

Additional complexity would be introduced with each pilot project, and UC would learn from that complexity. Then there would be a rather rapid deployment of the remaining campuses. Mr. Cianca briefly addressed the anticipated risks and strategies to address risk in the aggressive deployment schedule for the large campuses, an integrated work plan of this size and complexity, and staffing the UCPATH Center in Riverside.

Mr. Varghese outlined current priorities for UCPATH: Office of the President deployment, UCPATH Center readiness, fine-tuning the deployment schedule for all remaining UC locations, business continuity planning, and change management and training preparation. Mr. Cianca concluded by stating that the presentation in January would report on the status of deployment, the schedule for the remaining UC locations, an updated project budget based on the final timeline, and a recommended schedule and method for project repayment.

Regent Engelhorn asked about the anticipated number of staff at the UCPATH Center. Mr. Cianca responded that UC had a working estimate of 483 employees. In the course of the pilot projects, the University would determine if the projected staffing number can adequately support the business processes that have moved to the Center.

Regent Engelhorn observed that the costs of UCPATH are virtually all labor costs. He anticipated that savings from UCPATH would not be realized immediately. UC would have to finance UCPATH over a long enough period so that the academic mission of the campuses would not suffer. This might be a 2-year period, and this would have to be reflected in the payback schedule.

Regent Makarechian asked what portion of the cost was paid to Oracle for its software. Mr. Cianca estimated an annual cost of \$4 million to \$5 million for hosted services and licensing fees.

The meeting adjourned at 11:55 a.m.

Attest:

Secretary and Chief of Staff

Pending Approval