

Office of the President

TO MEMBERS OF THE COMMITTEE ON FINANCE:

ACTION ITEM

For Meeting of July 14, 2010

ADOPTION OF RESOLUTION REGARDING ADMINISTRATIVE EFFICIENCIES

The President recommends that the Committee on Finance recommend to the Regents that the following resolution be adopted:

WHEREAS, the University is committed to achieving a level of administrative excellence equivalent to that of its teaching and research enterprises, and

WHEREAS, realization of this objective will require investment in and implementation of significant administrative efficiency measures at the campus, medical center, regional, and systemwide levels, and

WHEREAS, extensive efficiency measures have already been implemented at each of these levels, and new efficiency measures at each of these levels continue to develop, and

WHEREAS, the Regents believe efficiency measures must be continually advanced, executed, and expanded to enable the University to build a sustainable financial model to carry the University forward, and

WHEREAS, the Regents consider shared services and administrative commonality requirements for reaching the efficiency objective, and

WHEREAS, the Regents expect the Office of the President to exercise leadership in the realization of the efficiency objective by effectively supporting and engaging campuses and medical centers towards full commitment to the objective, and

WHEREAS, successful implementation of administrative efficiencies will allow the University to redirect hundreds of millions of dollars annually from administrative costs to core academic and research missions over the next five years, be it therefore

RESOLVED that the Regents direct the President, in consultation with a small committee of campus representatives, to, where appropriate, design and implement common best-practice administrative systems, including but not limited to student information systems, financial systems, human resources systems, payroll systems, and their underlying technology support systems, and

RESOLVED that the Regents direct the President to approve all new or substantially revised campus administrative systems, particularly those contemplated as part of a broader system migration, to ensure commonality and best practices across all locations, and

RESOLVED that the Regents direct the President to support exceptions to adoption of common best-practice systems only upon compelling evidence that such systems would result in materially higher costs and/or materially less functionality to the campus, and

RESOLVED that the Regents direct the President to periodically report to the Regents on the progress of these initiatives.

BACKGROUND

At the May 19, 2010 meeting of the Committee on Finance, Executive Vice President-Business Operations Nathan Brostrom and Executive Vice President-Chief Financial Officer Peter Taylor presented plans for a multi-year efficiency initiative.

This efficiency plan builds on a recommendation by the Funding Strategies Working Group of the UC Commission on the Future to design and implement a system to identify, promote, and adopt the best administrative practices within the UC system. It is one of the major recommendations endorsed by the UC Commission on the Future at its meeting on June 14, 2010.

This resolution formalizes the University's efficiency objective by affirming the high priority assigned to it by the Regents. This resolution also establishes the Regents' expectations of the President and the Office of the President with respect to realization of the objective.

Subsequent to the adoption of the resolution, two brief presentations will be made in the Committee on Finance:

1. Executive Vice President-Business Operations Brostrom and Executive Vice President-Chief Financial Officer Taylor will present an update on efficiency initiatives currently underway across the University, with a focus on select efforts.
2. Executive Vice President-Business Operations Brostrom and Executive Vice President-Chief Financial Officer Taylor will invite one campus to present details surrounding its recent efforts and successes related to administrative efficiency.

The purpose of the presentations is to highlight specific efforts towards achieving the University's efficiency objective.