL #9

# Drive Greater Value for the University

**Goal:** Drive greater value for the University by connecting the buying power of the UC system and engaging collectively in strategic sourcing and supplier relationship management to generate 4% savings in annual spend by FY25.

**Assumptions:**

1. Funding and campus collaboration are essential for delivering according to plan.
2. Identify and implement partnerships that bring nonfinancial value, including opportunities for students, faculty, and our surrounding communities.

**Metrics and Targets:**

- Deliver 3-4% in value to the University by FY25, estimated at \$300-400 million based upon current value definitions.
- Establish at least 10 Systemwide Supplier Relationship Management Mutual Value Proposition Governance Structures by FY25
- Clearly aligned Procurement Project validation process by FY24
- Net Performance Score (Target TBD)
- Procurement Spend per FTE (Target TBD)

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	TOTAL	22-23	23-24	24-25	25-26	26-27	TOTAL
One-Time Project Costs	\$0	\$900,000										
Ongoing Annual Costs			\$1,000,000	\$1,000,000	\$1,000,000							
Annual Savings/Revenue			\$115,000,000	\$115,000,000	\$115,000,000			\$285,000,000	\$285,000,000	\$285,000,000	\$285,000,000	

**Additional Information:** See program plan outlined in this link ([Procurement Excellence Overview](#)) for additional details.

# DIV GOAL #10 Strengthen UC's Insurance Model and Maximize Value of Risk Financing

Operational Service Excellence

Goal Owner: Confetti

**Goal:** Mitigate impacts of unfavorable insurance market conditions and resulting decline in the value of purchasing commercial insurance by integrating new technology resources and using commercial insurance partners to develop and maintain a more fiscally efficient insurance model.

## Opportunity:

In a high demand, low supply insurance market it is critical to examine the structure of the University's insurance program to determine if there is a more fiscally efficient composition that takes advantage of the University's financial resources, purchasing strength, and captive insurance company, Fiat Lux. As a result of a continuing hardening of the commercial insurance market for certain lines of coverage, the University's insurance program has experienced substantial premium increases, reductions of available coverages and limit, and increased Self-Insured Retentions (SIR). This has led to an increase in costs and liability while simultaneously decreasing the value of purchasing commercial coverage. This provides the opportunity for the University to aggressively use Fiat Lux to self-finance a greater portion of its liability to become a "market maker" instead of remaining a "market taker" and relying on financing through the purchase of commercial insurance. Furthermore, it provides us the opportunity to evaluate the use of excess surplus capital in Fiat Lux to fund programs that pre-emptively reduce risk and mitigate ultimate loss.

## Proposed Solution:

**Scope:** Using new technology and our commercial partners conduct a comprehensive evaluation of our insurance program design and strategy and integrate this new process into the annual renewal process. If limited review capability, initially focus on casualty, cyber, and property lines.

**Objectives:** Enhance evaluation process to determine the most cost-effective strategy that maximizes the value of the University's risk financing design. Partner with and leverage the expertise of our commercial insurance brokers, actuary, captive team, and technology companies that offer new and innovative products to assess risk and financing options. Explore further opportunities for the University to provide insurance directly to students, faculty and staff.

## Benefits:

1. Strengthen insurance program structure to have greater control in response to changing market conditions
2. Ensure financial efficiency and maximize the value of the University's risk financing
3. Capitalize fully on the capabilities of Fiat Lux
4. Integration and use of new technology solutions
5. Enhanced information to inform decision making
6. Recognized as compliance and policy subject matter experts

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
6	<b>Mitigate impacts of unfavorable insurance market conditions and resulting decline in the value of purchasing commercial insurance by integrating new technology resources and using commercial insurance partners to develop and maintain a more fiscally efficient insurance model.</b>					
6a	Research potential emerging technology partners/platforms					
6b	Identify and engage emerging technology partners/platforms					
6c	Conduct introduction and strategy meeting with insurance partner resources					
6d	Determine evaluation process, required data, identify market options (FY22/23 – Q2)					
6e	Determine feasibility for 7/1/23 renewal and adjust timeline accordingly					
6f	Develop a policy on excess surplus capital to fund risk mitigating investments on campuses					

# DIV GOAL #10      Strengthen UC’s Insurance Model and Maximize Value of Risk Financing

**Goal: Mitigate impacts of unfavorable insurance market conditions and resulting decline in the value of purchasing commercial insurance by integrating new technology resources and using commercial insurance partners to develop and maintain a more fiscally efficient insurance model.**

**Assumptions:**

1. Emerging technology partners/platforms have resources that do provide a benefit
2. UC is able to provide the data required for the tech partners/platforms
3. Integrated market and other alternative options are available
4. If needed, captive Regulator approves our financing plan
5. Able to determine and agree on maximum financial efficiency and value in conjunction with risk tolerance

**Metrics and Targets:**

1. Key strategies are accomplished and produce the desired result
2. Maximum efficiency and value is determined, and associated plan is deployed
3. Captive can meet the needs of #2
4. Identified needed markets are available

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

UC Finance anticipates that all costs to execute this goal will fall within our current agreements with our existing commercial partners or be included as part of an insurance purchase. No additional funds are requested at this time.

**Additional Information:**



# DIV GOAL #11

# Complete UCOP Financial Systems Modernization

Operational Service Excellence

Goal Owner: Cevallos

**Goal:** Complete the modernization of the University’s outdated financial systems to enhance and streamline processes for the efficient and effective delivery of financial information by fiscal year 2025.

**Opportunity:**

UC’s financial systems and processes are outdated and lack cohesion. A new Oracle-based financial solution has been in development to optimize and automate accounting and reporting processes. This implementation at UCOP is in mid-process and the realization of the final product will be over the next 2-3 fiscal years, as we complete the various open modules. For the locations implementing Oracle, we will assist through sharing best practices and leading training. All locations will adopt the Common Chart of Accounts (CCOA), the backbone of the Oracle implementations systemwide, as of July 1, 2023, and as such we are actively working with them to ensure this adoption is smooth and on time.

**Proposed Solution:**

Scope: Complete implementation of a new Oracle-based financial system to optimize accounting and reporting

Objectives:

- (1) Complete implementation of Common Chart of Accounts (CCOA) by July 1, 2023, for all locations
- (2) Complete eLedger UCOP Oracle cloud module implementation by July 1, 2023, ensure locations are adjusting their downstream systems to align.
- (3) Complete implementation of all other UCOP Oracle cloud module implementations thereafter according to developed schedule.
- (4) Ensure delivered functionality is prioritized over customization in all modules.
- (4) Develop a set of best practices for accounting and reporting processes
- (5) Assist locations with implementations by being a point of expertise and vehicle for training in the new systems/modules.
- (6) We will need to partner with BAP, UCOP ITS and campus and medical center controllers’ offices.

**Benefits:**

1. Modernize and align financial reporting amongst the locations
2. Reduce complexity of collecting information and financial reporting across locations
3. Reduce redundant work and manual processes
4. Deepen expertise in Oracle financial system, be recognized as subject matter expert

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
11	<b>Complete the modernization of the University’s outdated financial systems to enhance and streamline processes for the efficient and effective delivery of financial information by fiscal year 2025</b>					
11a	Focus on eLedger implementation by July 1, 2023 – working with ITS and Huron implementation partner, other UCOP constituents to ensure smooth implementation with complete and accurate data cutover. Ensure locations are aware of all downstream impacts and are working to align their systems to this implementation timeline					
11b	Ensure Day 2 activities for Oracle Fixed Assets module (DPR replacement) are completed prior to December 2023, including various new reports and open items noted upon go live in FY2022					
11c	Reassess campus financial schedules previously reported in the UC Controller department website, collaborating with BAP and IRAP to take advantage of existing dynamic reporting on IRAP website					
11d	Ensure all campuses implement Common Chart of Accounts (CCOA) as agreed to, on July 1, 2023					
11e	Plan/Partner with and provide best practices for locations who are implementing Oracle					
11f	Assess possibility of and timing for re-implementation of FCCS					

# DIV GOAL #11

# Complete UCOP Financial Systems Modernization

**Goal: Complete the modernization of the University’s outdated financial systems to enhance and streamline processes for the efficient and effective delivery of financial information by fiscal year 2025.**

**Assumptions:**

1. For eLedger, campuses will have downstream impacts that they must assess and align with the new system. Communication on this and working with campus leadership to ensure they are making progress and timely implementation is critical
2. For CCOA, the locations must implement timely, and in accordance with agreed upon technical specifications. These implementations are out of our control, but we must be willing to assist, provide best practices, a vehicle for self reporting, and troubleshooting with the locations.
3. For Oracle implementations at locations, the activities are out of our control, but we must be willing to assist, provide best practices, a vehicle for self reporting, and troubleshooting with the locations.
4. Get the most out of delivered functionality of Oracle and ensure change management/user readiness are front and center of all activity
5. Ensure ongoing support and new reports beyond FY2024 are addressed
6. We will likely require additional funding for Day 2 activities and potential FCCS reimplementation

**Metrics and Targets:**

1. Successfully standing up the eLedger and Oracle cloud modules at UCOP in FY23/24.
2. Successfully assisting locations with their Oracle implementations
3. Ensuring locations' CCOA adoption is completed by July 1, 2023, along with required downstream system alignments
4. Ensuring functional reporting capabilities for users of financial data

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)	\$4,500,000	\$500,000										
Ongoing Annual Costs (Permanent)			\$175,000	\$180,000	\$186,000							
Annual Savings/Revenue												

- UCOP DIV Project Costs:
  - FIS Phase 3 funding request will be needed likely in December 2022 for approximately \$4 million, to cover the final phase of the project including Day 2 activities and change management. If a decision to reimplement FCCS is made (under review currently), we would need to request additional funding within the funding request for FIS Phase 3, and this would be approximately \$1 million.
- UCOP DIV Annual Costs (permanent funds): Annual cost for a business systems analyst FTE addition related to eLedger - \$175K (adding 3% increase annually for COLA)

# DIV GOAL #12

# Increase Efficiencies in UCOP/Campus Budget Operations

Operational Service Excellence

Goal Owner: Alcocer

**Goal:** Increase efficiencies in the University’s state budgeting processes, legislative reporting requirements, and campus data collection by identifying opportunities for reporting relief and updating guidance for campus data collection beginning in FY2022-23.

**Opportunity:**

Campuses have expressed interest in revisiting existing reporting requirements to the state. Many submissions—for example, the Salary and Wages process—require significant efforts at the campus and UCOP level to produce information that is often ignored by state policy-makers. Similarly, the University continues to submit state-mandated reports on topics that may no longer be of interest to the legislature. Many reporting processes are based on historical precedent and lack written documentation outlining the goals and expectations of the submission.

**Proposed Solution:**

Budget Analysis & Planning (BAP) will identify current reporting needs of the state – retiring unnecessary, outdated requirements – and documenting rationale and guidance for ongoing reporting needs. In addition, BAP will develop streamlined approaches for requesting and collecting data from campuses. BAP will partner with 1) Campus Budget Directors, 2) State Government Relations and 3) Vice Chancellors for Planning and Budget.

**Benefits:**

1. Greater efficiency in UCOP and campus budget operations associated with narrower reporting requirements; in cases where reports are no longer required, opportunities to redirect resources to higher value-adding activities.
2. Improved relationships with campuses with documentation that simplifies, clarifies, and improves campuses’ understanding of the rationale for remaining state requirements.
3. Streamlined local data-gathering processes with updated written documentation shared systemwide.
4. Reduced audit exposure as a result of inconsistent data processes used for gathering publicly available information.

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
12	<b>Increase efficiencies in the University’s state budgeting processes, legislative reporting requirements, and campus data collection by identifying opportunities for reporting relief and updating guidance for campus data collection beginning in 2022-23.</b>					
12a	BAP will include this goal as an agenda item on an upcoming Campus Budget Directors monthly call. Based on additional feedback from the group, BAP will meet with DOF staff to discuss reporting requirements and determine whether changes can be made. Discussions should be informed by report access metrics from UCOP website.					
12b	In 2022-23, BAP will work with State Governmental Relations to audit the full list of reports and consult with state stakeholders to determine if any reporting requirements can be retired.					
12c	Improved process/guidance documentation will be produced for continuing data submissions beginning 2022-23.					
12d	With respect to certain ongoing data requirements (i.e., those related to budget and staffing data), streamlining the process for campuses will require support from the VCPBs and the CFO to prioritize certain UCPath module updates that were promised but have not yet been delivered.					

## DIV GOAL #12

## Increase Efficiencies in UCOP/Campus Budget Operations

**Goal:** Increase efficiencies in the University’s state budgeting processes, legislative reporting requirements, and campus data collection by identifying opportunities for reporting relief and updating guidance for campus data collection beginning in FY2022-23.

**Assumptions:**

1. State stakeholders in the Department of Finance and the Legislature must be willing to considering sunseting or modifying some existing reporting requirements
2. Planned updates to UCPath must be implemented

**Metrics and Targets:**

1. Gradual annual reduction in the number of ongoing legislative reporting requirements beginning FY24
2. Creation and distribution of process/guidance documents for every existing campus reporting requirement by FY24
3. Avoidance of any incident that could trigger a State audit of UC’s reporting or spending practices—or, in the event of an audit, successfully defend the University’s practices in this area

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

UC Finance anticipates that all costs to execute this goal will be covered in the current UC Finance division budget. No additional funds are requested at this time.

**Additional Information:**

# DIV GOAL #13

# Establish UC Finance Center of Expertise

Operational Service Excellence

Goal Owner: Williams

**Goal:** Increase operational efficiency and improve client experience by establishing a Center of Expertise focused on continuous improvement and building integrated, KPI-driven processes by July 2024.

**Opportunity:**

Campus stakeholders are inundated with UCOP requests for data, directives on processes, and messaging from a variety of areas at different times, making it difficult for campuses to track. For example, benefits administration rate, UCRP STIP rates, OPEB rates, insurance cost allocations, UC Health collective allocations, UCPath cost allocations, Legal cost allocations, CENIC allocations. Internally, UCF division staff identify a lack of current, integrated and standardized processes, the need for data accuracy and planning, and the challenge of siloed teams and departments as hindrances to success.

Establishing a UC Finance Division Center of Expertise (COE) that breaks down silos and integrates and harmonizes resources, processes and data will lead to measurable efficiencies and optimization; allow for faster, more accurate and more efficient decision making; enable an improved end user experience; and identify means to deliver additional value for the University.

**Proposed Solution:**

Establish a team to integrate processes, resources, data and tools to drive operational efficiency and continuous improvement across the entire UC Finance Division, including CMF, Treasury, Accounting and Risk.

The scope of this initiative will include all functions within the UC Finance division.

Additional required partners include: IT (Data needs, systems adjustments), HR (Shared data, adjacent processes, alignment for training deployment), SPMO (Process Mapping and Integration) and Local Procurement (Shared data, common stakeholders, common systems). IMPORTANT: Process mapping is the essential first step for delivery of this goal; consequently, a notable commitment of time from these functions will also be needed.

**Benefits:**

1. More efficient resourcing.
2. Better data for decision making.
3. Improved client experience.

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
13	<b>Increase operational efficiency and improve client experience by establishing a Center of Expertise focused on continuous improvement and building integrated, KPI-driven processes by July 2024.</b>					
13a	Establish COE Project Team, including Process Mapping expertise and cross-functional resources (July 2023)					
13b	Map Processes and Establish a Process Repository, (12-18 months, July 2023-Dec 2024)					
13c	Establish ideal state Process, Governance Model, and Metrics – (9-12 months – July 2024-July 2025)					

# DIV GOAL #13

# Establish UC Finance Center of Expertise

**Goal: Increase operational efficiency and improve client experience by establishing a Center of Expertise focused on continuous improvement and building integrated, KPI-driven processes by July 2024.**

**Assumptions:**

1. Participation of cross-functional organizations
2. IT alignment to any systems and/or data recommendations, and any unaligned. (Risk Mitigation: Early involvement. IT SME on the core team)
3. End user adoption of process recommendations (Risk Mitigation: Training Resources)
4. Campus ERP implementations and associated data decisions (Risk Mitigation: Build alignment and check-in points into the COE Governance and Communication Plans)

**Metrics and Targets:**

1. Value Delivery (Target TBD)
2. Net Performance Score (Target TBD)
3. Procurement Spend per FTE (Target TBD)
4. AP/AR Cycle Time (Target TBD)
5. Budget Variances (Target TBD)
6. Additional metrics to be defined by the COE project team

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)	\$0	\$400										
Ongoing Annual Costs (Permanent)		\$100	TBD	TBD	TBD							
Annual Savings/Revenue		TBD	TBD	TBD	TBD							

UC Finance anticipates that all costs to execute this goal will be covered in the current UC Finance division budget. No additional funds are requested at this time.

**Additional Information:**

# DIV GOAL #14

# Achieve 2025 Carbon Neutrality

Prosperous, Resilient, Healthy CA

Goal Owner: Phillips

**Goal:** By 2025, achieve net carbon neutrality in UC’s operational GHG emissions through the development of cost-effective reliable, scalable, and sustainable solutions and/or establish plans and a commitment to make our operations entirely fossil-free in the future.

**Opportunity:**

UC is in a unique position to leverage the institution’s research to address the impacts of climate change and demonstrate a model for large organizations to take direct actions to decrease greenhouse gas emissions (GHGs). The University has made a public commitment to decarbonize the energy we use while modeling responsible stewardship of resources and sustainable business practices. This goal enhances UC’s reputation and research leadership by addressing a tough, global challenge; modernize campus infrastructure and energy systems; and demonstrate the value of coordinated systemwide action.

Since 2009, UC’s GHG emissions have dropped by 15%. Taking growth into account, these reductions reflect a 29% decrease from our former baseline emissions.

**Proposed Solution:**

To achieve the 2025 goal of net-carbon-neutrality, the University will:

- Grow without increasing GHG emissions (e.g., all-electric designs powered by renewables);
- Accelerate energy conservation efforts;
- Obtain cost-effective renewable energy supplies;
- Implement high quality off-campus carbon reduction/capture projects as the last priority solution; and
- Establish longer-term strategies to further minimize use of natural gas through strategic infrastructure investments.

**Benefits:**

1. Reduced greenhouse gas emissions and reduced environmental impacts.
2. Stronger operational connections with researchers and students through engagement and testing of new technologies on our campuses.
3. Utility price stability, and potentially, reduced long-term net costs.
4. With thoughtful consideration and implementation, improved relationships with and support for vulnerable communities.
5. Demonstrate a model for other large organizations to achieve zero out their operational GHG emissions.

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
14	<b>Achieve net carbon neutrality in UC’s operational GHG emissions through the development of cost-effective reliable, scalable, and sustainable solutions by 2025. Then, establish plans and a commitment to make our operations fossil-free</b>					
14a	At each location, continue a net 2% reduction in energy use per square foot each year.					
14b	Maintain UC Clean Power Program (CPP) as a 100% carbon neutral electricity supply for the participating locations.					
14c	Implement an “Indirect Access” program to supply the non-CPP locations with renewable electricity by start of 2025.					
14d	Support campus efforts to plan and implement changes in existing energy systems and campus fleets to decarbonize Scope 1 emissions.					
14e	Request State and Federal funding support each year for all of the above as opportunities arise.					
14f	Expand the Biomethane Program with the stretch goal of supplying 40% of historical natural gas use.					
14g	Procure high-quality offsets to mitigate all remaining Scope 1 and 2 emissions by 2025.					
14h	Establish firm pathways with costs to decarbonize each campus by the end of 2023.					

# DIV GOAL #14

# Achieve 2025 Carbon Neutrality

**Goal: By 2025, achieve net carbon neutrality in UC’s operational GHG emissions through the development of cost-effective reliable, scalable, and sustainable solutions and/or establish plans and a commitment to make our operations entirely fossil-free in the future.**

**Assumptions:**

1. Commitment to the goal from campuses and OP leadership through the timely, stepwise completion of strategic actions.
2. Campuses will aggressively implement all cost-effective energy efficiency and on-site renewable generation projects.
3. The net cost to achieve carbon neutrality can be accomplished without a significant increase in UC’s historical purchased utility budgets.
4. 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.
5. Biomethane is an acceptable strategy to decarbonize the natural gas used in central plants.
6. Other off-campus actions, supported by the campus stakeholders, will be implemented to fully mitigate remaining emissions.
7. State and federal funding requests will be given appropriate consideration in the context of state and federal goals.

**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. At each location, at least 2% reduction in energy use per square foot each year.
4. Support campus planning efforts to decarbonize Scope 1 emissions through changes in existing energy systems and campus fleets by tracking implementation of the GCLC Decarbonization Task Force in 2022 and 2023 Number and impact of abatement activities or projects match plans.
5. Expand the Biomethane Program to supply 40% of UC’s historical natural gas use by 2025.

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)		\$1.5M	\$1.5M	\$1.5M	\$1.5M							
Annual Savings/Revenue												

**Additional Information:** As UCOP transitions from the Carbon Neutrality and Global Food as Initiatives to make these core functions under UC Finance, programmatic funding at about 75% of what’s been spent since 2014 each year is needed to continue funding for student fellowships, supporting programs and staff, and one-time projects. \$1.5M is needed to maintain these successful programs.



# DIV GOAL #15

# Expand Debt-Free Pathways

Expand Opportunities in Learning & Research

Goal Owner: Alcocer

**Goal: Enhance the affordability of an undergraduate UC education by expanding debt-free pathways to all students with financial need at every UC undergraduate campus by FY2029-30, subject to available state and federal resources.**

**Opportunity:**

Student debt is top of mind for students and families with financial need, influencing perceptions of college affordability and students’ educational aspirations. Although student indebtedness among UC undergraduates remains low by national standards, UC survey data indicate that student indebtedness is a growing concern among UC undergraduates, leading some students to avoid student loans altogether. Instead of taking out loans, some students are spending too little on necessities such as housing and food, working extraordinary hours in part-time jobs, or dropping out.

We have the opportunity to provide all UC students an affordable, high-quality education that reduces these burdens, removes obstacles to a fulfilling student experience, and avoids the need to borrow.

**Proposed Solution:**

Providing undergraduate students with a debt-free path to a UC degree will broaden students access to a quality UC education experience.

UC will make modest progress towards this goal in 2022-23 by providing debt-free pathways to its most financially disadvantaged students, but additional work is required to provide debt-free pathways to all students with financial need. Specifically, this will require strategic and sustained advocacy for additional federal and state financial aid; setting aside a substantial portion of new tuition revenue for the University’s own institutional aid program; and developing new approaches for allocating aid across campuses so that each campus can offer comparable opportunities for a debt-free degree.

**Benefits:**

1. A reduction in the incidence of food and/or housing insecurity among UC students
2. A reduction in the percentage of UC undergraduates who borrow and/or the amount they borrow
3. Improvement in student retention and time-to-degree
4. Improved public perception of UC affordability
5. Growth in UC applications for admission from students from low-income backgrounds

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
15	<b>Enhance the affordability of an undergraduate UC education by expanding debt-free pathways to all students with financial need at every undergraduate campus by 2029-30, subject to available state and federal resources.</b>					
15a	Identify new financial aid resources anticipated for the next 4 years. Work with SFS, SGR, and FGR to evaluate prospects for new state, federal, and institutional aid (FY23)					
15b	Identify options for expanding debt-free eligibility commensurate with the new available resources. Work with IRAP, Student Financial Support to model the cost of expanding debt-free pathways to different student populations					
15c	Evaluate impact of debt-free pathways on the first cohort of eligible students (2022-23 entrants)					

# DIV GOAL #15

# Expand Debt-Free Pathways

**Goal: Enhance the affordability of an undergraduate UC education by expanding debt-free pathways to all students with financial need at every UC undergraduate campus by FY2029-30, subject to available state and federal resources.**

**Assumptions:**

1. Adequate increases in state and federal financial aid will materialize
2. Students' expenses outside of UC's direct control (e.g., off-campus housing and transportation) cannot increase faster than projected increases in student aid
3. Enough student employment opportunities must exist on campuses and/or surrounding communities to accommodate students who want to finance their education solely through grants and work (instead of borrowing)

**Metrics and Targets:**

1. Expand student eligibility by a minimum of 20% each year through FY27
2. Reduce student borrowing by at least \$1,000 per eligible student in 2022-23 compared to 2021-22
3. Achieve year-over-year increases in undergraduate applications to UC, especially among students from disadvantaged backgrounds, beginning fall 2023
4. Achieve lower incidence of housing and/or food insecurity among eligible students compared to other students, beginning 2022-23

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)												
Annual Savings/Revenue												

UC Finance anticipates that all costs to execute this goal will be covered in the current UC Finance division budget. No additional funds are requested at this time.

**Additional Information:**

# DIV GOAL #16

# Drive Increases in Affordable Housing

Expand Opportunities in Learning & Research

Goal Owner: Phillips

**Goal: Develop and implement systemwide strategies and actions to drive increases in affordable housing available for students, faculty and staff to meet each campus’s defined objectives by 2030.**

**Opportunity:**

The current lack of available, affordable housing is a key pain point and enrollment constraint for the University. To meet enrollment growth goals and attract faculty and staff, strategies and actions that formalize campus housing goals and provide support for new projects and programs must be a priority.

**Proposed Solution:**

Scope: Increase affordable housing inventory for students, faculty and staff

Objectives:

- Fast-track approvals for all viable, campus-initiated housing projects.
- Secure external funding support from the State.
- Expand centralized support for project planning and implementation.
- Enhance existing support programs where feasible, like MOP, to remain effective.
- Commit to offering below-market housing to a fixed percentage of enrolled students by 2030.
- Work with each campus to support achieving their specific objectives for affordability and number of staff and faculty housing units.

**Benefits:**

1. Support-state mandated and UC stretch goals for enrollment growth.
2. Support equity and access goals, increasing diversity.
3. Eliminating student housing constraints will enhance the student experience and decrease the total cost of attendance.
4. Expanding staff and faculty affordable housing options will enhance UC’s position as an employer/university of choice for diverse, top-tier talent.
5. Expanded housing will help improve town/gown relationships as pressure is reduced from local housing markets.

#	Goal/Key Strategies & Timeline	22-23	23-24	24-25	25-26	26-27
16	<b>Develop and implement systemwide strategies and actions to drive increases in affordable housing available for students, faculty and staff to meet each campus’s defined objectives by 2030.</b>					
16a	Advocate for expanded UC funding for the State Housing Higher Education Grant program as the next phase of applications is being developed					
16b	Apply for State Housing Grants in February 2023.					
16c	Work with each campus to establish short- and long-term goals for student, staff and faculty housing by July 2023					
16d	Create an on-line dashboard to centrally report and track housing data, goals, and progress.					
16e	Establish clear responsibilities for UCOP and each campus to achieve our housing goals by July 2023.					
16f	Work with DOF to help define and implement the State Revolving Fund for Housing throughout 2022 and 2023. Study PMIA options.					

# DIV GOAL #16

# Drive Increases in Affordable Housing

**Goal: Develop and implement systemwide strategies and actions to drive increases in affordable housing available for students, faculty and staff to meet each campus’s defined objectives by 2030.**

**Assumptions:**

1. Campuses will establish the needed resources to implement housing projects and/or allow UCOP to directly support them.
2. Housing operations will return to financial health post pandemic.
3. The State will continue to fund the Grant and Revolving Loan programs.

**Metrics and Targets:**

1. The dashboard will include historical housing units, future goals and timelines for each campus, and progress over time.
2. Complete State Housing Grant Proposal by February
3. Develop a UCOP/Campus RACI matrix for achieving goals
4. An executable plan for defining and implementing the State Revolving Fund for Housing.
5. Define "affordable" for each location.
6. Establish goals to decrease the number of students housed off-campus, even as total enrollment grows.
7. Staff and faculty housing targets.

Project and Operational Financial Estimates:	UCOP DIV IMPACT						CAMPUS/LOCATION IMPACT					
	22-23	23-24	24-25	25-26	26-27	Total	22-23	23-24	24-25	25-26	26-27	Total
One-Time Project Costs (Temporary)												
Ongoing Annual Costs (Permanent)		\$170,000	\$177,650	\$185,644	\$193,998							
Annual Savings/Revenue												

**Additional Information:** The above goals would be best supported by UCOP if we had 1 FTE dedicated to these topics. Consider creating dedicated position. Funds represent one FTE salary and benefits plus 4.5% annual increase.