REVIEW OF THE SJOBERG EVASHENK "UNIVERSITY OF CALIFORNIA 10 CAMPUS STUDY"

Working Group Review and Recommendations

January 4, 2019

UNIVERSITY
OF
CALIFORNIA

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EXECUTIVE SUMMARY

Introduction

The history of the University of California is not only one of extraordinary success but also one of extraordinary growth and diversification. In 150 years, the university has evolved from one campus to 10, with five medical centers, 273,000 students, three national laboratories and a $36 billion budget — a far cry from the single building in Oakland where 40 students began their studies in 1869.

With the university's development have come numerous changes and adjustments in its governance as the institution adapted to the growing complexity of its own organization. The Faculty Revolution of 1919-1920 resulted in the delegation of significant powers by the Board of Regents to the Academic Senate. In 1952, the regents created the Office of the President as a separate entity, and the position of chancellor to lead UC Berkeley and UCLA, the two individual campuses at that time. This structure has continued through the establishment of additional campuses. Subsequent changes have been less dramatic, but nonetheless reflect a continuing evolution, with the delegation of certain responsibilities and transactions from the governing board to management, and from the Office of the President to the campuses.

For this reason, periodic review of the relationship between the regents and the Office of the President and between the Office of the President and the campuses is not only healthy but necessary, and should be an iterative process. We are now at another such moment. We are living in a period of enormous change not only for higher education as a whole but specifically for the University of California — significant growth in size and complexity; changes in our funding mix, with the diversification and multiplication of sources of revenue; increasing emphasis on philanthropy; revolutionary technological change; and increasing demands for accountability and oversight, from multiple sources.

Not only the complexity of the system, but the complexity of these times brings into relief the inherent and often constructive tensions between the campuses and UCOP. Unlike some university systems, which were created as federations of previously independent universities, the University of California is one university. It was founded as a single university, at a single site; as other campuses were created, they followed the model of one university headed by one president. The extraordinary distinction of the University of California results from this governance, ambition and goal. However, this combination — one university composed of 10 highly developed campuses — defines not only our governance system but its opportunities and challenges.

This is an opportune moment to reflect on and more deliberately assess the historical and evolving relationship between UCOP and the campuses — an opportunity that has motivated both the Huron report and the Sjoberg Evashenk "University of California 10 Campus Study." Where should UCOP and the regents direct campuses? Where should UCOP and the regents delegate to the campuses, collaborate with them, and facilitate and support their activities?

These studies, and the extensive deliberation on them, reflect the university leadership's commitment to improve collaboration and coordination and further clarify policy processes and governance. This is a time for self-assessment and thoughtful reexamination.

Scope and Methodology of the "University of California 10 Campus Study"

On behalf of the regents, Chair George Kieffer retained Sjoberg Evashenk Consulting to conduct the "University of California 10 Campus Study." The scope of work identified six objectives:

1. Determine if UCOP programs or activities unnecessarily duplicate similar campus programs, if savings can be achieved by eliminating duplicative programs or activities, and identify which programs might be eliminated.
2. Assess which programs and services should be performed by UCOP and which programs and services would be better placed at the campus level.
3. Determine whether UCOP programs and initiatives are clearly communicated to campuses and assess if communication channels are directed to and from appropriate UCOP and campus executives.
4. Identify areas where campus leadership sees opportunities for additional UCOP support and/or where existing support does not generate desired benefits or results.
5. Compare and contrast the processes followed by each campus to interpret, implement and communicate new or changed policies or initiatives received from UCOP or regents.
6. Obtain campus input regarding needed changes, new services, or particular challenges and opportunities they face in the future that were not present five or 10 years ago, and ways that UCOP can help them address those matters.

Sjoberg Evashenk Consulting's senior partners, Kurt Sjoberg and Marianne Evashenk, conducted 74 one-hour interviews with leaders from the 10 UC campuses, including all 10 chancellors. The campus leaders reporting to each chancellor held such positions as executive vice chancellors, provosts, senior vice chancellors, vice chancellors, associate vice chancellors, deans and others. The interviews took place from December 2017 to early April 2018.

Sjoberg Evashenk quickly concluded that it alone could not determine whether programs and activities were unnecessarily duplicative. Rather, like the state auditor, it would record comments about programs, services and possible duplication.

The resulting effort, the "University of California 10 Campus Study," (hereinafter, the Survey) was released on April 27, 2018. Chair Kieffer disseminated the Survey to the Board of Regents and highlighted the following key points:

- The overall goal of the Survey was to garner *perspectives* of each of the 10 campuses relative to the value, level of services, and placement of services and programs undertaken by UCOP.
- Sjoberg Evashenk did not evaluate ideas identified, vet these matters with UCOP or attempt to determine whether savings could be generated or if additional resources would be warranted.
- It was understood that the regents and UCOP would consider campus leaders' points of view to determine what, if any, changes would be contemplated, addressed, studied or implemented based on the input they shared.

In January 2018, during the time that the survey was in progress, the president released the Huron UCOP Optimization Report which looked at the size and scope of UCOP services and programs. Based on this report, the president initiated the UCOP Restructuring Effort to further consider some of the recommendations regarding the appropriate size, placement and management of several UCOP programs and services. This effort has been ongoing throughout 2018 and is scheduled to conclude in early 2019. The Survey is complementary to, and references where applicable, the Huron Report and the UCOP Restructuring Effort.

Working Group Overview

Following the release of the Survey, President Janet Napolitano, in consultation with Chair George Kieffer and the chancellors, convened a representative working group which included:

- Chair George Kieffer
- President Janet Napolitano
- Chancellor George Blumenthal, UC Santa Cruz
- Chancellor Carol Christ, UC Berkeley
- Chancellor Sam Hawgood, UC San Francisco

The working group reviewed and organized the comments from the Survey, reflected in the layout of this report, into three categories:

- Comments regarding programs, services and processes where the role and performance of UCOP appeared to be appropriate and working well. The working group assumed there was no need for further examination. Additional detail is provided in the chapter titled, "Programs and Services Appropriately Situated at UCOP."

- Those programs, services and processes where the Survey indicated potential improvements should be considered. Here the working group sought to review and prioritize these areas, assess the current state, draw conclusions, make recommendations where needed, and determine next steps. The majority of this review is dedicated to these comments and additional detail is provided in the chapters listed by division.

- Comments regarding programs and services that are already under review as part of the UCOP Restructuring Effort. The working group prefers that the UCOP Restructuring Effort continue and believes that sufficient analysis, review and consultation is taking place prior to decisions being made. The working group affirmed the view of the campuses from the Survey that, *"none of the programs administered by the UCOP should be moved to a campus solely for budgetary reasons; programs should be relocated only if found to be in the best interest of the overall system and the program (Survey page 2)."* A list of the programs and services reviewed as part of this effort is described in the "UCOP Restructuring Effort" chapter.

The working group carefully reviewed the results of the Survey to identify duplicative programs or

services but did not find significant areas of duplication or redundancy. However, in some areas, the group determined that language used to describe departments or titles creates confusion regarding the nature of the work. Several areas were identified where changes could be made to better clarify and distinguish campus and UCOP roles. In other areas it was clear that more attention should be paid to streamlining approval processes in a continuing effort to make UCOP/campus relations as efficient as possible. In a few areas it is recommended that delegated authority to campuses be increased. Overall, there was strong acknowledgement that relations between the campuses and UCOP have improved significantly over the last year.

The working group met for approximately 30 hours from August 2018 through January 2019 and while the group reviewed all comments in the Survey, the focus was given primarily to areas where changes to policies or processes would have the greatest impact. The working group produced a set of conclusions and recommendations that address key areas for improvement with the goal of delivering them to the president, Council of Chancellors and Board of Regents by January 2019.

Consultations with UCOP division and department leaders, and interim progress updates to the chancellors, were undertaken as the responses were developed. The outcome of the working group's deliberations fell into three broad categories:

- The working group recommends policy and/or process changes that they believe will clarify roles and responsibilities and improve the overall efficiency and effectiveness of UCOP/campus processes.
- The working group concluded that the program or service should continue on its current path, including those where feedback has clearly been heard by UCOP and significant progress is being made.
- The working group suggests developing a plan for future improvement.

Conclusions and Recommendations

The working group found the process very informative, and it resulted in a deeper understanding of the nature of UCOP services and activities. Based on the review of the Survey, the working group's conclusions and recommendations are presented by UCOP division in the table below. A more thorough account of the working group's deliberations, including input from division/department leaders, can be found in the subsequent chapters of this review.

Academic Affairs
Academic Personnel Manual (APM) • Streamlining and/or revising the APM is under the purview of the president in consultation with the Academic Senate and should be considered to be taken up at a future date. **Campus Involvement in Enrollment** • UCOP will ensure explicit discussions occur with campus groups in advance of developing systemwide enrollment strategies and communicate with campuses before targets are finalized so that campuses have an opportunity to propose changes that address local situations. • Campuses will be encouraged to make sure enrollment calls include relevant campus

constituencies such as the vice provosts and deans for Undergraduate Education and the AVCs for Enrollment Management.

- UCOP will share its enrollment modeling with campuses for insight into how UCOP is projecting enrollment. When there are discrepancies with campus models, there will be an opportunity for institutional researchers in both locations to reconcile those differences.

College Preparatory and Public Service Programs

- College preparatory and public service programs managed by UCOP are operated at both the system and campus levels and implemented in close collaboration with non-UC entities. They are evaluated annually with the outcomes published. The working group concluded no change is recommended.

Diversity Programs

- Diversity is and should remain of interest at all levels of governance: Regents, UCOP and the campuses. UCOP appropriately sets the diversity policy framework while administering some limited programs, such as the President's Postdoctoral Fellowship Program that benefits the entire system. UCOP should continue to serve in a capacity of support to the campuses as they advance their diversity efforts.

Undergraduate Research

- The role of UCOP in undergraduate research is and should remain appropriately limited since this is a primary function of the campuses.

Office of the Chief Financial Officer

Capital Projects

- UCOP and the campuses will continue to look for novel financial tools to address system and campus needs.
- UCOP and UCSF are working together to map a typical approval process from end to end and identify potential improvements to the process as the first step. This initial assessment will be vetted with the campuses and UCOP leadership so that recommendations, including potential changes to policy, can be identified, approved and implemented.

Integrated Capital Asset Management Program (ICAMP)

- ICAMP is a systemwide program that was launched at all campuses with consultation from the administrative vice chancellors. State funding from AB94 was identified to support the initial facilities assessments at each campus. The working group saw no reason to make any changes to this program.

Mixed Revenue Models

- Campuses have a responsibility to pursue new revenue models. Additionally, UCOP will continue to develop efforts and maximize new revenue models when best done at the systemwide level.

Procurement

- The shared governance structure of the Procurement Leadership Council (PLC) serves as a good example for other UCOP/campus functions. Nonetheless, there should be flexibility where a particular campus can on its own create additional savings without adversely impacting the other campuses.
- The current practices and reporting structures are appropriate and no change is recommended.
- In general, efforts of the PLC to collaboratively develop and implement procurement strategies that create universitywide savings and efficiencies are lauded.

Risk Management

- The current risk and insurance functions are appropriate and no change is recommended.

Office of the Chief Operating Officer

Operational Services
- New operations that are considered for systemwide launch should first be brought for consultation with campuses. If a systemwide approach is deemed more efficient for the university, leveraging the shared governance structure and implementation expertise in Operational Services is recommended.

Energy Purchases
- The current structure and level of resources are appropriate for the activity and no change is recommended.

Human Resources
- The current policies and delegations for salary decisions, position classification and reasonable accommodation are appropriate and no change is recommended.
- The Senior Management Group Market Reference Zones are recommended to be updated at least annually rather than every two years and should include chancellor input in determining the comparator institutions to include in the MRZs.

Outside Professional Activities (OPA) Approval and Reporting
OPA was a topic of significant interest to the working group as the process and policies have become confusing, excessively restrictive and time-consuming. The working group recommends the following changes to Regents Policy 7707 be brought to the Board of Regents for consideration:
- Pre-approval and post-reporting for compensated activity above $2,500 per calendar year from any single source will be required (reimbursable expenses are not considered compensation).
- Pre-approval for an uncompensated activity will not be required, but the annual reporting of all compensated and uncompensated board memberships will be required.
- SMG members will continue to be limited to a total of two compensated boards annually.
- Scholarly works, including books, other publications and speeches will not be considered OPA.
- Managing the time commitment associated with outside professional activities will be the responsibility of the individual and direct supervisor.
- Exceptions to the above will require one over one manager approval.

External Relations and Communications

Institutional Advancement and Alumni Affairs
- Prior to this effort, Institutional Advancement and Alumni Relations were combined, restructured and downsized, appropriately limiting the scope of these functions in UCOP. The working group supports this change.
- The current functions and staffing levels in the newly combined structure are appropriate and no further change is recommended.

Gifts and Endowments
Several policies regarding capital campaigns, endowments, gifts and namings were reviewed by the working group. Over time, the number of transactions, and the dollars per transaction have grown such that the approval processes have become overly restrictive and time-consuming. The working group recommends the following policy changes:
- Raise the delegation of authority for presidential acceptance of gifts from $5 million to $10 million.
- Delegate authority to indemnify donors to chancellors for gifts (subject to the $10 million gift acceptance authority).
- Modify guidelines on namings, allocation and reallocation of gifts, and FFE withdrawals to reflect delegation of gift authority of $10 million.

- Delegate establishment of chairs and professorships to the campuses, except gifts over $10 million will require that the president "accept" the gift (requires an update to the Academic Personnel Manual – 191).
- UCOP Office of Institutional Advancement (OIA) seldom plays a direct role in fundraising but will continue to provide training/checklists to the campuses as needed and will institute an after-the-fact annual review of campus-approved endowments.

The working group concluded these policies serve the intended purpose and should not be changed:
- Presidential approval of the "quiet phase" of campus capital campaigns
- Presidential authorization of significant namings
- Establishment of fund functioning as an endowment(s) with non-gift funds

Marketing and Branding
- Marketing and branding is substantially a campus role. The rather limited role and organization of this department was reviewed and no change is recommended.

Relationship with Sacramento
- UCOP should continue to be responsible and accountable for developing and implementing the federal and state government relations strategy in collaboration with the regents, campuses, students and other UC stakeholders. With respect to local government engagement, it is the primary responsibility of the campuses in consultation with UCOP.

Innovation and Entrepreneurship
This division was a high priority of focus for the working group. The working group emphasized that the mission of advancing innovation and entrepreneurship is fundamentally a campus-based activity fueled by campus researchers, regional ecosystems and local relationships. However, there is an appropriate if more limited role for UCOP to play here. While progress has been made, the group emphasized the importance of further clarifying the role of the Office of Innovation and Entrepreneurship and ensuring attention is paid to its relationship with the campuses. The president and chancellors will continue to work together and will report to the board at a later date.

Ethics, Compliance & Audit Services

Centralize Ethics and Compliance
- The current UCOP/campus delegations are appropriate and no change is recommended.
- The ECAS department is encouraged to provide guidance and quality improvement expertise.

Systemwide Title IX Office

Dual Reporting Structure
- The Survey raised concerns over the dual reporting relationship for Title IX coordinators. The working group confirmed confusion exists over the original intention and subsequent implementation of the UCOP/campus relationship. Based on the recommendations of the recent CSA audit and the sensitivity and visibility of this function, the working group supports the dual reporting relationship as stated in the president's letter to the chancellors in November 2016. The president, in consultation with the chancellors, will establish clear guidelines in early 2019 on the dual reporting relationship.
- The working group also recommends that dual reporting structures be viewed as an exception and not a precedent for other campus positions.

Systemwide & Emerging Issues

Decision Memo Processing
- The decision memo approval process within UCOP needs to be streamlined. UCOP is evaluating process improvement through the Strategy and Program Management Office (SPMO) and the movement of the Presidential Correspondence Unit to the President's Executive Office. Implementation plans impacting campuses will be communicated to the

chancellors upon conclusion of these efforts.

Presidential Initiatives
- It was agreed that the president of the university has, and should have, the authority to create initiatives that benefit the system. Nonetheless, those initiatives need to take into account consultation with the chancellors, have a planning process and a defined end game. The working group notes that change has already occurred in this area.

Systemwide Committees
- The number of committees convened, including the peer-to-peer level, appears too high. The working group recommends a further review to assess the need and frequency of the committees with an eye toward elimination, consolidation and simplification.
- Chairs of committees should encourage video conferencing to cut down on cost and travel time.
- UCOP will consult with campus leaders prior to any campus appointments to non-affinity groups.
- Systemwide committees should be chaired by a campus representative where possible.
- Recommendations made at the committee level that implicate a systemwide policy change should be elevated to the Council of Chancellors for approval. Chancellors are to ensure appropriate lines of communications are managed at the campus level.

Campus Uniqueness
- UCOP and the campuses acknowledge the unique nature of each campus and are incorporating that into multiyear planning efforts and opportunities to educate public officials that one size does not fit all.

Multiyear Budget and Enrollment Plan
- A multiyear budget and enrollment plan has been underway since early 2018 and a preliminary plan will be presented to the regents in January and in March 2019.

Strategic Planning and Emerging Challenges
- Embedded throughout the Survey was the desire for a more collaborative process in the planning and execution of UCOP-led projects and initiatives and recognition of the need for UCOP services, programs and expertise to evolve in response to emerging needs. This feedback predates the Survey and in response several UCOP divisions have completed or are developing three-to-five-year strategic plans. The process includes substantive consultation with campus stakeholders and provides an opportunity to improve communications, expectations and collaboration between the campuses and UCOP. The working group strongly encourages the continued development of divisional plans and recommends integrating those plans into an overarching UCOP set of strategic objectives, or "pillars," which to date include the following:
  - Advancing the UC mission of teaching, research and public service
  - Policy and advocacy
  - Financial stability
  - Operational effectiveness
  - People

ROLES AND RESPONSIBILITIES

Campus leaders noted that the UCOP has a unique opportunity at this juncture to deliberatively reassess and clearly define, in consultation with the Regents and the Chancellors, its appropriate role – specifically, in what areas should it lead, mandate, control and direct campuses, versus areas where it should collaborate, facilitate and support campuses in fulfilling the UC's overall mission. Once these areas are fully articulated, the roles and responsibilities of UCOP staff to the campuses need to be defined to ensure alignment, connectivity, and clarity (Survey pages 16-17).

Although the Survey was specific to the relationship between the campuses and the Office of the President, it is valuable to understand the mission, history and current roles of the shared governance model of the University of California. The high-level organizational chart of the University of California can be found in the Appendix.

University of California Mission Statement

The University of California's mission is research, teaching and public service. This distinctive mission serves society as a center of higher learning, providing long-term societal benefits through transmitting advanced knowledge, discovering new knowledge, functioning as an active working repository of organized knowledge, and ultimately stimulating economic development and employment. This obligation, more specifically, includes undergraduate education, graduate and professional education, research and other kinds of public service, which are shaped and bounded by the central pervasive mission of discovering and advancing knowledge.

Historical Context

The university has transformed significantly from one building in Oakland with 40 students in 1869 to the UC of today with 10 large campuses, five medical centers, three national laboratories, 273,000 students and a budget of $36 billion.

The California Constitution of 1879 granted the regents "full powers of organization and government, subject only to such Legislative control … to ensure compliance with the terms of the endowments of the University …" Back then, the regents met frequently, sometimes weekly, and approved almost every transaction for the university, including the purchase of office furniture and appointment of every employee.

Increases in complexity and size of any organization, along with the required expertise in administrative and support staff, result in the natural delegation of certain responsibilities and transactions from the governing board to those who oversee the operation of the organization. Since its founding, UC has experienced a series of delegations from the Board of Regents, sometimes a single delegation, sometimes as part of a general review of the operation of the university, and sometimes through separate actions by the Board of Regents or the president. Some significant examples follow below.

At the same time, the desire and need to track student progress and a variety of issues, or respond

to the huge increase in state and federal government regulations and requirements that have been imposed over time on the university, along with most other entities, has added to the development of an administrative staff to which the governing board has delegated the authority to respond.

An early very significant delegation, which would become a model nationwide for the concept of shared governance in higher education, was the 1920 "faculty revolution" in which the Board of Regents assigned significant powers directly to the Academic Senate. This was during an era that predated the rise of the administrative staff now crucial to the operation of the university, when faculty served as both teachers and administrators.

For many years UCLA had no chancellor, only a provost reporting to the president in Berkeley. The regents undertook a series of internal reviews in the 1950s that led to the creation of the Office of the President as a separate entity. The review also led to the appointment of chancellors as campus heads and, ultimately, a further decentralization of the daily operations of the university.

During the 1960's, the university experienced a doubling of enrollment resulting in the establishment of several new campuses headed by chancellors reporting to the president. This growth prompted the 1965 review of campus-universitywide relations. As summarized in Verne Stadtman's authoritative history of UC, "The University of California, 1868-1968," chancellors were asked to reply to detailed questions concerning campus-Universitywide relations. On the basis of their replies, a set of proposals was presented to the regents and university. "President Kerr announced his intention to ask for amendments to the bylaws and standing orders of the Regents so that still greater authority could be delegated from the Board through the president to the chancellors." Under the reorganization, chancellors were given much more operational authority, such as establishing departments, approving tenure for faculty members, administering gifts, and fundraising programs. Still, relative to today, the organization was relatively top-down.

While the delegations to the president and chancellors during the 1960's represented a significant withdrawal of the board from the detailed administration of the university and the intention to concentrate on general policy, many transactional issues continued to require the approval of the regents. Throughout the next forty years, the university was governed under the same set of bylaws; however, as appropriate, delegations continued from the board to the president, and from the president to chancellors and senior administrators.

In the early 1990's, as the regents were in the process of selecting Merced as the site of its 10th campus, they also conducted a series of extensive reviews of transactions that were required to go to the board for approval. This 1993-1995 review took a new approach to governance designed to increase the authorities of the president, including through delegation from the regents, and to reduce duplication of work and information, evolving the focus *from oversight of transactions* to one focused on *enhancing the accountability of results*. Examples of changes resulting from this review included raising the president's and chancellors' approval levels in areas such as real estate acquisitions, capital projects and lease agreements; and delegating complete authority for establishing endowed chairs and naming university facilities.

Regular reviews of governance and oversight continue. In 2016, the regents undertook a comprehensive review of all of its governance documents, including its bylaws and regents policies. The rewritten bylaws assume a greater general delegation from the board to the president over the operation of the university, reserving only certain issues as defined to the board. The 2016 bylaws state, "The Regents hereby delegate authority to the President of the University to oversee the operation of the University, in accordance with policies and directives adopted by the Board, and as further specified in Bylaw 30 (President of the University)."

The Shared Governance Model Today

The **University of California Board of Regents** administers the public trust of the university and is granted full powers of organization and governance by the California Constitution subject to specific areas of legislative control. The regents serve as trustees for the people of the state of California and as stewards for the University of California, acting to govern the university in fulfillment of its educational, research and public service missions in the best interests of the people of California. More specifically, the board has a fiduciary responsibility to ensure the financial integrity of the university and serves as active supporters and advocates for the university. Additionally, the Board of Regents appoint, support and evaluate the president; approve the appointment of chancellors and other senior leaders; approve all major institutional policies and certain transactions; and ensure good planning on behalf of the university's goals. The board acts on matters related to governance, academics, finance, capital projects, compensation, health and compliance.
Note: Article IX, Section 9 of the California Constitution; Regents Policy 1100, Bylaw 21, Bylaw 22; 2010 AGB Statement of Trustee Responsibility

The **president of the University of California** serves as the chief executive officer, managing the affairs of the university to further its mission and to enhance those aspects that unify it into one system. The president is the academic leader of the institution, responsible for defining the university's vision, and leading the system in developing and executing plans in support of that vision. The president serves as the primary external advocate of the university and guardian of the public trust; selects, supports, and evaluates chancellors; represents the campuses to the regents; and oversees a structure to manage the university. The University of California Office of the President is the systemwide headquarters of the university and serves the president in carrying out these functions.
Note: Regents Standing Order 100.4 and Policy 1500

The **University of California chancellors** serve as the executive heads of their respective campuses. Chancellors provide academic and executive leadership by setting policies, goals and strategic direction for their campuses consistent with those of the university. Chancellors are responsible for the organization, internal administration, operation, financial management and discipline of their campuses within the budget and policies approved by the Board of Regents and/or president of the university. Chancellors select, support, and evaluate campus senior administrators and campus faculty; represent the campus within the broader university and external communities; and work toward campus enhancement while providing appropriate stewardship of campus resources.
Note: Regents Standing Order 100.6 and Bylaw 31

The **Academic Senate** carries out shared governance responsibilities of the University of California established by the Board of Regents by ensuring the quality of instruction, research and public service at the university while protecting academic freedom. The Academic Senate, subject to the approval of the Board of Regents, determines the conditions for admission, certificates and degrees. The Academic Senate authorizes and supervises courses and curricula, and advises the president and chancellors on budgets, faculty appointments and promotions, and on faculty welfare.

Note: Regents Standing Order 105 and Bylaw 40

PROGRAMS AND SERVICES APPROPRIATELY SITUATED AT UCOP

In the Executive Summary of the Survey it was noted that *[campus leader perspectives] included broad-based campus support for the President's role to represent the UC system as its advocate and its voice … The President's role is not only to provide systemwide leadership, but must also arbitrate and balance the varying interests and needs of each campus against the whole. Chancellors and the campuses support UCOP and many of the activities undertaken on behalf of the entire system. All recognized the value of a centralized approach to many core administrative functions and were particularly aware that while some campuses could conduct certain of these activities independently, others could not and the investment supporting the whole system was appropriate and necessary (Survey page 1).*

The Survey identified that most activities are appropriately placed — either at UCOP or at the campuses. Examples of *systemwide centralized business operations that were consistently mentioned as appropriately managed and administered at UCOP due to their size and scope and generally viewed as value added services include (Survey pages 9-10):*

- University of California Retirement System (UCRS)
- Corporate accounting and reporting
- UCOP budget office
- Payroll
- Labor negotiations

- Employee benefit program range of options and services
- Capital financing and bonding
- Energy purchases and management
- Information technology

Leading the relationship and interactions with the regents was also noted as a centralized service appropriately administered at the system level.

Throughout this report the working group addressed several centralized services that are seen as appropriately administered at the system level. *Additional programs and services seen as appropriately administered by UCOP include (Survey page 10):*

- Real estate, financing and support, student housing initiatives
- Student aid
- Government relations

- Human resources
- Risk services/insurance
- Compliance and audit
- Office of General Counsel (OGC)

Campuses identified the following academic programs that are centralized and believe that UCOP provides essential support and services (Survey page 11):

- Academic Personnel and Programs (APP)
- Institutional Research and Academic Planning (IRAP)
- Telescopes and observatories
- California digital library

- Research Grants Program Office (RGPO)
- Presidential postdoctoral fellows
- Presidential endowed chairs
- College preparatory and public service programs

ACADEMIC AFFAIRS

Academic Affairs builds on the energy and academic strength of UC's campuses to enhance the system's educational impact. The division manages programs that help position UC and California as engines of economic, social and cultural development. The division ensures that UC remains on the cutting edge of innovation in teaching and learning by supporting new academic initiatives, and collaborating with the leadership of the Academic Senate.

Academic Affairs is led by Provost and Executive Vice President Michael T. Brown. It is comprised of Academic Personnel and Programs, Diversity and Engagement, Institutional Research and Academic Planning, Research and Graduate Studies and Student Affairs.

The Survey contained comments related to the following Academic Affairs functions:
- Academic Personnel Manual
- Campus involvement in enrollment
- College preparatory and public service programs
- Diversity programs
- Undergraduate research

Working Group Conclusions and Recommendations

Conclusions and Recommendations Snapshot: Academic Affairs
The working group came to the following conclusions and recommendations:

Academic Personnel Manual (APM)
- Streamlining and/or revising the APM is under the purview of the president in consultation with the Academic Senate and should be considered to be taken up at a future date.

Campus Involvement in Enrollment
- UCOP will ensure explicit discussions occur with campus groups in advance of developing systemwide enrollment strategies and communicate with campuses before targets are finalized so that campuses have an opportunity to propose changes that address local situations.
- Campuses will be encouraged to make sure enrollment calls include relevant campus constituencies such as the vice provosts and deans for Undergraduate Education and the AVCs for Enrollment Management.
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- College preparatory and public service programs managed by UCOP are operated at both the system and campus levels and implemented in close collaboration with non-UC entities. They are evaluated annually with the outcomes published. The working group concluded no change is recommended.

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- Diversity is and should remain of interest at all levels of governance: Regents, UCOP and the campuses. UCOP appropriately sets the diversity policy framework while administering some limited programs, such as the President's Postdoctoral Fellowship Program that benefits the entire system. UCOP should continue to serve in a capacity of support to the campuses as they advance their diversity efforts.

> **Undergraduate Research**
> - The role of UCOP in undergraduate research is and should remain appropriately limited since this is a primary function of the campuses.

Academic Personnel Manual

Academic Personnel Manual — seen as positive and appropriate to be managed at the UCOP level, yet many indicated a need for substantial revision and streamlining (Survey page 6).

Academic Personnel and Programs at UCOP develops, implements and manages policies and procedures pertaining to the employment relationship between an academic appointee and the University of California. As delegated by the president of the university, these policies and procedures are issued by the provost and executive vice president of Academic Affairs and published in the Academic Personnel Manual (APM). As policies and procedures contained in the APM are updated, Academic Personnel and Programs identifies and implements opportunities for consolidation where possible.

The working group agreed that the Academic Personnel Manual is extensive and would benefit from a revision and simplification. However, the decision rests with the president and Academic Senate to determine the scope and timeline for a substantial revision or streamlining of the Academic Personnel Manual.

Campus Involvement in Enrollment

Campuses appreciate the centralized student application system and associated policies and processes, especially to ensure fair and appropriate enrollment among the campuses. However, campuses would like to have more involvement in deliberations when UCOP is dealing with enrollment issues, particularly when responding to external initiatives and pressures (Survey page 8).

Provost Michael T. Brown and Vice President of Institutional Research and Academic Planning Pamela Brown shared the following information with the working group. As a result of the recession, reductions in state funding, and annually changing UC and state requirements with regard to enrollment issues (e.g., funding tied to minimum increases in California residents, 2:1 freshman to transfer enrollment ratio, and nonresident enrollment policies), UCOP, at the campuses' request, suspended efforts to develop multiyear enrollment plans. Thus, enrollment targets moved to an annual process with a number of competing and sometimes contradictory constraints.

Over the last few years, each campus was asked to submit its enrollment proposal for the next year. Proposals are evaluated by staff at UCOP and considered in total to see the extent to which they meet state and system goals and policies. The sums of the individual plans and the extent to which they are meeting universitywide goals are then discussed with a number of systemwide bodies: the Council of Chancellors (COC), the executive vice chancellors and provosts, the vice chancellors for Planning and Budget, the Student Affairs vice chancellors, the associate vice chancellors for Enrollment Management, and the Undergraduate Admissions directors.

Systemwide targets are set by the president, upon recommendation of her staff, based upon the input received from the campuses as well as consultation with internal and external leaders (e.g., the regents, the Academic Senate, COC and state government leaders).

UCOP also convenes regular monthly phone calls with enrollment points of contact, designated by the chancellors, on each of the campuses to discuss enrollment issues and to help achieve targets once they are set. These calls have resulted in UCOP and campuses sharing information on modeling practices as a way to ensure that numbers used in projecting enrollment at UCOP reflect the numbers used on campus.

This year, the regents and the COC called for UCOP to develop multiyear enrollment projections as a way to avoid the one year at a time "push and pull" in setting enrollment targets. The multiyear planning is focused on meeting degree attainment goals — increased enrollment is just one subcategory for achieving those goals. In this planning, the campuses are looking at ways to generate additional degrees by improving completion rates and shortening time to degree. In particular, throughput and completion rates can be improved if achievement gaps between different demographic groups are narrowed.

UCOP is also undertaking its own projections of California high school graduates and then applying those projections to determine how many new California freshmen and transfers need to be served each year in the future (under Master Plan eligibility assumptions and assuming adequate state resources). These projections assume that UC will continue to adhere to the ratio of enrolling at least one California resident transfer student for every two California resident freshmen students and that the campuses adhere to the regents' policy capping the percentage of nonresident undergraduates. These projections are shared with the campuses to take into consideration when preparing their multiyear degree attainment and enrollment plans. UCOP will continue to ask campuses to provide annual enrollment proposals based on their multiyear plans but updated for changed conditions locally.

The working group agreed with the Academic Affairs recommendation that in order for campuses to be more aware of the direction being proposed by the system, UCOP will ensure that there are explicit discussions with campus groups (COC, EVCs, VCPBs) in advance of developing systemwide enrollment strategies. Once an overall enrollment goal or strategy is identified, it will be communicated to individual campuses before targets are finalized and campuses will have an opportunity to propose changes that address local situations.

Campuses will be encouraged to ensure enrollment calls include relevant campus constituencies such as the vice provosts and deans for Undergraduate Education and the AVCs for Enrollment Management.

UCOP will share its enrollment modeling with campuses so they will have insight into how UCOP is projecting enrollment. When there are discrepancies with campus models, there will be an opportunity for institutional researchers in both locations to reconcile those differences.

College Preparatory and Public Service Programs

College preparatory programs and public service programs such as K-12 pipeline best managed centrally, but should be subject to efficiency and effectiveness evaluations, including linking with existing non-UC programs (Survey page 11).

The Student Academic Preparation and Educational Partnerships (SAPEP) portfolio administered by UCOP is comprised of 15 programs and services that are intended to raise overall student achievement levels and to close achievement gaps among targeted groups of students throughout the California educational pipeline. Programs are implemented in close collaboration with K-12, community colleges, California State University, private/independent colleges and universities, community organizations, other college preparatory programs (e.g., GEAR UP, TRIO), nonprofit organizations, business and industry. These programs operate at both system and campus levels, share common goals, and share a common accountability framework. Programs are evaluated annually — and outcomes published — on progress toward meeting these goals. Additional and more substantive program reviews are conducted as resources are available.

The working group is of the opinion that these programs are sufficiently evaluated and linked with non-UC programs and that UCOP should continue these efforts.

Diversity Programs

Diversity — some campuses viewed there might be an overlap with diversity programs at UCOP and those organized at the campuses. While a centralized diversity section is important, the campuses thought that UCOP efforts should concentrate on policy and assisting campus efforts since each campus has a diversity officer and unique population that may not be best served within a central management approach (Survey page 6).

In 2016, in collaboration with campus representatives responsible for equity, diversity and inclusion (e.g., vice chancellors for Equity and Inclusion and chief diversity officers), UCOP Diversity and Engagement assessed the roles and responsibilities of UCOP with respect to equity, diversity and inclusion policies, programs and practices systemwide. The assessment confirmed that campus issues related to equity and inclusion are most appropriately managed by the campuses. Where campuses confront common challenges (e.g., controversial speakers, recruiting and retaining diverse faculty, developing short- and long-term metrics for assessing progress, accountability for outcomes, professional development, and training for practitioners around policy and procedures), there is value to the campuses to link diversity leaders systemwide and provide policy and accountability guidance, resources, professional development and training that benefit the entire system.

Diversity programs are a priority for the Board of Regents and the president. The working group is of the opinion that UCOP appropriately sets the diversity policy framework while administering some programs, such as the President's Postdoctoral Fellowship Program, that benefit the entire system. UCOP should continue to serve in a capacity of support to the campuses as they advance their diversity efforts.

Undergraduate Research

Undergraduate research — highly valued, but viewed as a program well supported and entirely the responsibility of individual campuses as these functions are core to the systemwide educational mission. Campuses were unclear of the UCOP's role in this area and suggested that UCOP may only need a limited presence in the program area (page 6).

In July 2017, UCOP Research and Graduate Studies convened a group of campus representatives (e.g., vice chancellors for Research, vice provosts for Undergraduate Education, Undergraduate Research directors) and UCOP staff to discuss challenges and identify next steps for broadening, tracking and leveraging undergraduate research. This convening was intended as the launch of a proposed systemwide effort to expand opportunities for UC undergraduates to conduct original scholarship. This work was halted in fall 2017, as it was determined that undergraduate research is most appropriately managed by campuses and not in the domain of UCOP Research and Graduate Studies.

The working group noted that the University of California is uniquely positioned to promote student involvement in research and that the campuses play the primary role in ensuring these opportunities exist. The working group is of the opinion that the role of UCOP is appropriately limited in this area and that it should continue as is.

OFFICE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer division has oversight of financial and capital project management at the campuses, academic medical centers and Lawrence Berkeley National Laboratory. Areas of responsibility include budget analysis and planning, accounting and financial controls, risk management, capital markets financing, capital resource management, strategic sourcing and external relationships with rating agencies, investment houses, banks, financial auditors and financial regulators. The executive vice president and chief financial officer is Nathan Brostrom.

The Survey contained comments related to the Office of the Chief Financial Officer:
- Capital projects
- Integrated Capital Asset Management Program (ICAMP)
- Mixed revenue models
- Procurement
- Risk management

Working Group Conclusions and Recommendations

Conclusions and Recommendations Snapshot: Chief Financial Officer
The working group came to the following conclusions and recommendations:
Capital Projects
• UCOP and the campuses will continue to look for novel financial tools to address system and campus needs.
• UCOP and UCSF are working together to map a typical approval process from end to end and identify potential improvements to the process as the first step. This initial assessment will be vetted with the campuses and UCOP leadership so that recommendations, including potential changes to policy, can be identified, approved and implemented.
Integrated Capital Asset Management Program (ICAMP)
• ICAMP is a systemwide program that was launched at all campuses with consultation from the administrative vice chancellors. State funding from AB94 was identified to support the initial facilities assessments at each campus. The working group saw no reason to make any changes to this program.
Mixed Revenue Models
• Campuses have a responsibility to pursue new revenue models. Additionally, UCOP will continue to develop efforts and maximize new revenue models when best done at the systemwide level.
Procurement
• The shared governance structure of the Procurement Leadership Council (PLC) serves as a good example for other UCOP/campus functions. Nonetheless, there should be flexibility where a particular campus can on its own create additional savings without adversely impacting the other campuses.
• The current practices and reporting structures are appropriate and no change is recommended.
• In general, efforts of the PLC to collaboratively develop and implement procurement strategies that create universitywide savings and efficiencies are lauded.
Risk Management
• The current risk and insurance functions are appropriate and no change is recommended.

Capital Projects

UCOP-led initiatives

The President/UCOP should lead initiatives to assist campuses in addressing capital projects and infrastructure needs. Plant and infrastructure needs are critical at many campuses – with a large backlog of deferred maintenance in addition to critical needs to address larger student populations requiring more classrooms, labs, housing, and student services (Survey page 19).

The working group concluded that work is already being done in this area and that both UCOP and the campuses recognize the urgent need to continue closely collaborating on the development of alternative financial solutions to address capital, deferred maintenance and seismic needs. UCOP has been responsive to date through efforts such as the Housing Initiative, and the campuses will continue to be consulted and engaged by UCOP in future efforts.

Expertise and Processes

Capital Projects — campuses noted an area where the mirror function is appropriate, but related UCOP operations may not have evolved to meet the current and future needs of the University system. In the area of capital projects … in terms of practical assistance and facilitation, although UCOP's Chief Financial Officer has brought a constructive and consultative attitude to the group, we hear that many policies, procedures, and practices are outdated and aligned with rigid compliance parameters needed for state funding. As state funds for capital projects are largely unavailable and creative solutions are essential, operating under existing parameters can stifle projects and pose hindrances to project successes. [T]here was a strong perception that the group's activities are outdated and it needs to reinvent itself to adopt creative and forward-thinking processes — particularly as the campuses face complex construction challenges to meet facility demands. A number of innovative funding and building options and approaches are in practice in industry and the adoption of such expertise would be welcomed (Survey page 7).

The processes and delegations associated with evaluating, reviewing and approving capital projects at a campus and among the campus, UCOP and the regents are based on an outdated state-funded model and have become overly bureaucratic and time-consuming. Analyzing, streamlining and rationalizing these processes was stated as a priority for the working group.

Recently UCSF and UCOP conducted a postmortem analysis on an approval process for a real estate transaction that involved a donor and had to be urgently approved after spending considerable time en route to the final decision-maker. Analysis of the transaction solely from the file management perspective showed the primary issues were a lack of communication and understanding regarding timing, deadlines and who should be consulted, and when, among the multiple stakeholders involved.

To build on this analysis the working group has requested the UCOP CFO and UCSF SVC Finance and Administration map two to three "typical" capital transactions from beginning to end (including the

internal campus process) as the first step to evaluating opportunities for process improvement using Lean methodology. This initial assessment will be vetted with the campuses and UCOP leadership so that recommendations can be identified, approved and implemented.

Integrated Capital Asset Management Program (ICAMP)

The Integrated Capital Asset Management Program (ICAMP) was noted as another project potentially to become systemwide; several campuses noted this program should be an opt-in or out. Like the Accounts Payable project there is concern that non-participants will pay for the function (Survey page 9).

ICAMP was conceptually introduced by Facilities and Risk Management in 2007 and launched in 2013. As a result, an initial program statement was developed that said in part: given the age and current condition of university facilities, there is a critical need at the campus and the systemwide level to make sound capital renewal decisions based upon accurate information that identifies, prioritizes and quantifies facility renewal needs. Since that time, ICAMP has been underway for several years as a systemwide project funded in part with AB 94 state funds to conduct the initial facilities assessment. Each campus has launched its own process, either hiring a project manager or working with an outside vendor. The project team has consulted frequently with vice chancellors and facilities directors. The working group saw no reason to make any changes to this program.

Mixed Revenue Models

UCOP should lead efforts to provide assistance and work in collaboration with campuses to build and or develop mixed revenue models and new funding opportunities to supplement tuition and state support, recognizing each campus has a different situation in terms of funding streams and opportunities with State funding remaining very important, albeit insufficient. The campus leadership felt that UCOP should lead discussion relating to opportunities for wider policy options and alternatives sources for revenues and support for the UC and campuses (Survey page 18).

The CFO division has developed a number of systemwide initiatives that add value for the system, including the creation of the Blue and Gold Endowment, the development of Fiat Lux Captive Insurance, and serving as a lead agency for a Group Purchasing Organization.

The working group acknowledges the importance of these efforts and believes CFO Brostrom has done an excellent job in this area. The working group strongly encourages continued efforts to maximize new revenue models as appropriate at the systemwide level. Additionally, the working group recognizes that campuses also have a responsibility to pursue new revenue models.

Procurement

Campus Delegations

It is viewed that UCOP is involved in too many decisions that should be left to the discretion of the Chancellors; areas such as … procurement (Survey page 7).

The working group met with CFO Nathan Brostrom and Chief Procurement Officer Bill Cooper, who provided the following information. UC Procurement Services support systemwide procurement activity as directed by the Procurement Leadership Council (PLC), a shared governance structure comprised of the 10 campus chief procurement officers (CPO) and the systemwide chief procurement officer. The intent of this governance structure is to optimize UC's tremendous buying power while also recognizing the considerable campus-specific spend and supporting local procurement autonomy. Campus-specific procurement is administered under the sole authority of the campus chief procurement officer. Systemwide procurement contracts and initiatives are voted on by the PLC and nine of 11 affirmative votes are required for approval.

While the shared governance structure under the leadership of the Procurement Leadership Council is generally accepted by all campuses for certain sourcing decisions, policymaking, technology sharing, and the like, some campuses have expressed concern. For example, some of the larger campuses have argued for increased voting power given their higher levels of spend. This argument has credence and the PLC is currently engaged in an effort to better define the role of UC Procurement Services and the role of each campus. This work will further clarify the balance between local and systemwide engagement and decision making. As part of this work, UCOP is meeting with all of the SC500 campus Advisory Council members and CPOs to discuss the significant value that has been achieved by acting as a cohesive organization. The university has been recognized as a "best practices" procurement organization and has delivered a total of $1.25 billion in financial benefits for redirection to UC's core missions of teaching, research and public service.

Upon review, the working group recognized the importance of a shared governance model and regards the procurement model as one that works well and should serve as an example for other UCOP/campus functions. The working group also supports the efforts of the PLC to collaboratively develop and implement procurement strategies that create universitywide savings and efficiencies and emphasized that this should be a top priority as the university must continue to demonstrate that the use of university resources is being effectively managed.

It is quite understandable that campuses or offices within campuses prefer full control over procurement. However, the working group recognizes the need for cost savings that can be generated through systemwide procurement and, with certain exceptions and improvements outlined, encourages additional efforts to save money through systemwide procurement.

Dual Reporting

There is some concern over dual reporting roles in certain areas. For example … certain procurement officers are said to have reporting roles both to campus leadership and UCOP. Campuses view that reporting should be only to campus leaders, while UCOP should set policy or facilitate collaboration and coordination for these operations, as appropriate (Survey page 8).

All campus chief procurement officers have a solid line reporting relationship to their campus supervisor and a dotted-line reporting relationship with the systemwide chief procurement officer.

This structure was agreed to by the Procurement Leadership Council (PLC) so as to ensure the aligned vision, mission and strategic objectives of the collective organization.

The working group concluded that the dotted-line reporting relationship does not create a significant administrative burden and is appropriately reflective of the shared governance structure.

Local Purchasing

We noted limited support for UCOP's procurement's SC500, a systemwide procurement program. Campuses recognized that because obtaining adoption for a UC-wide procurement solution can be difficult, UCOP exercised stronger oversight for this program. Nonetheless, many campuses state that full adoption should be an option and campuses should have some discretion to make procurements outside the program. Specifically, campuses do see value in leveraging the power of 10 (and in some cases the California State University has joined on) for blanket or master purchasing, but believe such tools should be just one available for procurement and allow for local purchasing as needed or if a better deal can be obtained (Survey page 8).

Procurement's systemwide shared governance structure is led by UCOP and campus individuals with the goal of providing services and benefits for all campuses. The findings of three objective studies conducted by KPMG, Accenture and AT Kearney, have all pointed out that although "individual campuses may possess the skills, knowledge and abilities to best determine the needs of their specific campus," to do so is highly inefficient, ineffective and costly. In fact, separate procurement functions at each campus would result in increased staffing costs and reduced savings. A clear example of the inefficiencies that can result when campus procurement offices act independently is the variety of financial systems employed by our campuses. These diverse systems have made it difficult to extract systemwide spend data, which has resulted in millions of dollars in lost savings due to lack of contract adoption.

UCOP launched the Supply Chain 500 Advisory Group (SC500), comprised of vice chancellors of Administration and vice chancellors of Planning and Budget from all 10 campuses. The goal of this group is to govern the initiatives that were proposed as part of the AT Kearney consultant study, which was carried out in consultation with the Procurement Leadership Council. Some campuses saw the initial recommendations by AT Kearney as overreaching and, as a result, the SC500 Advisory Group endorsed a more narrow set of "Phase 1" systemwide activities. The Procurement Leadership Council recently approved funding to support "Phase 1" activities and many campuses have begun implementing campus-specific recommendations from the report.

Several PLC members have voiced concern over what they see as a loss of direct authority with the elevation of the SC500 governance structure. UCOP understands their concern, but felt it was important to involve the vice chancellors, given that supply chain functions on several campuses extend beyond the control of the campus CPO. UCOP also believes this new structure will create an opportunity for the CPOs to forge a stronger alignment with their representative vice chancellors in carrying out this program.

UCOP has also modified the approach with the SC500 Advisory Group to promote further engagement. These changes include an effort to highlight the campus-specific activities that are helping to achieve the goal of $500 million in annual procurement benefit and the introduction of subcommittees to target specific topics that require further analysis and discussion. A subcommittee on funding recently made its recommendation to the Advisory Group and a second subcommittee is nearing completion of its recommendations around a systemwide approach to revenue generation.

The working group discussed systemwide Procurement's efforts in saving costs and formulating a governing and administrative function to do so in a collaborative manner. The working group supports the efforts underway by the Procurement Leadership Council and the SC500 Advisory Group and does not recommend any changes to the current practices and reporting structures.

Risk Management

Risk services/insurance — some campuses indicate since these services are provided by UCOP that these functions (staff and resources) at campuses should be limited or unneeded. This would require that UCOP also provide consultative services to a campus, similar to a private industry model (Survey page 10).

Although Risk Services provides various systemwide insurance programs, funding for loss mitigation and loss control, and overall policy guidance around safety and emergency management, campuses recruit and retain local safety and risk management professionals. Those safety and risk management professionals are "boots on the ground" to support all of the departments on a campus or medical center. UCOP Risk Services provides support and guidance to those local professionals to assist them in their roles.

The working group considered the suggestion from the Survey but prefers the existing model and disagreed with the comment as the needs of the campuses require resources at the campus locations in addition to the systemwide services provided by UCOP.

OFFICE OF THE CHIEF OPERATING OFFICER

The Chief Operating Officer Division provides systemwide leadership and oversight of systemwide human resource administration, information technology, operational services, which include the UCPath Center, the strategy and program management office, and energy services and sustainability. This division also oversees internal UCOP operations. The executive vice president, chief operating officer and chief of staff to the president is Rachael Nava.

The Survey contained comments related to the Chief Operating Officer Division:
- Operational services
- Energy purchases
- Human resources
- Outside professional activities

Working Group Conclusions and Recommendations

Conclusions and Recommendations Snapshot: Chief Operating Officer
The working group came to the following conclusions and recommendations:

Operational Services
- New operations that are considered for systemwide launch should first be brought for consultation with campuses. If a systemwide approach is deemed more efficient for the university, leveraging the shared governance structure and implementation expertise in Operational Services is recommended.

Energy Purchases
- The current structure and level of resources are appropriate for the activity and no change is recommended.

Human Resources
- The current policies and delegations for salary decisions, position classification and reasonable accommodation are appropriate and no change is recommended.
- The Senior Management Group Market Reference Zones are recommended to be updated at least annually rather than every two years and should include chancellor input in determining the comparator institutions to include in the MRZs.

Outside Professional Activities (OPA) Approval and Reporting

OPA was a topic of significant interest to the working group as the process and policies have become confusing, excessively restrictive and time-consuming. The working group recommends the following changes to Regents Policy 7707 be brought to the Board of Regents for consideration:
- Pre-approval and post-reporting for compensated activity above $2,500 per calendar year from any single source will be required (reimbursable expenses are not considered compensation).
- Pre-approval for an uncompensated activity will not be required, but the annual reporting of all compensated and uncompensated board memberships will be required.
- SMG members will continue to be limited to a total of two compensated boards annually.
- Scholarly works, including books, other publications and speeches will not be considered OPA.
- Managing the time commitment associated with outside professional activities will be the responsibility of the individual and direct supervisor.
- Exceptions to the above will require one over one manager approval.

Operational Services

Although campuses indicated strong support for a uniform financial Chart of Accounts and common reporting format that would allow campuses to comply with UCOP needs from their local systems, they voiced strong concerns over on-going messaging to centralize Accounts Receivable functions or to adopt a systemwide financial suite (Survey pages 8-9).

Operational Services' current primary project is UCPath. However, as future initiatives are contemplated for systemwide implementation, Operational Services will support such efforts.

The working group discussed systemwide operational solutions and emphasized that the decision to undertake any new systemwide operational activity should be done in consultation with the campuses in order to confirm that a systemwide approach would be more efficient for the university. An effective shared governance structure is also critically important in managing systemwide programs. The UCPath and procurement efforts have provided a good foundation for lessons learned and best practices.

Energy Purchases

Energy Purchases and Management — valued, but many wondered if the unit will continue to need the level of resources committed (Survey page 10).

The working group met with COO Rachael Nava and AVP David Phillips, who provided the following overview of the Energy and Sustainability department. This department has 11 full-time staff with approximately 5.5 full-time equivalents (FTEs) working on energy purchases and management-related topics. Specifically, energy staff manage UC's Wholesale Power Program, essentially UC's own utility company. Through the administration of this program, UC supplies electricity directly to designated UC campus and medical center accounts. This allows UC to consume greener energy and to have long-term savings and predictable rates. UC energy staff also oversee UC's biomethane program, which is still in its early stages and will supply carbon neutral gas to all of UC's campuses. In addition, UC energy staff coordinate the Statewide Energy Partnership (SEP) program, which supports the campuses as they pursue eligible energy efficiency programs utilizing grant monies from the Investor Owned Utilities to help fund the projects.

Staffing for the electricity and biogas supply programs is funded as part of the utility rates charged to the campuses for these services. These rates are approved by the UC Energy Services Governing Board, which includes representation from each campus, typically at the vice chancellor level. Staffing for the SEP program is funded by the participating utilities, providing a much-valued internal resource to support campus energy efficiency programs at no cost to the campuses.

UC routinely compares the costs and quality of UCOP-provided energy services to other options under direction from the Energy Services Unit Governing Board. For example, a recent rate study evaluated UC's Wholesale Power Program (WPP) costs for the past few years compared to the

business-as-usual utility within each service territory e.g., Pacific Gas and Electric (PG&E), Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E). Third-party energy consultants found that UC's own power costs were consistently lower than those charged by each respective utility company. The savings varied by campus and utility, but UC's total costs were found to be $7 million to $11 million lower per year. Over that same time frame, UC continually provided more green power to the campuses. By 2017, the carbon intensity of UC-supplied electricity was 60 percent lower than the average power supplied to the region.

The working group agrees with the division's assessment that staffing levels for UCOP-provided energy supply services could decrease or increase in the future based on campus preferences and market conditions. Currently, the staffing for the Wholesale Power Program, for instance, allows for consultative, but efficient, management of this unique service (direct supply of energy) to campuses. Staffing levels for the biogas program may lessen once the projects are all successfully operating in a few years.

As campuses request new services, such as the recent program to supply UC Berkeley with natural gas, the unit may consider staffing expansions in the future to maintain service levels. In all circumstances, campus energy and financial leaders have the final say in directing the department's future scope and size through the Energy Services Governing Board. The Governing Board meets three times per year and typically reviews these topics at least annually.

Human Resources

It is viewed that UCOP is involved in too many decisions that should be left to the discretion of the Chancellors; areas such as salary decisions, position classifications … outside speaking engagements, reasonable accommodation (Survey page 7, 10).

Salary Decisions and Position Classifications

The working group met with COO Rachael Nava and VP Dwaine Duckett, who provided the following information. As a result of two audits in recent years, which raised issues with executive pay for Senior Management Group (SMG) salary actions, the president revisited the delegated authority given to the chancellors regarding compensation. Currently all SMG transactions require one-over-one approval and certain SMG actions over the 75th percentile require the president's and regents' approval per Regents Policy 7701. The recent affirmation and revision of Market Reference Zones (MRZs) supports stronger controls as approved by the regents and implementation of their policies for SMG pay.

With the implementation of Career Tracks, position classifications have been simplified and guided by systemwide standards. Career Tracks, which allows for one-over-one approval at all levels below the SMG on campuses, gives flexibility to the campuses for classifications. The methodology for doing this was affirmed at the September 2018 Regents meeting.

The working group supports the existing structures governing Career Tracks, SMG salary decisions, and position classifications and confirmed the ongoing need for university leadership to continue supporting salary-setting at market based rates, with one exception: the working group recommends that the MRZ rate evaluations that currently occur every two years should be updated at least annually. The working group also requested the opportunity for chancellors to provide input into which comparator institutions are included in the MRZ rate evaluations.

Reasonable Accommodation

The comment in the Survey is inaccurate in that UCOP does not provide local oversight for reasonable accommodation and only sets policy and shares best practices. The working group concurred that this delineation of roles should continue as is.

Outside Professional Activities

Outside Professional Activities (OPA) for an uncompensated speaking engagement for a for-profit organization is considered OPA and is reportable under policy and subject to review. However, if it is a one-time uncompensated speaking engagement for a nonprofit organization, it is not considered OPA.

In recent years, there is a widespread consensus that circumstances have created an excessively rigorous, confusing and overly-restrictive policy toward outside professional activities reporting undertaken by the Senior Management Group (SMG). Through considerable discussion with COO Nava and VP Duckett, the working group recommends returning to the intent of original Regents Policy 7707 and simplifying the policy and procedures as follows:

1. Pre-approval and post-reporting for compensated activity above $2,500 per calendar year from any single source will be required (reimbursable expenses are not considered compensation).
2. Pre-approval for an uncompensated activity will not be required, but the annual reporting of all compensated and uncompensated board memberships will be required.
3. SMG members will continue to be limited to a total of two compensated boards annually.
4. Scholarly works, including books, other publications and speeches will not be considered OPA.
5. Managing the time commitment associated with outside professional activities will be the responsibility of the individual and direct supervisor.
6. Exceptions to the above will require two levels of approval.

These recommended changes will be proposed to the regents in the January 2019 meeting. In the meantime, Human Resources has notified the locations that it will defer the November 2018 OPA reporting deadline to February 15, 2019.

EXTERNAL RELATIONS AND COMMUNICATIONS

External Relations and Communications (ER&C) is focused on increasing public understanding and support for the university by communicating UC's value and impact on the lives of people in local communities, California, and the nation and advocating for university interests with the state and federal governments. ER&C helps establish, support, and strengthen relationships with internal and external constituencies – such as alumni and philanthropists, business and industry – and, in coordination with campuses, facilitating their support for the university. ER&C also conducts legislative policy analysis for the university and cultivates advocates and supporters internally and externally.

External Relations and Communications is led by Senior Vice President Claire Holmes. It is comprised of the following functions: Marketing Communications; State Governmental Relations; Media Relations; UC Health Communications; Executive Communications; Federal Government Relations; Institutional Advancement; Institutional Communications; and Legislative Analysis.

The Survey contained comments related to the External Relations and Communication Division:

- Institutional Advancement and Constituent Affairs (Alumni Relations)
- Gifts and endowments
- Marketing and branding
- Relationship with Sacramento

The working group met with SVP Holmes, who provided the following information on these topics. AVP Geoff O'Neil joined her for the Institutional Advancement, Alumni Relations, and Endowment and Gifts topics.

Working Group Conclusions and Recommendations

Conclusions and Recommendations Snapshot: External Relations and Communications
The working group came to the following conclusions and recommendations:
Institutional Advancement and Alumni Affairs
• Prior to this effort, Institutional Advancement and Alumni Relations were combined, restructured and downsized, appropriately limiting the scope of these functions in UCOP. The working group supports this change.
• The current functions and staffing levels in the newly combined structure are appropriate and no further change is recommended.
Gifts and Endowments
Several policies regarding capital campaigns, endowments, gifts, and namings were reviewed by the working group. Over time, the number of transactions, and the dollars per transaction have grown such that the approval processes have become overly restrictive and time-consuming. The working group recommends the following policy changes:
• Raise the delegation of authority for presidential acceptance of gifts from $5 million to $10 million.
• Delegate authority to indemnify donors to chancellors for gifts (subject to the $10 million gift acceptance authority).

- Modify guidelines on namings, allocation and reallocation of gifts, and FFE withdrawals to reflect delegation of gift authority of $10 million.
- Delegate establishment of chairs and professorships to the campuses, except gifts over $10 million will require that the president "accept" the gift (requires an update to the Academic Personnel Manual – 191).
- UCOP Office of Institutional Advancement (OIA) seldom plays a direct role in fundraising but will continue to provide training/checklists to the campuses as needed and will institute an after-the-fact annual review of campus-approved endowments.

The working group concluded these policies serve the intended purpose and should not be changed:
- Presidential approval the "quiet phase" of campus capital campaign
- Presidential authorization of significant namings
- Establishment of fund functioning as an endowment(s) with non-gift funds

Marketing and Branding
- Marketing and branding is substantially a campus role. The rather limited role and organization of this department was reviewed and no change is recommended.

Relationship with Sacramento
- UCOP should continue to be responsible and accountable for developing and implementing the federal and state government relations strategy in collaboration with the regents, campuses, students and other UC stakeholders. With respect to local government engagement, it is the primary responsibility of the campuses in consultation with UCOP.

Institutional Advancement and Constituent Affairs (Alumni Relations)

Institutional Advancement (development) and Alumni and Constituent Affairs — since alumni relate and give to specific campuses, leadership found little value in UCOP's involvement with alumni affairs and relations. UCOP efforts in these areas should be limited to providing expert advice and need-driven consultation, coordinating efforts among/between campuses, and facilitating systemwide efforts. There is much value seen in the President's support with donors, but most often in concert with a campus initiative (Survey pages 6-7).

Both the Huron UCOP Optimization Report and the Survey raised the concern that the functions of Institutional Advancement and Alumni Relations may be duplicative of work done at the campuses.

In 2018, Senior Vice President Claire Holmes merged Alumni Relations with Institutional Advancement. At that time, she conducted a deep dive into the services provided by Institutional Advancement and Alumni Relations and concluded that the functions of these departments are necessary and unique from those at a campus.

In the area of constituent and stakeholder relations (formerly called Alumni Relations), two staff members deliver the following:

- Support the alumni regents — orientation to the role; ongoing support of activities and requests;
- Coordinate activities for the president with donors, alumni and friends of the university;
- Arrange and facilitate dinners, visits, meetings and stewardship when appropriate for the president with alumni/donors/key stakeholders of the university;

- Maintain a small database of contact and historical information about presidential encounters and alumni profiles/information;
- Support and develop presidential connections to first-gen alumni and leaders of the first-gen communities interested in UC activities/events;
- Develop Oakland-based relationships with city officials;
- Administer and support the Oakland Promise scholarship activities;
- Support systemwide alumni directors;
- Work with campuses on implementing career networking activities.

Institutional Advancement (IA) has the following responsibilities:

- Support campuses in increasing private support by acting as a resource for a wide array of inquiries;
- Manage reports of fundraising activities, interpret and coordinate policies for volunteer and private support, oversee endowment administration matters and issues related to UC's status as a 501(c)(3) entity;
- Oversee all UC campus foundations and support groups, and manage the Livermore Lab Foundation and the international foundations in London and Hong Kong; and,
- Review roughly 200 gift matters that require presidential approval annually. However, this is a small fraction of the approximately 4,000 matters IA consults on each year.

IA is funded solely from endowment cost recovery (not part of the campus assessment) which is restricted by the Board of Regents for "incremental fundraising support to enable the university to enhance its fundraising activities, not as an offset of existing fundraising investment."

The working group discussed the restructured Institutional Advancement and Alumni Relations and determined the reduction in headcount is responsive to feedback to limit these functions; the revised staffing levels appear reasonable for the work involved. The current functions in the combined structure are not duplicative of campus efforts.

Gifts and Endowments

It is viewed that UCOP is involved in too many decisions that should be left to the discretion of the Chancellors; areas such as… endowments (Survey page 7).

Campus leadership identified endowments as an area that could be appropriately managed at the campus level. The working group reviewed the regents and presidential policies related to endowments including the identification of the correct level of authority related to endowments.

UCOP's Institutional Advancement (IA) unit does not pursue endowments. IA is significantly smaller than other institutions' systemwide advancement operations — despite the fact that UC raises more money than other systems, has more endowment funds, and operates international and lab foundations.

At one time, the Board of Regents had full authority over all gift matters, and minutes from meetings reflect specific actions to accept gifts and name properties. In order to streamline the

regents agenda, virtually all authority was delegated to the president (and re-delegated to chancellors) in the mid 1990's as part of a major overhaul of regents procedures. As virtually all gifts are in support of campus activities, the president has delegated most authority to the chancellors — retaining authority for gifts of $5 million or more, major "namings," endowed chairs, indemnification, and allocations and reallocations.

While the powers enumerated below are primarily oversight functions, the president can also augment campus stewardship efforts — such as writing thank you letters to major donors. This is particularly useful for certain donors such as large private foundations and significant donors that provide funding to several campuses.

As described more fully in the table below, the current requirements for presidential approval of gift matters cut across several different regents policies, regents standing orders, delegations of authority, presidential policies, presidential letters and systemwide guidelines. The table additionally reflects the working group's deliberation.

APPROVAL REQUIRED FOR	CURRENT POLICY/DELEGATION OF AUTHORITY (DA)	# OF APPROVALS REQUIRED ANNUALLY
Campus Capital Campaign "Quiet Phase"	**Regents Policy 5201** The president is authorized to approve all other fundraising campaigns, including the initial phases of campaigns with goals of $250,000,000 or more, provided that fundraising campaigns for support of capital improvement projects shall be approved only if the project has been approved for inclusion in the Capital Improvement Program. **Working Group Discussion** • Current regental policy allows for endorsement of the public phase of a capital campaign • The president must still approve the silent phase of a capital campaign • The number of events is small • The Office of Institutional Advancement should provide guidance to the campuses	On average 4-6 campuses are engaged in the public phase of a campaign which will span several years.
Gifts over $5 million	**Regents Standing Order 100.4(dd)** "Except as otherwise specifically provided in the Bylaws and Standing Orders, the president is authorized to execute on behalf of the Corporation all contracts and other documents necessary in the exercise of the president's duties, including documents to solicit and accept pledges, gifts, and grants. ..." **DA2588 — Delegation of Authority — To Solicit and Accept Gifts** "At their March 20, 2014 meeting, the regents approved revisions to Regents Policy 5201: Policy on Fundraising Campaigns. The authority granted to me pursuant to the	30-40 per year.

APPROVAL REQUIRED FOR	CURRENT POLICY/DELEGATION OF AUTHORITY (DA)	# OF APPROVALS REQUIRED ANNUALLY
	revised Policy 5201 to solicit and accept gifts is delegated to you within your respective jurisdictions up to and including a value of $5 million, with the exceptions noted below. Any donor solicitations, including donor proposals, which require presidential or regental approval should clearly state that acceptance is contingent upon such approval." **Working Group Discussion** • Determine the appropriate level for approvals. $5M is too low. WG recommends <u>raising the amount to $10M</u> • Endowment decisions are often routine and there are delays in processing • Campus should use discretion when bringing to OP	
Endowed Chairs	**APM — 191 Policy on Endowed Chairs and Professorships** The president is authorized to approve all endowed chairs and professorships, and to issue administrative guidelines and procedures to implement this policy. **Working Group Discussion** • UCOP recommendation to delegate to campuses • UCOP provide policies and annual review	80- 90 per year The number of chairs approved annually has increased over the last several years
Significant Namings	**DA 2002 Delegation of Authority — Policy on Naming University Properties, Programs and Facilities** In March 1996, the regents re-delegated to the president for the first time the full responsibility for naming of university properties, programs and facilities. The president has the authority for naming university land reserves, buildings, major centers of activities and other highly visible properties, and major or multicampus programs or facilities. **Working Group Discussion** • This is a good policy. It's beneficial to all parties, and at both the campus and system level.	Often concurrent with the approval of gifts over $5 million. However, campuses can request naming approvals separate from a specific gift approval. 4-6 per year (without gift approval)
Allocation and Reallocation **Fund Functioning as Endowment Creation and Withdrawals**	**Letter from Former President Dynes to the chancellors & VP ANR** *Administrative Guidelines for Allocation, Reallocation and Administration of Gifts and Bequests Received by The Regents and the Campus Foundations* • Allocation and reallocation for gifts over $5 million. • Withdrawals, in a single year, of more the 5 percent from an FFE with a value of more than $5 million in addition to the standard payout. • The chancellor or VP–ANR and their designees would be	14-17 per year

APPROVAL REQUIRED FOR	CURRENT POLICY/DELEGATION OF AUTHORITY (DA)	# OF APPROVALS REQUIRED ANNUALLY
	permitted to make a withdrawal from the principal of a regents FFE only during the fourth quarter of the fiscal year to discourage use of FFEs as passbook accounts. "Emergency withdrawals" from FFEs over $1 million may be approved by the president. • Creation of an FFE using non-gift funds. (No 19900 funds may be used). **Working Group Discussion** • Oversight by the CIO of large withdrawals from endowment funds is necessary to maintain the security of the endowment pool.	
Indemnification of Donors	**Regents Item March 19, 2003 (approved May 2003)** The regents delegated to the president the authority to indemnify donors of cash and/or publicly-traded securities for the conduct of persons other than university employees/agents when the donor provides a gift to the university. The indemnification does not extend to a challenge to the donor's authority to make a gift, is limited to those circumstances where the donor requires such an indemnification, and the general counsel has determined that the donor has not had and will not have and active role that could give rise to the donor's liability.	Often concurrent with the approval of gifts over $5 million, there has been a recent increase in the number of private foundation donors requiring this language for much smaller gifts. 5-7 per year (without gift approval)

The working group discussed how over time the number of transactions, and the dollars per transaction, have grown such that the approval processes have become overly restrictive and time-consuming. The working group recommends the following policy changes:

- Raise the delegation of authority for presidential acceptance of gifts from $5 million to $10 million.
- Delegate authority to indemnify donors to chancellors for gifts (subject to the $10 million gift acceptance authority).
- Modify guidelines on namings, allocation and reallocation of gifts, and FFE withdrawals to reflect delegation of gift authority of $10 million.
- Delegate establishment of chairs and professorships to the campuses, except gifts over $10 million will require that the president "accept" the gift (requires an update to the Academic Personnel Manual – 191).
- UCOP Office of Institutional Advancement seldom plays a direct role in fundraising but will continue to provide training/checklists to the campuses as needed and will institute an after-the-fact annual review of campus-approved endowments.

The working group concluded these policies serve the intended purpose and should not be changed:

- Presidential approval the "quiet phase" of campus capital campaign
- Presidential authorization of significant namings
- Establishment of fund functioning as an endowment(s) with non-gift funds

Marketing and Branding

Media Relations, Executive Communication and Engagement, and Marketing Communications — we heard concerns about the multiple groups at UCOP providing marketing, communications, and public relations activities. The common view about these activities is that they should be combined and minimized. In particular, we heard:
- *UCOP marketing and sales-oriented activities can compete with campus efforts or confuse stakeholders as campuses uniquely market themselves. UCOP should have only a limited and general focus on marketing the UC system, since most promotion and marketing is already performed at the local campus level.*
- *Branding UC should be left to the campuses; each is unique and offer specific educational and research perspectives. One example cited is UCOP's 150-year celebration campaign that seemed to compete with UC Berkeley's celebration efforts (Survey pages 5-6).*

The University of California is one of state's most influential public institutions, and one of the most respected public research universities in the world. Yet not enough people — voters, potential students, parents — can name all of UC's 10 campuses or know that it operates five of the nation's best research hospitals, three national laboratories, thousands of community-based agriculture and cooperative extension programs in virtually every corner of the state, and serves as a powerhouse economic engine in California. External Relations & Communications (ER&C) at UCOP is tasked with promoting and publicizing this global view of UC's impact.

UC's systemwide brand platform provides the unifying framework and foundational stance that connects all systemwide outreach efforts, including student and employee recruitment; political advocacy; legislative outreach; and business and innovation partnerships. It provides the understandable story which allows key constituencies to form positive attachments and associations with UC writ large.

UC is funded as a system; students apply to it as a system. Alumni — UC's most critical supporters and advocates — sometimes find themselves affiliated with multiple campuses through graduate school, children or work. Because of this, it is critical that the component parts of UC are recognized both independently and as a whole.

Although there are marketing operations on UC's campuses, their efforts have a focus on their specific campus. Because of this, UCOP's Marketing Communications program is able to build public awareness about UC's breadth and depth and show potential students and their parents, taxpayers, lawmakers, the media the opportunity and return that UC delivers on their investment. ER&C draws on recent market research — undertaken at the behest of the regents and shared with regents, chancellors, and UCOP and campus leadership — through the UCOP Marketing Communications

program to more pointedly hone the UC brand story.

Based on market research, topline messages have been developed to support the brand platform "Boldly Californian," which is the focus of systemwide marketing and brand efforts, including the redesigned systemwide undergraduate admissions website; UC's grassroots advocacy network; and other systemwide channels, including social media and digital properties.

The working group discussed the impact of a systemwide marketing and branding operation and deemed it appropriately placed and an important function, while coordinating systemwide marketing and brand messaging with campus efforts in mind.

Relationship with Sacramento

Many Chancellors and campus leaders believe that UC's overall mission in the delivery of higher education, research, and public service in California is not well understood nor celebrated by the Governor and Legislature (Survey page 18).

UCOP should continue to be responsible and accountable for developing, strengthening, and implementing the federal and state government relations strategy in collaboration with the regents, campuses, students and other UC stakeholders. The working group emphasized UCOP's ownership of the relationship with Sacramento while campuses, in consultation with UCOP, have ownership over local government issues. Campuses should consult with UCOP prior to engagement with Sacramento, and UCOP should continue to value the insights and relationships developed at the campus level.

The working group noted that UCOP has made significant recent efforts to rebuild relationships with the legislature and other government officials and that those relationships have improved and this work needs to continue. Recent increased engagement by the regents, both on campuses and with the legislature, was recognized and encouraged.

INNOVATION AND ENTREPRENEURSHIP

The Office of Innovation & Entrepreneurship (I&E) is the connective tissue between the UC system and industry, investors, philanthropists and government entities to foster a strong and prolific innovation and entrepreneurial ecosystem that is more expansive than the traditional definition of tech transfer as university innovation. By leveraging across all 10 campuses and unifying the innovation and entrepreneurial programs that exist in the UC system, I&E serves as a cohesive unit to create platforms that provide an easier pathway to engage external partners and resources; leading to increased funding support for research, tech commercialization, I&E programs and startup development. The senior vice president, research, innovation and entrepreneurship is Christine Gulbranson.

In serving as the "UC Innovation Hub," the Innovation and Entrepreneurship Division delivers the following benefits to key stakeholders:
- UC entrepreneurs (faculty, students, alumni and staff): increased access to funding, mentorship, potential customers, new global markets and new sources of talent
- UC campuses, medical centers, and national laboratories:
  - Increased coordination of inter- and intra-campus I&E activities
  - Increased access to investors
  - More engaged entrepreneurial alumni who may be more inclined to donate their time and financial resources to the university
- Industry: a single point-of-entry to work with the UC system to bring new technologies and ventures into the marketplace

The Survey contained comments related to the Innovation & Entrepreneurship Division:
- Process for licensing and contracts
- Patents and contracts expertise
- Patent tracking system
- Advocacy and outreach

Innovation and Entrepreneurship (I&E) — we heard negative responses across the board with little if any support for continuing this function as a program at UCOP. Because each campus has a technology transfer function with an ecosystem that best supports the related research activities, a central program is viewed as unneeded and counterproductive. Further, we heard little support for the UCOP program staff and campus leaders thought the backgrounds of I&E staff lacked academic and applied research expertise.

While campuses did not support an UCOP I&E operation, they did endorse UCOP's role in providing legal assistance regarding technology transfer, contracts, and patents; yet, they also noted the following concerns where services could be updated or improved.
- *Campuses have traditionally sought expert advice and assistance from UCOP for patents and contracts, but voiced concerns about the loss of key expertise at UCOP in this area.*

- *Current processes relating to patents and licensing are cumbersome, slow, and have many impediments when trying to close deals, licenses, or contracts; interviewees saw opportunities for UCOP to work with campuses to streamline and facilitate these efforts.*
- *Patent tracking system is old and needs replacement. We heard that, since certain campuses have internal patent tracking systems, the UCOP should consider leveraging one of those systems rather than investing in a new application.*
- *Some interviewees offered that it may be valuable to bring researchers from campuses with synergetic inventions to meet with potential partners, funders, or buyers (Survey page 5).*

Working Group Conclusions and Recommendations

Conclusions and Recommendations Snapshot: Innovation and Entrepreneurship
The working group came to the following conclusions and recommendations: This division was a high priority of focus for the working group. The working group emphasized that the mission of advancing innovation and entrepreneurship is fundamentally a campus-based activity fueled by campus researchers, regional ecosystems, and local relationships. However, there is an appropriate if more limited role for UCOP to play here. While progress has been made, the group emphasized the importance of further clarifying the role of the Office of Innovation and Entrepreneurship and ensuring attention is paid to its relationship with the campuses. The president and chancellors will continue to work together and will report to the board at a later date.

The president's Innovation and Entrepreneurship Initiative aims to leverage the scale and diversity of UC's 10 campuses, five medical centers and three affiliated national labs and build a vibrant and innovative entrepreneurial culture across the system. President Napolitano formed the UC Innovation Council to support this initiative. It is an outside group of advisers that comprise a cross-section of investment and business executives, venture capitalists and technology experts.

SVP Gulbranson continues to convene a biannual meeting (as well as ad-hoc advisory meetings) to engage this council of corporate leaders to review the various strategic initiative and programs of I&E. The Innovation Council has been a valuable resource in providing an industry perspective and guidance on the I&E endeavors.

The president also supports the recommendation to establish the Knowledge Transfer Advisory Committee (KTAC) that would replace the previous Technology Transfer Advisory Committee (TTAC). The scope of KTAC has been broadened to embrace innovation, entrepreneurship, and faculty professional services, in addition to traditional intellectual property (IP) and technology transfer issues.

To ensure a diversity of perspectives, and to allow each site to have a voice, the committee will include a representative from each campus, LBNL, LLNL, LANL, ANR, OGC, OCIO, RGS, and two to three representatives from the Academic Senate. Each chancellor and laboratory director will be invited to nominate one or more representatives who can provide as much of this breadth of perspective as possible.

Since this is a large committee of nearly 20 members, a KTAC Executive Committee comprising

some members of the KTAC and additional members should be formed; these KTAC committee members would include representation from one campus, Academic Senate, OGC, I&E, and AA and additional members (such as a member of the President's Innovation Council). The KTAC Executive Committee will advise SVP Gulbranson in the development and roll-out of an Innovation and Entrepreneurship strategy and would provide high-level direction and senior management perspective.

The working group emphasized that the strategy should consider the future of the entrepreneurial space, degrees of freedom, issues of ethics and conflicts and a robust systemwide policy that provides advice and coordination. The working group also recommends KTAC solicit outside expertise, including alumnus that have business development, entrepreneurial and innovation skills, and explore case studies and best practices from universities around the world. The composition of the executive committee has been determined based on the recommendations provided by the working group and the significant expertise each individual could contribute.

In 2018, the president approved a recommendation from SVP Gulbranson and Provost Brown to move transactional patent operations back to Academic Affairs, which will align the patent policy function with operational services. Under this structure, plans for the replacement of the Patent Tracking System are in the initial stages of assessment, analysis and consultation. The working group emphasized the importance of addressing the outdated system.

This division was a high priority of focus for the working group. The working group emphasized that the mission of advancing innovation and entrepreneurship is fundamentally a campus-based activity fueled by campus researchers, regional ecosystems, and local relationships. However, there is an appropriate if more limited role for UCOP to play here. While progress has been made, the group emphasized the importance of further clarifying the role of the Office of Innovation and Entrepreneurship and ensuring attention is paid to its relationship with the campuses. The president and chancellors will continue to work together and will report to the board at a later date.

ETHICS, COMPLIANCE AND AUDIT SERVICES

The Office of Ethics, Compliance and Audit Services (ECAS) provides direction, education, and oversight for the presidential policy process; investigatory services; auditing and monitoring; and guidance and resources to the university to optimize ethical and compliant behavior, provide assurance, and improve operations through effective controls and process. The senior vice president and chief compliance and audit officer is Alexander Bustamante.

The Survey contained one comment related to the Ethics, Compliance and Audit Services division:

Compliance and Audit — UCOP is viewed as consultative and valued in this area and campuses voiced appreciation of the recent efforts of the Compliance and Audit Director to reach out to campuses. Some believe that ethics and compliance (including investigations) could be centralized and campuses would obtain services as needed, similar to utilizing an outside consulting group (Survey page 10).

Working Group Conclusions and Recommendations

Conclusions and Recommendations Snapshot: Ethics, Compliance and Audit Services
The working group came to the following conclusions and recommendations: **Centralize Ethics and Compliance** • The current UCOP/campus delegations is appropriate and no change is recommended. • The ECAS department is encouraged to provide guidance and quality improvement expertise.

The working group discussed the pain point of the increase in volume of investigations while talent has been hard to attract and retain. There is a disparity of timing for investigations to be completed and a wide range of how reports are conducted and completed.

SVP Alexander Bustamante provided the following information: Each campus has several entities conducting investigations into matters occurring at their locations. At times, it is difficult for these entities to communicate, train or otherwise coordinate with one another. Additionally, there is often no uniform hiring criteria, investigative skills training or standard report writing at any given location. These challenges and lack of a coordinated approach often result in varying proficiency in investigative positions, lack of common investigative methodology and uneven report writing. Most campuses' internal investigators use outside investigative entities to examine allegations of misconduct occurring at their respective locations. Although there are benefits to hiring outside help (e.g., augment limited resources), outside investigators come with varying investigative and writing abilities which can result in a variability in the quality of these investigations.

ECAS conducts whistleblower and retaliation investigations into allegations raised at the Office of the President and in specified cases, related to senior officials systemwide. The Locally Designated Officials report to ECAS, but each location manages its own investigations and staffing.

SVP Bustamante and Interim Systemwide Title IX Coordinator Suzanne Taylor spoke with the Council of Chancellors in December 2018 and proposed several solutions to help alleviate concerns:

1. **There should be some uniform hiring criteria for every investigator.** Regardless of whether the investigator will ultimately be investigating Title IX matters or whistleblower complaints, a candidate for such a position should have core competencies before becoming an investigator.
2. **There should be uniform documentation throughout the investigative process.** This documentation should start at intake and culminate into a finished work product that follows a general reporting format. The documentation assists the leadership in managing (e.g., scoping of issues and timeliness of investigations) the investigators and reinforcing best practices.
3. **There should be uniform onboarding training for new investigators as well as structured lifecycle training that reinforces investigative and writing competencies.** Uniform training will strengthen the quality of the investigations and provide leadership and the greater community with confidence that matters are being handled appropriately.
4. **There should be a protocol for using outside investigative entities.** The overreliance on outside investigators may highlight deficiencies in staffing or abilities within the investigating office.

Although the comment of potentially centralizing ethics and compliance (including investigations) is appreciated, the working group recommended the process and placement should stay as currently structured with campuses maintaining control.

SYSTEMWIDE TITLE IX OFFICE

The Systemwide Title IX Office provides direction and support for the Title IX offices at the university's 10 campuses, five medical centers, Lawrence Berkeley National Laboratory (LBNL), Agriculture and Natural Resources, as well as the Office of the President. It assists in implementing systemwide initiatives and best practices in harassment prevention and response. It also provides investigative support and develops and delivers education and training to Title IX offices and other university partners involved in preventing and responding to sexual harassment and sexual violence.

The Survey contained one comment related to the Systemwide Title IX Office:

There is some concern over dual reporting roles in certain areas. For example, Title IX officers … are said to have reporting roles both to campus leadership and UCOP. Campuses view that reporting should be only to campus leaders, while UCOP should set policy or facilitate collaboration and coordination for these operations, as appropriate (Survey page 8).

Working Group Conclusions and Recommendations

Conclusions and Recommendations Snapshot: Systemwide Title IX Office
The working group recommends the following: **Title IX Dual Reporting**   • The Survey raised concerns over the dual reporting relationship for Title IX coordinators. The working group confirmed confusion exists over the original intention and subsequent implementation of the UCOP/campus relationship. Based on the recommendations of the recent CSA audit and the sensitivity and visibility of this function, the working group supports the dual reporting relationship as stated in the president's letter to the chancellors in November 2016. The president, in consultation with the chancellors, will establish clear guidelines in early 2019 on the dual reporting relationship.   • The working group also recommends that dual reporting structures be viewed as an exception and not a precedent for other campus positions.

The working group met with Chief of Staff to the President Rachael Nava and Interim Systemwide Title IX Coordinator Suzanne Taylor, who provided the following information. The president announced the establishment of the systemwide Title IX coordinator position on November 7, 2016. The president explained in her letter that the campus Title IX officers would be overseen by both the systemwide Title IX coordinator and a local campus supervisor to ensure consistency in the Title IX function and approach, as well as the Title IX officers' authority and independence at their locations.

In a memo to the former systemwide Title IX coordinator and former chief of staff to the president, General Counsel Charles Robinson and Deputy General Counsel Allison Woodall outlined guiding principles to manage this dual reporting relationship. The memo is consistent with having a dual or "solid line" report to the systemwide Title IX coordinator.

The memo states that *"to effectively manage the dual reporting relationship … and to confer the necessary independence to the local Title IX Coordinators,"* the following guiding principles should apply: both supervisors should concur on decisions related to hiring, promotion, corrective action, termination and compensation; both supervisors should be able to evaluate performance; each supervisor should be able to define objectives relative to their function; conflict in the Title IX officer's direction should be resolved by the next-level common manager; and *"it may be helpful to treat the Systemwide Title IX Coordinator as the primary decision maker on questions … that involve … Title IX compliance, and the local supervisor as the primary decision maker on [those] that involve local policies, procedures, programs or resources."* The former systemwide Title IX coordinator sent this memo to the campus Title IX officers on May 24, 2017.

The systemwide coordinator convenes biannual in-person meetings, regular monthly calls, and ad hoc meetings and calls with the Title IX officers as a group, and monthly calls with each of the Title IX officers individually. The Title IX officers also contact the systemwide Title IX coordinator as needed for support and guidance in implementing policies and procedures, and in coordinating functions with their campus partners. The systemwide coordinator has not, to date, provided formal input on hiring and other personnel decisions, job functions, or performance reviews.

The California State Auditor (CSA) recently reviewed UC's response to sexual harassment reports involving faculty and staff respondents, and memorialized its findings in a report dated June 2018. In the report, CSA directed 14 recommendations to the Office of the President; all of those recommendations were accepted by the president and are being implemented according to the timelines suggested by CSA. The CSA report states that the systemwide Title IX office should, "at a minimum," play a central role in setting policy, analyzing campus data, and overseeing the campus Title IX offices, and specifies several ways to achieve this.

For example, CSA recommended that the systemwide Title IX office: develop a list of key Title IX positions and the associated qualifications, and ensure each campus adheres to the qualifications when hiring new staff; codify staff training requirements in policy, including the number of hours required of each employee, the period within which training must be completed, the minimum number of training hours within each period, and the required content; and monitor the campuses to ensure they are tracking staff training. CSA's other recommendations relate primarily to developing policy and procedures to which the Title IX officers must adhere, and gathering, analyzing and responding to campus-specific complaints data.

As required by CSA, the systemwide Title IX office is developing a strategic plan to "delineate how it will approach achieving consistency systemwide." The report specifically states that, to achieve consistency, the office "must have the authority to hold the campuses accountable for operating in accordance with university policy." It is clear CSA anticipates the systemwide Title IX office increasing rather than decreasing its authority and oversight of the local Title IX officers. CSA's expectations leave little leeway for the Office of the President to eliminate the dual reporting structure.

The working group deliberated on the functional consequence of changing the reporting structure and consulted with the Council of Chancellors at the November 2018 meeting. At that meeting, the chancellors endorsed the recommendation to enforce the dual-reporting structure whereby campus Title IX officers would report to the chancellor as well as the systemwide Title IX coordinator. They requested additional details regarding how the reporting structure would work and strongly cautioned that this should be viewed as an exception rather than setting a precedent for other campus positions.

SYSTEMWIDE AND EMERGING CHALLENGES

The Survey contained comments related to issues impacting the system related to committees and presidential initiatives, decision-making, and looking ahead to the future:

- Decision memo processing
- Presidential initiatives
- Systemwide committees
- Campus uniqueness
- Multiyear planning
- Strategic planning and emerging challenges

Working Group Conclusions and Recommendations

Conclusions and Recommendations Snapshot: Systemwide and Emerging Challenges
The working group came to the following conclusions and recommendations:

Decision Memo Processing
- The decision memo approval process within UCOP needs to be streamlined. UCOP is evaluating process improvement through the Strategy and Program Management Office (SPMO) and the movement of the Presidential Correspondence Unit to the President's Executive Office. Implementation plans impacting campuses will be communicated to the chancellors upon conclusion of these efforts.

Presidential Initiatives
- It was agreed that the president of the university has, and should have, the authority to create initiatives that benefit the system. Nonetheless, those initiatives need to take into account consultation with the chancellors, have a planning process, and a defined end game. The working group notes that change has already occurred in this area.

Systemwide Committees
- The number of committees convened, including the peer-to-peer level, appears too high. The working group recommends a further review to assess the need and frequency of the committees with an eye toward elimination, consolidation, and simplification.
- Chairs of committees should encourage video conferencing to cut down on cost and travel time.
- UCOP will consult with campus leaders prior to any campus appointments to non-affinity groups.
- Systemwide committees should be chaired by a campus representative where possible.
- Recommendations made at the committee level that implicate a systemwide policy change should be elevated to the Council of Chancellors for approval. Chancellors are to ensure appropriate lines of communications are managed at the campus level.

Campus Uniqueness
- UCOP and the campuses acknowledge the unique nature of each campus and are incorporating that into multiyear planning efforts and opportunities to educate public officials that one size does not fit all.

Multiyear Budget and Enrollment Plan
- A multiyear budget and enrollment plan has been underway since early 2018 and a preliminary plan will be presented to the regents in January and in March 2019.

> **Strategic Planning and Emerging Challenges**
> - Embedded throughout the Survey was the desire for a more collaborative process in the planning and execution of UCOP-led projects and initiatives and recognition of the need for UCOP services, programs and expertise to evolve in response to emerging needs. This feedback predates the Survey and in response several UCOP divisions have completed or are developing, three-to-five-year strategic plans. The process includes substantive consultation with campus stakeholders and provides an opportunity to improve communications, expectations, and collaboration between the campuses and UCOP. The working group strongly encourages the continued development of divisional plans and recommends integrating those plans into an overarching UCOP set of strategic objectives, or "pillars," which to date include the following:
>   - Advancing the UC mission of teaching, research and public service
>   - Policy and advocacy
>   - Financial stability
>   - Operational effectiveness
>   - People

Decision Memo Processing

Campuses complain that decisions/processing presented to UCOP take too long and rules and requirements to achieve approval are too complex and bureaucratic when compared to the nature of the transaction.

"Transaction fatigue" exists — we are told that this issue impacts both the UCOP, where processing must take place, and the campus level where staff must prepare the documentation and await its execution. As a result, accomplishing a transaction can become a lengthy process and campuses are concerned that this may be exacerbated as more transactions or functions are taken over by the UCOP (Survey pages 7-8).

Comments in the Survey relating to transaction fatigue tend to intersect with the broader processes around gifts, endowments, and chairs; real estate and capital projects; and position classifications and compensation. Efforts to improve the overall management of these processes are noted in the respective sections of this report. Changes to thresholds and clarifying guidance should reduce the number of transactions coming through UCOP and alleviate some of the delays.

Once the preliminary work of preparing for decision approval has been completed between a campus and the UCOP division, the decision memo process also causes delays. Two concurrent efforts to improve the process are currently ongoing at UCOP:

- The Strategy and Program Management Office (SPMO) recently conducted an analysis to improve the processing of decision memos which included those with OP budget and HR impact. Several improvements including clarifying pre-approval routing and better use of technology have been implemented and are being piloted with two divisions.
- In July 2018, the Presidential Correspondence Unit was moved from Executive Communications to the President's Executive Office (PEO) under the management of the

Chief Administrative Officer (CAO). The CAO analyzed where administrative weaknesses were contributing to process delays and is putting in place several additional improvements:

- o All files are entered into a shared database, assigned an electronic "bar code" identifier and routed electronically through the pre-approval process.
- o The responsible party identifies the pre-approvals needed and notifies Presidential Correspondence when routing is complete.
- o Presidential Correspondence runs a report every week, identifying unresolved files and the CAO follows up to determine the reason for delay.

The working group supports these efforts and emphasizes that improving these processes is critical to improving the flow of communications and decision making between campuses and UCOP.

Presidential Initiatives

Chancellors and campus leaders consistently voiced concerns of how UCOP programs and initiatives were decided and communicated. Although most recognize that the President should have discretion to champion her own initiatives and agree that several of the initiatives' concepts were valid, uniformly we heard that initiatives were determined at UCOP and mandated to all campuses without enough meaningful advance deliberation and feedback from them. Nearly all voiced that most initiatives from UCOP were top-down driven and delivered in a command control context. While some were delivered to committee(s) in a presentation format that may have suggested collaboration, most viewed this as not a true opportunity for input and negotiation and that the plan seemed predetermined by UCOP.

We heard some common concerns regarding presidential initiatives:
- *Too many initiatives launched in too short of time.*
- *Initiatives were administered with inflexible provisions and expectations of all campuses complying with directives.*
- *Initiatives result in unfunded long-term mandates with UCOP providing only short-term funding; long-term support of the initiative has to be absorbed by the campus.*
- *Once an initiative is determined at the president's level, stakeholders at the campuses are identified and siloed to build support and passion for the topic.*
- *Initiative delivery should be up to the campus and coordinated and facilitated at the UCOP level.*
- *Once the president launched the initiatives, little would be done with the results of the efforts or UCOP would conduct insufficient follow-up to determine if the initiative should be continued.*

Areas where leaders suggest that coordination and collaboration can result in more value-added initiatives include:
- *Identifying what is already in place at the campus in relation to the proposed program.*
- *Allowing campuses to consider the intended goal of the program and propose campus specific solutions that meet the intent, but also benefit the campuses.*

- *Considering that some campuses may be better suited than others for a particular initiative or that an initiative could be undertaken regionally or by certain campuses and allow campuses to opt-out or join with another.*
- *Recognizing the impact to the campus to respond (often with difficult timelines) and to deliver on the initiative in terms of personnel resources, financial impact, and ongoing support.*
- *Allowing campuses to consider the initiative in terms of its other priorities, resource constraints, and organizational synergies (Survey pages 14-15).*

Initiatives can be a source of confusion. For example, a systemwide undertaking in response to a particular issue such as a cybersecurity breach or supporting and protecting the DACA community is often conflated with presidential initiatives, of which there are currently nine.

Regardless of the type of initiative, the working group is in general agreement with the worthiness of the various initiatives but would prefer that greater input from the campuses be solicited and an analysis of the resources needed and whether they would need to be provided by the campuses, both in the short and long term. That said, the working group recognizes that the president has an important responsibility to coalesce the campuses around an important initiative, such as DACA, and that lessons have been learned, such that the number of initiatives has decreased, the pace is less intense, more planning and consultation is being done on the front end, and there is greater transparency.

Systemwide Committees

Of major concern to many of the Chancellors particularly, are the vast number and variety of councils, committees, and affinity groups formed by UCOP. Issues include:
- ***Committee Logistics (#, frequency, cost):*** *The majority of Chancellors were concerned about the structure and functions related to various committees; specifically, the number of affinity groups formed and the frequency of meetings. While most Chancellors are not opposed to such peer meetings, they are opposed to UCOP determining who is on the committee, when and where the committees meet, and who covers the cost of travel. While some committee meetings are conducted through distance conferencing, many involve travel time and cost — cost of the travel itself and cost of lost productivity by the staff member are borne by the campus. These costs can be substantial.*
- ***Consultation Regarding Membership:*** *Chancellors and campus leaders also shared that frequently UCOP had not consulted them before "appointing" campus staff to UCOP committees or groups; as a result, leadership could not assess the impact on campus workload that their absence would cause or whether the person selected was most appropriate for the group. Further, campus staff and managers viewed appointment to UCOP committees as a Presidential mandate and conveyed that they have no choice in participation or in going to the meetings.*
- ***Decision-Making Authority:*** *Almost every Chancellor shared experiences wherein a systemwide campus committee convened by UCOP made decisions or determinations that were internally adopted by UCOP and then conveyed to the campuses without collaboration*

or concurrence by the Chancellors. Chancellors noted that it is difficult to keep up with and are frequently unaware of initiatives or the outcome of these discussions. The various peer committees have created incidents of reporting dysfunction at the campus which could be circumventing the structured reporting relationship and order.

- *Below-Chancellor Level Feedback: Most campus leaders below the Chancellor level expressed satisfaction regarding meeting with their campus colleagues holding similar positions periodically to share common challenges, ideas, concerns, and best practices. They also indicated that peers could convene meetings (either remotely or in person) without the help of UCOP as they find value in sharing and collaborating. Most noted that committee or other such meetings should be managed and convened by the campus members (not UCOP) and they liked rotating the meetings among campuses with some value meeting at the UCOP in Oakland for convenience. Meetings convened with UCOP-managed agendas were viewed less favorably.*

- *Opportunity for Feedback: There are views that committees (concerning all levels) are used by UCOP to present ideas to the campuses with predetermined outcomes and affording limited time or opportunity for meaningful feedback. Some of these meetings are also duplicative as the same information may be conveyed to each committee individually, rather than convening joint meetings or allowing campus leaders to deliver the message back to their campuses (Survey pages 15-16).*

In response to the comments around committees the working group requested all UCOP division leaders to submit the list of standing, systemwide committees or councils in their purview. The submission did not include working groups, task forces, or groups focused on one topic for a specific duration of time. Based on the data collected, UCOP convenes approximately 185 separate, recurring, affinity-based committees. These include peer-to-peer meetings.

Notwithstanding recognition of how the number of committees can easily accrue over time in such a large organization, the working group still perceived the number of committees to be too high and warrants a further review by the division leaders to reassess the need of the committees and reduce the overall number. Evaluation principles should include: the appropriate membership; crossover/overlapping function with other committees; current and future value; and the potential to be consolidated at a higher level in the organizational hierarchy, or dissolved. If the division leader concludes a committee should remain intact, a clear process for communicating the outcomes of the committee as well as a regular evaluation period should be established. Part of the analysis should also include an assessment of alternatives to in-person meetings, such as conference calls and video-conferencing should be considered as well as frequency in order to help alleviate time and resource burdens created by travel and lost productivity.

The working group agreed that the lack of membership consultation most frequently occurs in the establishment of task forces, advisory groups or other executive-level groups that are convened to address a particular scope of work, frequently for a defined period of time. In this regard, the working group believes UCOP has made efforts to consult with the chancellors prior to appointing campus representatives to non-affinity groups.

Regarding committee decision-making authority, the working group acknowledged the pain point of decisions made at the committee level that are not made in consultation with the chancellors. Moving forward, the working group recommends that committees refer decisions that would result in changes to policy to the Council of Chancellors prior to being announced or implemented. However, it is also important for chancellors and their leadership teams to ensure the appropriate lines of communications are effectively working.

Recognizing that meetings of peers below the chancellor level are valued not just as a conduit from UCOP to the campuses but also to build relationships, solve problems and share best practices with campus colleagues, the working group recommends that a campus representative chair a committee, rather than a UCOP representative. This ensures the agenda is set and the conversation is led by someone who represents the campus perspective.

Committees are deliberative bodies and when UCOP takes the lead in developing proposals for consideration it can appear as if the decision has been predetermined, especially if not enough time is given for discussion rather than presentation. The working group recommends greater consultation earlier in the process and to ensure adequate time is considered for discussion.

Campus Uniqueness

Commonly we heard that UCOP continues to apply a "one size fits all solution" to certain decisions, programs, and initiatives impacting the campuses. It is viewed that such decisions are based on past history and incremental plans — "the way things were always done" rather than engaging the campuses in the issue for contemporary approaches. Chancellors voiced that the uniqueness and particular strengths and needs of each campus cannot be reflected by UCOP making decision from top down and applying a single solution for all campuses. Interviewees emphasized the uniqueness of each campus was the real strength of the UC system; UCOP efforts to seek similar results from each campus may ignore opportunities, challenges, and realities that exist at each campus and be counterproductive (Survey page 17).

In 150 years, the university has evolved from one campus to 10, with five medical centers and 273,000 students. The uniqueness of each campus is a strength that provides value to the university system as a whole.

The working group discussed progress made over the past two years with UCOP as well as with the campuses and acknowledged that the message has been heard by UCOP. The current multiyear planning framework, for example, is being developed in a way that will be less prescriptive for the campuses to allow for more flexibility to each campus to chart its own course. Campuses are challenged to provide adequate context for their own situations when they are asked to complete standard templates or use choreographed formats such as those required at board meetings.

Multiyear Budget and Enrollment Plan

UCOP, along with campus input, should establish practices to allow budget and enrollment strategies forecasting 2 to 5 years into the future to allow for greater planning at the campus level.

Currently, budget planning is limited to one year in advance and incremental, in part due to budget and funding uncertainties (Survey page 18).

At the Regents April 2018 retreat, members of the board, the president, the chancellors, and UCOP leadership discussed the importance of partnering with the next governor and legislative leadership on a multiyear enrollment and budget plan. The plan is aimed at projecting growth, capacity, and areas to invest in that also address the state's needs, and therefore inform the university's resource needs. Part of the planning involved pivoting from a focus purely on enrollment growth, or inputs, to a more outcomes-focused look at increasing degree completion and addressing California's degree gap. In November 2018, President Napolitano and the UCOP senior leadership team provided a framework to the regents that set out the vision for what UC should be in the future, informed by the state's needs today, UC's role in fulfilling those needs and strategies for realizing that vision. Per this framework, the University of California is committed to:

- 200,000 more degrees by 2030 on top of the 1 million already projected
- Ensure the California Dream is for everyone by eliminating graduation gaps
- Invest in the next generation of faculty and research

This multiyear plan will be presented to the regents in January and in March 2019.

Strategic Planning and Emerging Challenges

Further, campus leaders believe that the UCOP's role should evolve to address emerging challenges and accommodate the campus growth and maturity that has occurred over the past 20 years. Most believe this will require courageous, transparent, genuine, and timely changes to UCOP that result in a re-emphasis and embracing of UC's primary mission of education, research, and public service. Such efforts should generate some economies and provide better services to campuses and its other stakeholders (Survey page 18).

Embedded in the Survey was the desire for a more collaborative process in the planning and execution of UCOP-led projects and initiatives and recognition of the need for UCOP services, programs and expertise to evolve in response to emerging needs. This feedback predates the Survey, and in response several UCOP divisions have completed or are developing, three-to-five-year strategic plans. The process includes substantive consultation with campus stakeholders and provides an opportunity to improve communications, expectations, and collaboration between the campuses and UCOP. The working group strongly encourages the continued development of divisional plans and recommends integrating those plans into an overarching UCOP set of strategic objectives, or "pillars" which to date include the following:
- Advancing the UC mission of teaching, research and public service
- Policy and advocacy
- Financial stability
- Operational effectiveness
- People

UCOP RESTRUCTURING EFFORT

The Survey stated that a number of concerns regarding UCOP services, programs, and initiatives were already being addressed or are under consideration as a result of the recommendations from the 2017 CSA UCOP audit, the January 2018 Huron Report, the work of the Executive Budget Committee, and other actions undertaken by the board or UCOP.

The Survey identified the following services and programs as part of the UCOP Restructuring Effort. Each service and program restructuring effort begins with an assessment and analysis phase to document the current state and identify possible recommendations and then a consultation phase where input is solicited from appropriate stakeholders. Input is incorporated into the final recommendations which are then reviewed by the Executive Budget Committee and Council of Chancellors prior to the president making the final decision. AVP Zoanne Nelson provided the following status updates for each OP Restructuring Effort.

Academic Affairs

Education Abroad Program

Education Abroad Program – located in conjunction with UC Santa Barbara, the program currently remains a UCOP operation. Like other programs, questions surround whether the function should be entirely moved to a campus. Concerns were raised as to whether sufficient influence would remain if moved to a campus and if such movement would allow other campuses to develop their own programs and not support the systemwide UCOP program (Survey page 13).

As of April 2018, the Education Abroad Program is being operated by UC Santa Barbara on behalf of the system. A Charter and Memorandum of Understanding between the chancellor and UCOP EVP-Provost provides administrative and governance oversight.

Innovative Learning Technology Initiative (ILTI)

Innovative Learning Technology Initiative (ILTI) — when discussing this program, most agreed that UC needs to have an online presence and because these programs are academic, they should be campus administered. Almost all we spoke with were not supportive of online undergraduate degree programs, but suggested that master's degree programs could be a good fit to offer online. Undergraduate courses could be provided to supplement undergraduate degrees and increase throughput. In regards to online programs, campuses offered the following:

- *Most would support a curriculum-driven, campus-centric strategy for online learning with academic mission input, and the Academic Senate could assist campuses to determine the "rules" for establishing degrees and related programs. For example, UC Irvine has support from the Academic Senate to link online courses to degree completion.*
- *Questions remain as to how each campus could realize revenue when courses are taken by*

students from other campuses.

- *Current ILTI staff were recognized as helpful and campuses appreciated the grant funding, but did not view the ILTI program as much more than a grant program running without a true focus and rudder.*
- *Many gave UC Merced kudos for the centralized enrollment and cataloguing programs (Survey pages 12-13).*

A review of the ILTI program was initiated in May 2018 and is scheduled to be completed by January 2019.

Research Grants Program Office (RGPO)

RGPO is generally accepted as a UCOP systemwide function. However, campuses viewed that, if it was determined to be in the best interest of the University, the function could be placed on a single campus. Most see the rationale for movement not for administrative efficiency or better alignment with mission, but rather to facilitate the growth in the grant program and the related changes in resources needed to administer those grants. Recent acute state-level oversight of UCOP staffing and costs inhibit the administration of these programs which, by mandate, have specific time parameters and compliance requirements that are resource intensive and seem to be driving any move of RGPO (Survey page 13).

A review of the RGPO program was initiated in August 2018 and is scheduled to be completed by January 2019.

UC MEXUS, UC Mexico Initiative, Casa de California

UC has a variety of Mexico-centric programs that hold strong support. Interviewees suggested that these programs might benefit from consolidation and thought it valuable to discuss the priorities, form, and continuation of each of the components. Although most programs already have some campus administration, the entire portfolio should be reviewed with an eye toward how programs offered should be administered and by which campus or campuses (Survey pages 13-14).

A review of these programs was initiated in April 2018 was completed in November 2018. The president designated UC Riverside as the lead campus for a newly integrated UC Mexico Program, to include UC MEXUS, Casa de California, and the UC-Mexico Initiative in November 2018.

UC Press

This program seemed to have more visibility among campus leaders. While UCLA conveyed it had been in talks with UC Press to join UCLA, that process seems to have stalled and interest waned. We heard concerns about the relevance of the program within the rapidly changing print media and publishing industries, and that any movement of this program should be combined with a strategic

plan for the near and long-term future of the operations and funding (Survey page 13).

A review of this program was conducted in 2017 and the recommendation from UCOP and UCLA leadership was not to move UC Press to UCLA. This decision was reviewed by Provost Brown and the president who decided to accept the recommendation that UC Press remain in Academic Affairs at UCOP.

UC Sacramento

Campuses saw the function as best suited at a campus and believed the program should remain as configured, but could be similarly expanded (Survey page 12).

A review of the UC Sacramento program was initiated in August 2018 and is scheduled to be completed by January 2019.

UC Washington DC (UCDC)

Most see UCDC could be a good fit to migrate the operations to a campus as campuses are best suited to deliver academic and student-related programs. Several campuses believe that the program can be vastly expanded to include a number of majors or disciplines that would allow internships spanning the full federal level of government and not be restricted to political science and government majors. Further, an expanded program could improve throughput of undergraduates and help compensate for increased enrollment demands. More than one campus expressed interest in administering the program (Survey page 12).

A review of the UCDC program was initiated in August 2018 and is scheduled to be completed by January 2019.

External Relations and Communications

IMPAC/State Government Relations

IMPAC (Issues Management, Policy Analysis & Coordination) — some comments suggest that this group could be a candidate for integration into External/Government relations department (Survey page 6). Government Relations — these services are highly valued and deemed essential. They value the unified face of UC as a system of unique campuses. Some campuses believe that more resources may be needed to repair and build the UC brand with California's leadership and manage the volatile conditions (Survey page 10).

A review of Public Affairs, Government Relations, Media Relations, and IMPAC was initiated in January 2018. In April 2018, the president announced that these groups would merge to form a new division of External Relations and Communications. Over the next two months SVP Claire Holmes

led a review of the positions and budget within this new organization and reduced the budget by 8.7 FTE and $2.6 million dollars. State Government Relations headcount was not impacted by this change and vacant positions have been fully staffed.

Office of General Counsel

Office of General Counsel (OGC) — these services are valued and campuses appreciate the expertise and support provided by the OGC. Yet, some interviewees noted service delays, and perceived that OGC staff may be overburdened (Survey page 10).

A review of the Office of General Counsel was conducted by Value Strategies in 2017 and a number of recommendations were made. OGC subsequently addressed several of the recommendations and initiated a strategic planning process in September 2018 which will address and incorporate additional recommendations from the review. The strategic plan is scheduled to be completed in March 2019.

Agriculture and Natural Resources (ANR)

Agriculture and Natural Resources (ANR) – under the UC ANR Division has a $200 million annual operating budget from all sources, over $70 million of which is from UCOP general funds (State systemwide assessments), and reflected on the UCOP budget. Movement of the ANR is viewed as driven to remove the budget from UCOP's operations and not due to an academic focus better aligned with a campus or campuses.

The academic aspect of most ANR activities relate to the Agricultural Experiment Stations at three campuses and the campuses receive funding directly; this support is not reflected in the UCOP budget. The main point of contention we heard relates to the size and extent of the resource commitment of "unrestricted funds" to ANR, while recognizing that some level of support is essential to fulfill the UC's requirement to meet land grant provisions. Further concerns surround a perceived favoring of the program by UCOP as a centralized program. We also heard strong resistance to the concept that ANR is an "11th" campus. Most believe that the ANR commitments should be deliberatively reviewed and assessed to ensure its size and structure align with the realities of UC's funding pressures and priorities. After that evaluation, a determination of placement at a campus or retention at UCOP should be made (Survey page 12).

In May 2018, the president convened an advisory committee made up of campus, UCOP, Academic Senate, regental and outside expert advisor representatives to review the findings of the Huron Report and develop recommendations for the president's consideration. The committee's report was released in December 2018 with four key recommendations accepted by the president: (1) maintain UC ANR's status as a systemwide program within UCOP; (2) create a UC ANR Governing Council to facilitate oversight and promote a greater understanding of and participation in UC ANR's mission across the university; (3) create a funding model that will establish more stable and

sustainable budgets while enhancing governance; and (4) retain campus oversight of and reporting responsibility for state Agricultural Experiment Station (AES) funds to avoid unnecessary and duplicative reporting obligations.

UC Health

UC Health's Executive Vice President was widely supported by the five campuses with Medical Centers for his innovative purchasing, business coordination, and communication efforts. While we did not hear that UC Health should move to a single campus, leaders did recognize the option for moving the function out of UCOP. Collectively, they voiced many challenges in such a move including systemwide governance issues and regional competition between medical centers — all warranting in-depth study and evaluation involving the Medical Center Chancellors, UCOP, and the Regents (Survey page 14).

In May 2018 the president convened an advisory committee made up of campus, UCOP, Academic Senate, regental and outside expert advisor representatives to review the findings of the Huron Report and develop recommendations for the president's consideration. The committee's report was finalized in October 2018 with thirteen recommendations accepted by the president. There is no change to the existing governance or structure of the UC Health enterprise and the UC Health Office remains a division of UCOP.

IMPLEMENTATION CONSIDERATIONS

After a thorough review of the comments in the Survey, the working group identified the following implementation considerations:

1. **Decision-making**
   a. Approval of the recommendations that are within the authority of the president should be considered by the president and approved via decision memo.
   b. Approval of the recommendations that are within the authority of the regents should be brought before the regents for consideration.
2. **Dissemination and communication**
   a. Develop a plan to disseminate and communicate this report and the subsequent actions taken as a result of this report, more broadly with campus and UCOP leaders and managers across the organization. Knowing the commitment that leadership made to review and address the various pain points raised in the Survey, and the efforts being made to address them, should enhance the constructive and collaborative relationship between the campuses and UCOP.
3. **Implementation of key recommendations and conclusions**
   a. Ensure the key recommendations, once approved, are implemented timely and effectively. Follow through on completing the efforts initiated in areas such as the capital projects process and systemwide committee meeting analyses.
   b. Review and act on suggestions included as conclusions by the working group. For example, consider whether and on what timeline to update the Academic Personnel Manual.
4. **OP Restructuring Effort**
   a. Ensure the completion of the efforts currently underway to assess the various UCOP programs and services, and follow through on the outcomes.

APPENDIX

University of California Organizational Chart

UNIVERSITY OF CALIFORNIA

Board of Regents

President
Janet Napolitano

Secretary & Chief of Staff
Anne Shaw

Executive Vice President and COO
Chief of Staff to the President
Rachael Nava

OFFICE of the PRESIDENT

Academic Senate
Robert May
Chair 2018-19

Office of the Chief Investment Officer
Jagdeep Bachher
Vice President
& Chief Investment Officer

Office of the Chief Operating Officer
Rachael Nava
Executive Vice President
& Chief Operating Officer (***)
Chief of Staff to the President

Academic Affairs
Michael T. Brown
Executive Vice President
& Provost (*)

Office of General Counsel
Charles F. Robinson
Vice President
& General Counsel

Ethics, Compliance & Audit Services
Alex Bustamante
Senior Vice President
& Chief Compliance Officer

UC Agriculture & Natural Resources
Glenda Humiston
Vice President

Office of the National Laboratories
Kimberly Budil
Vice President

Innovation & Entrepreneurship
Christine Gulbranson
Senior Vice President

External Relations & Communications
Claire Holmes
Senior Vice President

UC Health
John D. Stobo
Executive Vice President

Office of the Chief Financial Officer
Nathan Brostrom
Executive Vice President
& Chief Financial Officer (**)

LOCATIONS

Davis
Gary May
Chancellor

Irvine
Howard Gillman
Chancellor

Los Angeles
Gene D. Block
Chancellor

San Francisco
Sam Hawgood
Chancellor

San Diego
Pradeep Khosla
Chancellor

Lawrence Berkeley National Laboratory
Michael Witherell
Director

Berkeley
Carol Christ
Chancellor

Merced
Dorothy Leland
Chancellor

Riverside
Kim A. Wilcox
Chancellor

Santa Barbara
Henry T. Y. Yang
Chancellor

Santa Cruz
George R. Blumenthal
Chancellor

Los Alamos National Laboratory
Terry Wallace
Director

Lawrence Livermore National Laboratory
Bill Goldstein
Director

Davis Medical Center

Irvine Medical Center

Los Angeles Medical Center

San Francisco Medical Center

San Diego Medical Center

November 19, 2018