

## Office of the President

### TO THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

#### DISCUSSION ITEM

*For Meeting of June 21, 2017*

### REVIEW OF FISCAL YEAR 2017-18 BUDGET FOR OFFICE OF THE PRESIDENT

#### EXECUTIVE SUMMARY

The UC Office of the President (UCOP) proposed budget for fiscal year 2017-18 was reviewed and approved, contingent to further review by the Committee on Finance and Capital Strategies. This item supports additional review of the UCOP proposed fiscal year 2017-18 Budget, with substantial additional detail and context. Key elements of the proposed budget include:

- Flat general campus assessment of \$312.4 million, compared to the prior year, which will be replaced with a direct appropriation of State funds
- Existing cost controls, such as:
  - Required presidential review for proposed consultant engagements above \$20,000
  - Required justification and review for all new hires (including replacements)
- New cost controls:
  - Restrictions on employee recognition awards (“STAR” and “Spot” awards)
  - Elimination of the use of UCOP funds for retirement recognition events
  - Reduction in employee travel expenditures of at least ten percent
  - Formation of an Executive Budget Committee, comprised of campus leadership from all ten campuses, to fully review UCOP’s budget and advise the President. The first Executive Budget Committee meeting will convene before the September Regents meeting.

Consistent with the prior two years, the Office of the President budget was presented as two items to clearly delineate the two important and distinct functions of the Office: Systemwide Academic and Public Service Programs, and Central and Administrative Services. The request for approval of these budgets fell under each respective item (May Regents agenda items B3, *Fiscal Year 2017-18 Systemwide Academic and Public Service Programs Budget for Office of the President*, and B4, *Fiscal Year 2017-18 Central and Administrative Services Budget for Office of the President*).

At the May meeting, UCOP was asked to address specific areas of the budget in order to seek

final approval at the July Regents meeting. In addition, the Finance and Capital Strategies Committee requested a review of the UCOP budget in an off-cycle meeting.

This item serves as an addendum accompanying items B3 and B4, and specifically provides the following additional information for review by the Committee:

- Part I: Proposed Legislative Change to the Assessment Funding Model
- Part II: Update on CSA Recommendations
- Part III: Review of UCOP Budget and Explanation of Variances
- Part IV: Detail of the General Campus Assessment Trend by Campus
- Part V: Systemwide Initiatives and Programs
- Appendices

An update on the UCPath project was also requested and will be presented as a separate item at the July Regents meeting.

### **PART I: Proposed Legislative Change to the Assessment Funding Model**

Since fiscal year 2011-12, UCOP's annual budget has, in part, been funded by a revenue source commonly referred to as the "General Campus Assessment."

This annual assessment amount is derived each year during the budget process and involves prioritizing the planned activities of the Office of the President. As presented in item B3, the proposed fiscal year 2017-18 assessment would have been \$296.4 million, excluding \$16 million for programs conducted at various campuses. The \$296.4 million supports Systemwide Academic and Public Service Programs and Central and Administrative Services as shown below, and the detail of the programs on campuses follows:

**Table 1 – Proposed Legislative Allocation (excluding UCPath)**

	<b>Current: Legislative Appropriation</b>	<b>May Regents: Campus Assessment</b>	<b>Variance:</b>
Systemwide Academic and Public Service Programs	\$150.0M	\$165.9M	\$(15.9)M
Central and Administrative Services	\$146.4M	\$146.5M	\$( 0.1)M
Total Legislative Allocation	\$296.4M	\$312.4M	\$(16.0)M

The current budget for the State of California for fiscal year 2017-18 proposes to eliminate the General Campus Assessment and replace it with a direct appropriation of \$296.4 million in State funds.

The \$16 million difference may be all or a portion of UCOP funding attributed to programs funded annually at the campuses which are credited to their respective assessments as follows:

**Table 2 – Programs Funded at the Campuses**

<i>Programs Funded at the Campuses</i>	<i>\$M</i>
Cal ISI - California Institutes for Science and Innovation	\$ 11.6
SAPEP - Student Academic Preparation and Educational Partnerships	1.3
PPFP - President's Post-Doctoral Fellowship Program	1.2
CPAC - California Program on Access to Care	1.0
NRS - Natural Reserve System	0.6
COSMOS - Summer School for Math and Science	0.2
CETAD - Online Transfer Evaluation	0.1
<b>TOTAL</b>	<b>\$ 16.0</b>

In addition to the \$296.4 million, the Legislature proposed an additional direct allocation of \$52.4 million for the UCPath Center. Details of UCOP's complete funding sources are provided in Appendix I.

Recently added language in the Budget Act of 2017 includes an expectation that UC enroll at least 1,500 more resident undergraduate students in the 2018-19 academic year compared to the 2017-18 academic year, which would require an additional \$15 million in funding. The bill requests that UC, the Legislature, and the Department of Finance collaborate to identify and redirect State funds already allocated to UC for systemwide programs or other expenditures at the Office of the President.

## **PART II: Update on CSA Recommendations**

As presented at the May Regents meeting, UCOP has begun to address 33 recommendations from the California State Auditor (CSA), 18 of which pertained to the budget and which are included in Appendix II. In the one month after the audit was released and before the May Regents meeting, the budget team initiated the implementation of the recommendations regarding the budget presentation format into the B3 and B4 items. More work remains to be done, however, and plans are in place to meet all the recommendations.

The budget recommendations fall into four major categories: fund restrictions and commitments, budget process, budget presentation, and reserve policy. The deadlines for completing implementation of these recommendations range from April 2018 through April 2020, and will drive budgeting best practices including:

- Broadened stakeholder involvement, and improved documentation of process and governance
- Heightened discipline and use of actuals in budget and forecast development, and improved reporting
- Comprehensive inclusion of all UCOP spending in the budget presentation

- Established UCOP reserve policy
- Consistent definitions, documentation and reporting of systemwide and Presidential initiatives and programs
- Documentation of restricted funds, their purpose and allowable uses
- Use of multi-year budgets to improve planning and resource management with a longer time horizon

UCOP's audit task force has begun to address these areas. Regular reports to the President, Regents, and CSA can be found at the following website:

[http://www.ucop.edu/ucop-audit-implementation/\\_files/60day6month.pdf](http://www.ucop.edu/ucop-audit-implementation/_files/60day6month.pdf)

### **PART III: Review of UCOP Operating Budget and Explanation of Variances**

The total fiscal year 2017-18 UCOP budget is \$797.5 million, after the \$16 million adjustment due to the direct State appropriation. The total budget includes \$408.8 million, after the adjustment of \$15.9 million, for the Systemwide Academic and Public Service Programs budget and \$388.7, after the adjustment of \$0.1 million for the Central and Administrative Services budget, as demonstrated in Table 3 below. Of the \$797.5 million budget, 42 percent (\$335.6 million) flows through the UCOP budget to programs on the campuses, Agriculture and Natural Resources, and research award recipients.

**Table 3: Summary of Changes from FY2016-2017 Budget to FY2017-18 Budget**

<b>Changes from:</b>	<b>Systemwide</b>	<b>YoY %</b>	<b>Central &amp;</b>	<b>YoY</b>		<b>YoY</b>
<b>FY2016-17 to FY2017-18</b>	<b>Programs</b>	<b>Incr</b>	<b>Administrative</b>	<b>%</b>	<b>Total</b>	<b>%</b>
<b>FY2016-17 Budget</b>	<b>\$ 339.9</b>		<b>\$ 345.8</b>		<b>\$ 685.7</b>	
Tobacco Research	\$ 78.0	\$ 0.2	\$ -	0.0%	\$ 78.0	11.4%
UCPath Project	-	0.0%	32.3	9.3%	32.3	4.7%
Patent Litigation (I&E)	-	0.0%	8.3	2.4%	8.3	1.2%
Education Abroad Program	4.5	1.3%	-	0.0%	4.5	0.7%
Other *	(13.5)	(0.0)	2.3	0.7%	(11.3)	-1.6%
<b>YoY Change to Budget</b>	<b>\$ 69.0</b>	<b>20.3%</b>	<b>\$ 42.9</b>	<b>12.4%</b>	<b>\$ 111.8</b>	<b>16.3%</b>
<b>FY2017-18 Budget</b>	<b>\$ 408.8</b>	<b>20.3%</b>	<b>\$ 388.7</b>	<b>12.4%</b>	<b>\$ 797.5</b>	<b>16.3%</b>

\* Other (SP): Includes \$1.2M in funding for ANR, \$0.6M merit increase on restricted external funding, \$0.3M Livermore Lab Foundation, and \$0.25M transfer articulation partnership with CSU; offset by \$(15.9)M.

\* Other (C&A): Includes \$0.9M investment in Innovation & Entrepreneurship, \$1.0M unavoidable cost increases (security, custodial and PWC audit), and \$0.6M in pension / retirement system enhancements.

The following are the key takeaways regarding the fiscal year 2017-18 budget differences from the prior year budget:

- The factors in the difference between the fiscal year 2016-17 budget and the fiscal year 2017-18 budget include the following:
  - The largest difference is due to a \$78 million increase in funding for Tobacco Related Disease Research (70 percent of the total difference)
  - The UCPath separate assessment increases by \$32.3 million on a year over year basis and has been negotiated with and agreed to by the campuses (28.9 percent of the difference)
  - The increase to Patent Litigation of \$8.3 million on a year over year basis (7.4 percent of the difference)
  - Education Abroad budget adjustment accounts for four percent of the difference; and
  - The increases are offset by the items detailed in *“Programs Funded At The Campuses”* in Part I

Additionally, the Regents requested information accounting for the difference between the fiscal year 2016-17 projected actuals and the fiscal year 2017-18 budget.

The budget for fiscal year 2017-18 at \$797.5 million is \$149.5 million more than current year projected actual expenditures and an increase of \$111.8 million over the current year budget. The \$149.5 million difference is a result of additions in revenues and expenses to the budget and non-recurrence of one-time savings. The overview of the budget and projected actuals is included for reference on page 9 as Item B3, Figure 4.

The total Central and Administrative Services budget for fiscal year 2017-18 is \$388.7 million; \$72.9 million more than current year projected actual expenditures and an increase of \$27 million over the current year budget. The \$72.9 million difference is a result of additions to the budget and non-recurring one-time savings.

The Systemwide Academic and Public Services budget for fiscal year 2017-18 is \$408.8 million, a difference of \$76.6 million to current year projected expenditures and an increase of \$69 million over the current year budget.

The details of these differences are detailed in Table 4 below. Budget details, including a brief description of each division, subdivision, program and activity, are included in Appendix III.

**Table 4: Details of Variances FY2016-2017 Projected Actuals to FY2017-18 Budget**

<b>FY 2016-17 Projected Actuals to FY2017-18 Budget Reconciliation</b>		<b>% of total Change</b>	<b>Central &amp; Admin</b>	<b>Systemwide Programs</b>
<b>FY2016-2017 Projected Actuals</b>	<b>\$ 648.0</b>		<b>\$ 315.8</b>	<b>\$ 332.3</b>
<b>Add back one-time savings from FY2016-17 projections</b>				
<b>Unrestricted Funding one-time salary savings</b>	<b>\$ 17.0</b>	<b>11.4%</b>	<b>\$ 14.5</b>	<b>\$ 2.5</b>
UCPath - hiring lag and turnover	\$ 3.0	2.0%	\$ 3.0	\$ -
Finance - turnover	\$ 3.0	2.0%	\$ 3.0	\$ -
Operations - turnover	\$ 2.5	1.7%	\$ 2.5	\$ -
Academic Affairs - turnover	\$ 4.3	2.9%	\$ 2.0	\$ 2.3
Ethics & Compliance - hiring lag, turnover	\$ 1.7	1.1%	\$ 1.7	\$ -
Public Affairs - turnover	\$ 0.7	0.5%	\$ 0.7	\$ -
UC Health - hiring lag and turnover	\$ 0.5	0.3%	\$ 0.5	\$ -
Government Relations - turnover	\$ 0.4	0.3%	\$ 0.4	\$ -
Innovation and Entrepreneurship - turnover	\$ 0.2	0.1%	\$ 0.2	\$ -
Agriculture & Natural Resources - turnover	\$ 0.2	0.1%	\$ -	\$ 0.2
All other divisions - turnover	\$ 0.5	0.3%	\$ 0.5	\$ -
<b>Restricted Funding one-time salary savings</b>	<b>\$ 8.4</b>	<b>5.6%</b>	<b>\$ 8.4</b>	<b>\$ -</b>
Office of the Chief Investment Officer - hiring lag and turnover	\$ 5.0	3.3%	\$ 5.0	\$ -
Operations - Human Resources - turnover	\$ 1.4	0.9%	\$ 1.4	\$ -
Finance - Capital Strategies - turnover	\$ 0.6	0.4%	\$ 0.6	\$ -
All other divisions - turnover	\$ 1.4	0.9%	\$ 1.4	\$ -
<b>Unrestricted Funding one-time non-salary savings</b>	<b>\$ 6.4</b>	<b>4.3%</b>	<b>\$ 6.0</b>	<b>\$ 0.4</b>
Finance - Procurement, timing of consulting expenses	\$ 3.0	2.0%	\$ 3.0	\$ -
Operations - Emergency funding	\$ 3.0	2.0%	\$ 3.0	\$ -
Academic Affairs - savings across multiple line items	\$ 0.4	0.3%	\$ -	\$ 0.4
<b>Restricted Funding one-time non-salary savings</b>	<b>\$ 1.4</b>	<b>0.9%</b>	<b>\$ 1.4</b>	<b>\$ -</b>
Office of the Chief Investment Officer - outside services	\$ 1.1	0.7%	\$ 1.1	\$ -
All other divisions - savings across multiple line items	\$ 0.3	0.2%	\$ 0.3	\$ -
<b>Presidential Initiative Funds replenish to full budget level</b>	<b>\$ 4.5</b>	<b>3.0%</b>	<b>\$ -</b>	<b>\$ 4.5</b>
<b>Total One-Time Savings to Add Back to Ongoing Budget</b>	<b>\$ 37.7</b>	<b>25.2%</b>	<b>\$ 30.3</b>	<b>\$ 7.4</b>
<b>FY2016-2017 Original Budget</b>	<b>\$ 685.7</b>		<b>\$ 345.8</b>	<b>\$ 339.9</b>
<b>Additions and changes to FY2017-18 Budget</b>				
Tobacco-Related Disease Research revenue increase	\$ 78.0	52.2%	\$ -	\$ 78.0
UCPath Expansion	\$ 32.3	21.6%	\$ 32.3	\$ -
Patent Prosecution Expense increase	\$ 8.3	5.6%	\$ 8.3	\$ -
Education Abroad Program growth	\$ 4.5	3.0%	\$ -	\$ 4.5
3% Performance-based merit unrestricted funds	\$ 4.1	2.7%	\$ 3.4	\$ 0.7
3% Performance-based merit restricted funds	\$ 4.0	2.7%	\$ 3.3	\$ 0.8
Agriculture & Natural Resources incr Fed funds, sales & svc rev.	\$ 1.2	0.8%	\$ -	\$ 1.2
Program Investment - Livermore Lab Foundation funding	\$ 0.3	0.2%	\$ -	\$ 0.3
Program Investment - ASSIST Program transfer students	\$ 0.3	0.2%	\$ -	\$ 0.3
Operational Increases - Security, Custodial, Audit services	\$ 1.6	1.1%	\$ 1.4	\$ 0.2
Operational Increases - Innovation & Entrepreneurship staffing	\$ 0.9	0.6%	\$ 0.9	\$ -
Operational Increases - Capital Asset Strategies systems	\$ 0.4	0.3%	\$ 0.4	\$ -
Operational Increases - Program Management Office staffing	\$ 0.3	0.2%	\$ 0.3	\$ -
Operational Increases - Secretary of the Regents	\$ 0.2	0.1%	\$ 0.2	\$ -
Operational Increases - reorganization multiple divisions	\$ 0.5	0.3%	\$ 0.6	\$ (0.1)
Prior year merit savings (budgeted, but not expended)	\$ (0.7)	-0.5%	\$ (0.6)	\$ (0.1)
Reduction in unallocated Project Funding	\$ (2.5)	-1.7%	\$ (2.5)	\$ -
Increase in budgeted turnover savings	\$ (5.8)	-3.9%	\$ (5.2)	\$ (0.6)
Impact of State Appropriations (Programs Funded at the Campuses)	\$ (16.0)	-10.7%	\$ (0.1)	\$ (15.9)
<b>Total Additions and Changes to Budget</b>	<b>\$ 111.8</b>	<b>74.8%</b>	<b>\$ 42.6</b>	<b>\$ 69.2</b>
<b>Sum of Add Backs, Additions, and Changes</b>	<b>\$ 149.5</b>	<b>100.0%</b>	<b>\$ 72.9</b>	<b>\$ 76.6</b>
<b>FY2017-18 Budget</b>	<b>\$ 797.5</b>		<b>\$ 388.7</b>	<b>\$ 408.8</b>

### Budget Differences - Key Takeaways

The following are the key takeaways regarding the fiscal year 2017-18 budget differences from prior year projected actuals:

- The three most significant factors in the difference between fiscal year 2016-17 projected actuals and the fiscal year 2017-18 include the following:
  - The largest difference is due to a \$78 million increase in funding for Tobacco Related Disease Research (52.2 percent of the total difference)
  - The UCPATH separate assessment increases by \$32.3 million on a year over year basis and has been negotiated with and agreed to by the campuses (21.6 percent of the difference)
  - One-time savings due to turnover in existing budgeted positions and other expenses from the fiscal year 2016-17 budget total \$37.7 million (25.2 percent of the difference)
- One-time savings are a significant factor in UCOP's annual budget to actuals comparison. UCOP is working to improve planning and forecasting to minimize variances in the future.
  - One-time salary savings from unrestricted funding sources (\$17 million) and restricted funding sources (\$8.4 million) total \$25.4 million.
  - UCOP is working to manage the impact of one-time salary savings on annual budgeting by increasing the vacancy factor offsets (an estimation of salary savings due to vacancies) by \$5.8 million to a total of \$7.8 million on *unrestricted* funding sources.
  - UCOP will be implementing an improved forecasting methodology to better understand and manage the impact of one-time savings on the annual budget going forward.
  - \$9.8 million of the \$37.7 million one-time savings (salary + non-salary) are on *restricted* funds that are carried over for restricted multi-year programs and services and therefore are not available for other purposes. Improved forecasting and multi-year budgeting will help UCOP better project and manage variances on restricted funds.
- Other additions and changes to the fiscal year 2017-18 budget are as follows:
  - As mentioned above, UC will receive an additional \$78 million in Tobacco Tax Revenues for research on tobacco-related disease;
  - Operating costs are increasing for the UCPATH Center operations due to the expansion of services to pilot locations at UCLA, UC Riverside, UC Merced and ASUCLA, where implementation is scheduled for December 2017;
  - Increase in patent prosecution expenses associated with two large patent cases, to be funded from patent royalty income;
  - An increase in the Education Abroad Program overall budget, funded from student tuition and fees, representing a true-up of the campus budget to UCOP's budget;
  - Three percent merit increases on all staff salaries, representing an average, performance-based merit increase, proposed for fiscal year 2017-18;

- Increased outside funding for Agriculture and Natural Resources to cover increasing expenditures;
  - Ongoing funding for the Livermore Lab Foundation, which was previously one-time funds, approved by the Regents in July 2016 to establish the foundation;
  - Increased funds for the ASSIST program to enhance transfer advising and articulation resources in partnership with the California State University;
  - Contract increases in security and custodial services for UCOP, as well as an increase to the systemwide financial audit contract;
  - Expansion in the newly formed Innovation and Entrepreneurship division to increase to support outreach activities, policy analysis, project management, business development and project support;
  - Systems maintenance and support for Capital Markets Finance databases used to track bond proceeds and drawdowns and comply with IRS regulations, to be funded from bond management funds;
  - One additional staff person in the Program Management Office to enable the office to effectively address the needs of UCOP;
  - Increase in funds to support the Regents meetings given the new concurrent meeting format, additional off-cycle meetings and closed captioning; and
  - A reorganization of between the President's Executive Office and Public Affairs which included the movement of headcount and its associated funding.
- Savings offsetting the above increases are as follows:
  - Fiscal year 2016-17 budgeted merit funding that was not used, resulting in a budget reduction in fiscal year 2017-18;
  - Project funding budgeted in fiscal year 2016-17 that has not been used and will be repurposed to cover the increases noted above; and
  - A vacancy factor reducing overall budgeted salaries given the trend over the last three years of positions being vacant for several months due to turnover, yielding savings in salary budgets.
- The General Campus Assessment of \$312.4 million would have been flat to prior year. The \$312.4 General Campus Assessment and \$52.4 million UCPATH Assessment combined comprised 45 percent of UCOP's funding and 90 percent of its unrestricted funding. The State appropriation of \$348.8 million (\$296.4 million plus \$52.4 million for UCPATH) comprises 43.7 percent of the revised total budget of \$797.5 million.



Item B3 Figure 4: Total FY2017-18 Budget vs. Project Actuals FY2017-18

FY17-18 UCOP Budget Regents Tables

FY 2017-18 BUDGET SUMMARY OFFICE OF THE PRESIDENT (\$ millions)						
	TOTAL Proposed Budget FY 2017-18	Expenses (Projected) FY2016- 2017	TOTAL Budget FY 2016-2017	Var-FY17-18 Budget to Projection	% More / (Less) Budget vs Projection	% More / (Less) to Prior Year Budget
<b>OFFICE OF THE PRESIDENT</b>						
<b>Central and Administrative Services</b>	<b>277.77</b>	<b>249.82</b>	<b>267.70</b>	<b>27.96</b>	<b>11%</b>	<b>4%</b>
Academic Affairs	30.04	28.11	29.93	1.93	7%	0%
Innovation & Entrepreneurship	61.93	53.60	52.73	8.33	16%	17%
Finance	40.85	33.09	39.77	7.76	23%	3%
Operations	118.58	111.32	119.30	7.26	7%	-1%
President's Exec. Office	2.61	3.41	3.18	(0.80)	-23%	-18%
Health Sciences	4.16	3.69	4.17	0.47	13%	0%
Governmental Relations	5.44	5.07	5.41	0.37	7%	1%
Public Affairs	14.18	11.53	13.21	2.65	23%	7%
<b>Regents Officers</b>	<b>58.45</b>	<b>49.71</b>	<b>57.96</b>	<b>8.74</b>	<b>18%</b>	<b>1%</b>
General Counsel	12.49	10.91	11.65	1.58	14%	7%
Secretary of the Regents	3.08	2.76	2.91	0.32	12%	6%
Ethics & Compliance	7.54	7.34	7.67	0.20	3%	-2%
Investments Office	35.34	28.70	35.74	6.64	23%	-1%
<b>TOTAL w/o UCPath Operations</b>	<b>336.22</b>	<b>299.53</b>	<b>325.66</b>	<b>36.69</b>	<b>12%</b>	<b>3%</b>
<b>UCPath Operations</b>	<b>52.44</b>	<b>16.25</b>	<b>20.15</b>	<b>36.19</b>	<b>223%</b>	<b>160%</b>
<b>Grand Total (including UCPath Operations)</b>	<b>388.66</b>	<b>315.78</b>	<b>345.81</b>	<b>72.88</b>	<b>23%</b>	<b>12%</b>

FY 2017-18 BUDGET SUMMARY OFFICE OF THE PRESIDENT (\$ millions)						
	TOTAL Proposed Budget FY 2017-18	Expenses (Projected) FY2016- 2017	TOTAL Budget FY 2016-2017	Var-FY17-18 Budget to Projection	% More / (Less) Budget vs Projection	% More / (Less) to Prior Year Budget
<b>SYSTEMWIDE ACADEMIC &amp; PUBLIC SERVICE PROGRAMS</b>						
Instruction	58.38	52.95	53.67	5.43	10%	9%
Research	172.28	106.68	108.58	65.60	61%	59%
Public Service	15.19	16.32	16.43	(1.13)	-7%	-8%
Academic Support	46.68	46.31	46.40	0.37	1%	1%
National Laboratories	4.27	3.59	3.94	0.68	19%	9%
Presidential Initiatives	9.77	5.57	9.77	4.20	75%	0%
<b>TOTAL</b>	<b>306.58</b>	<b>231.43</b>	<b>238.79</b>	<b>75.15</b>	<b>32%</b>	<b>28%</b>
<b>Agriculture and Natural Resources</b>	<b>102.27</b>	<b>100.82</b>	<b>101.08</b>	<b>1.45</b>	<b>1%</b>	<b>1%</b>
<b>Grand Total (including ANR)</b>	<b>408.84</b>	<b>332.25</b>	<b>339.87</b>	<b>76.60</b>	<b>23%</b>	<b>20%</b>
<b>TOTAL OF BOTH TABLES (w/o UCPath)</b>	<b>745.06</b>	<b>631.77</b>	<b>665.53</b>	<b>113.29</b>	<b>18%</b>	<b>12%</b>
<b>TOTAL OF BOTH TABLES</b>	<b>797.50</b>	<b>648.02</b>	<b>685.68</b>	<b>149.48</b>	<b>23%</b>	<b>16%</b>
<b>Strategic Priorities Reserve Year End Projected</b>						
Committed	38.7	57.1		(18.4)		
Uncommitted	16.2	29.9		(13.7)		

## PART IV: Detail of the General Campus Assessment Trend by Campus

While potentially less important due to the recent change to State direct appropriation, the second area where the Regents asked for additional information was regarding how the General Campus Assessment is calculated, the impact by campus, and trends over the past years.

As stated in item B3, consistent with practice over the last five years, a portion of the Office of the President budget, covered in both items B3 and B4, is funded by the campus assessments. The total campus assessment amount, which includes \$312.4 million in General Campus Assessment and a separate \$52.4 million UCPATH assessment, is \$364.8 million for fiscal year 2017-18, funding 44.8 percent of UCOP budgets. The \$312.4 million in General Campus Assessment funds support \$165.9 million in Systemwide Academic and Public Service Programs, most of which pass through to campuses, and \$146.5 million in Central and Administrative Services.

As noted in item B3, Figures 5 and 6 (inserted below for reference), the overall amount of the General Campus Assessment has increased in several (but not all) recent years, at a modest compound annual growth rate of under two percent, while responding to emerging issues and opportunities for increased systemwide efficiencies, and the General Campus Assessment as a percentage of campus revenues has continually declined.

Figure 5 shows the General Campus Assessment, the UCPATH Campus Assessment, and the total Campus Assessments over the last seven years.

**Item B3 Figure 5: Campus Assessment Trends**

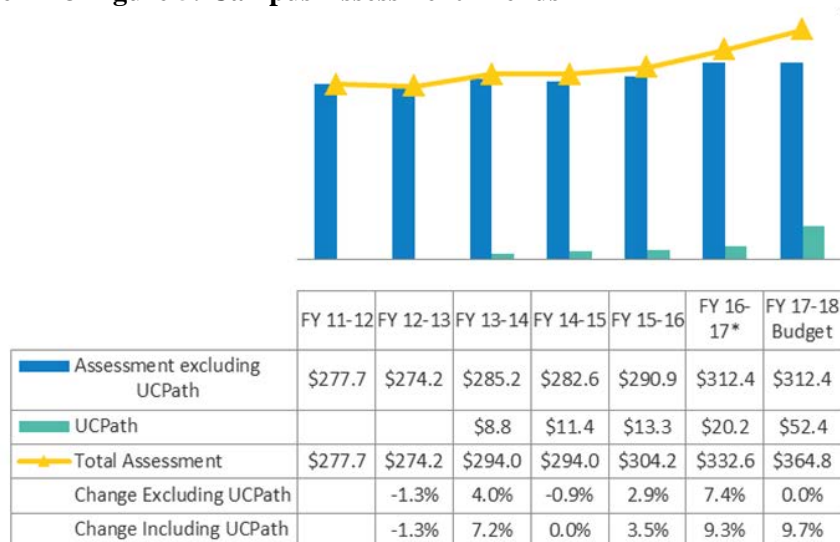
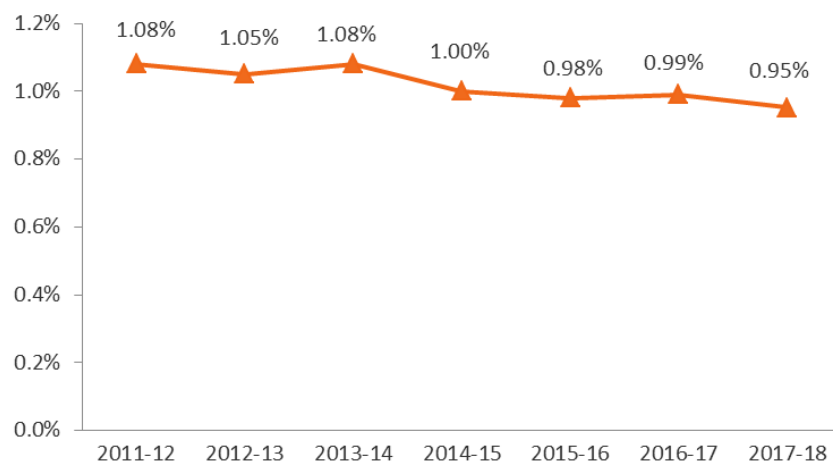


Figure 6 shows the General Campus Assessment as a percentage of the total UC systemwide budgets over last five years during which time the General Campus Assessment as a percentage of the systemwide budgets has declined from 1.08 percent to 0.95 percent.

**Item B3 Figure 6: General Campus Assessment as a Share of Total Revenues**

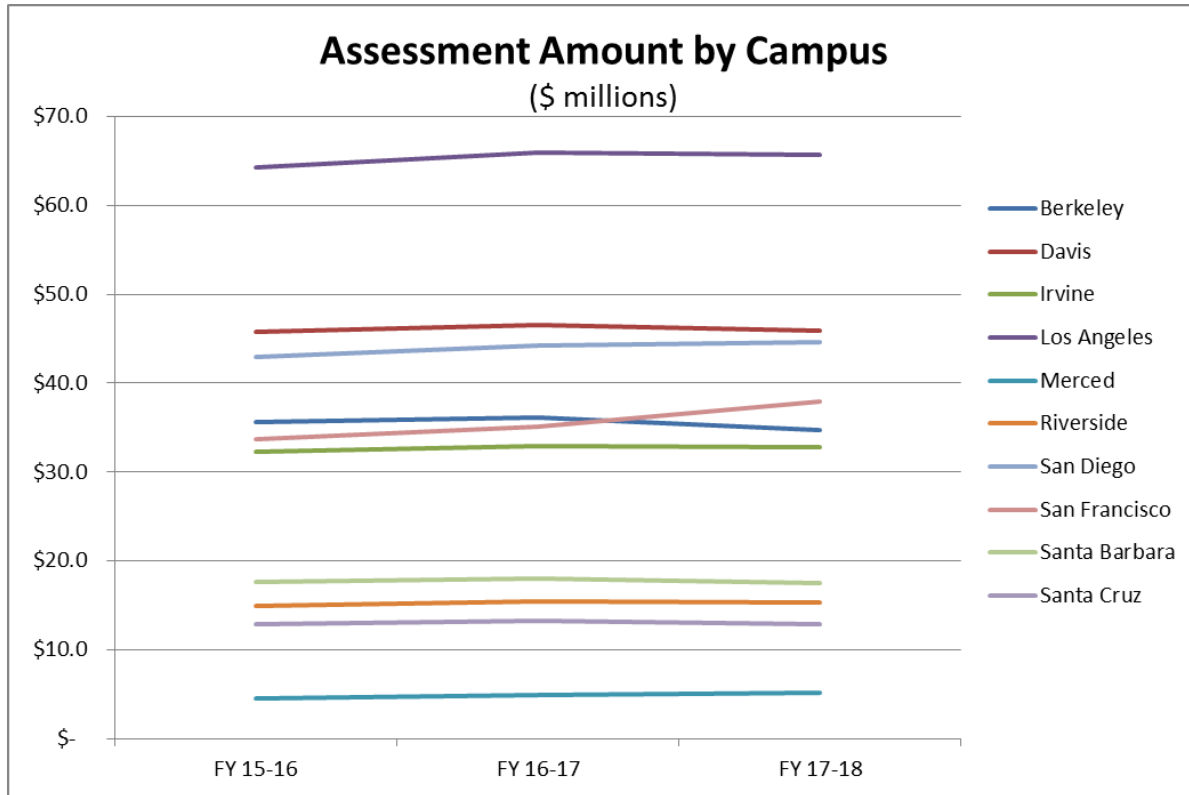


The General Campus Assessment as a percentage of revenues has also declined for all campuses except for UC San Francisco with growth in expenditures outpacing the rest of the system. The amount paid in assessments by each campus varies as a result of the agreed upon assessment calculation methodology and the trend is shown in Table 5 and Figure 1 below. Details of the three factors used for the assessment calculation by campus can be found in Appendix IV, 2017-18 Assessment Distribution Based on Current Fund Expenditures and 33% - 33% - 33% Approach.

**Table 5: General Assessment Trend by Campus**

\$ in Millions			
Campus Assessment	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>
Berkeley	\$ 35.6	\$ 36.1	\$ 34.7
Davis	45.7	46.5	45.9
Irvine	32.3	32.9	32.8
Los Angeles	64.3	66.0	65.7
Merced	4.5	4.9	5.1
Riverside	14.9	15.4	15.3
San Diego	42.9	44.2	44.6
San Francisco	33.7	35.1	37.9
Santa Barbara	17.6	18.0	17.5
Santa Cruz	12.8	13.3	12.9
<b>Total All Campuses</b>	<b>\$ 304.2</b>	<b>\$ 312.4</b>	<b>\$ 312.4</b>
Total UC Budget	\$ 31,000	31,500	\$ 32,800
<b>Assessment % of Budget</b>	<b>0.98%</b>	<b>0.99%</b>	<b>0.95%</b>

**Figure 1 – General Assessment Trend by Campus Graph**



## PART V: Systemwide Initiatives and Programs

The third request for additional information by the Regents concerned systemwide initiatives and programs. Per the CSA audit recommendations, UCOP will develop clear and standard definitions for these activities. The term “initiatives” has been used to refer to multiple types of activities at UCOP, including some items that were at one point an “initiative”, but for years now have been ongoing stable “programs” such as Education Abroad and the Natural Reserve System. Over the next several months, and in preparation for the budget presentation next year, the UCOP leadership and the audit task force working group focused on programs and initiatives will clarify terms and revise them as necessary.

UCOP will also develop a methodology for evaluating existing programs and initiatives by defining both the criteria for evaluation and the process and timeline for completing evaluations. Consistent with the audit recommendation, this work is scheduled to be completed by March 31, 2018. UCOP will likely implement a process that would “sunset” initiatives after a specified length of time (e.g. five years) unless the initiative is re-authorized through a formal review and approval process. Long-standing programs will also be evaluated to ensure their continued effectiveness and efficiency in service of the UC system. UCOP has already begun to reconvene

the Executive Budget Committee, including key stakeholders, UCOP and campus leaders, who will engage in annual budgeting including evaluation, prioritization, and target-setting for programs and initiatives. While reviewing UCOP's portfolio, UCOP will review and revise the assessment and approval process for funding new initiatives which will include appropriate criteria to evaluate whether initiatives are achieving their stated objectives.

The initiatives and programs currently included in the UCOP list of Systemwide Programs and Initiatives are detailed in Appendix V. A brief description of each Systemwide Program and Initiative and their corresponding proposed budget amounts are detailed in Appendix V. An example of a recent evaluation process conducted by a portfolio review group in 2014 is included in Appendix VI. A description of UCOP divisions and departments is included as Appendix VII.

### **Appendices:**

Appendix I – UCOP Fund Sources

Appendix II – CSA Audit Recommendations

Appendix III – Divisions, Sub-Divisions, Programs and Activities Details

Appendix IV – 2017-18 Assessment Distribution – 33% - 33% -33%

Appendix V – UCOP Budget – Systemwide Initiatives and Programs

Appendix VI – UCOP Budget – Report of the Portfolio Review Group

Appendix VII – UCOP Divisions and Departments - Brief Descriptions

## Appendix I – UCOP Fund Sources

FY 2017-2018 Budget - Fund Sources and Uses				
Office of the President	TOTAL BUDGET			
(\$ millions)	TOTAL FY17-18 Budget	May Budget Submission	TOTAL FY16-17 Actuals (projected)	Y/Y % Chg
<b>Sources:</b>				
State Appropriation	\$ 146.40	\$ -	\$ -	
General Campus Assessment	-	146.50	146.55	-100.0%
Other Unrestricted Sources	26.29	26.29	26.52	-0.9%
<b>Subtotal - Unrestricted Sources</b>	<b>172.69</b>	<b>172.79</b>	<b>173.07</b>	<b>-0.2%</b>
External Revenues	58.76	58.76	50.51	16.3%
Retirement & Benefits Admin.	49.37	49.37	49.05	0.6%
Investments Admin.	42.11	42.11	41.59	1.2%
Other Sources	13.30	13.30	11.43	16.3%
<b>Subtotal - Restricted Sources</b>	<b>163.53</b>	<b>163.53</b>	<b>152.59</b>	<b>7.2%</b>
<b>Total Sources, Central and Administrative</b>	<b>336.22</b>	<b>336.32</b>	<b>325.66</b>	<b>3.2%</b>

Systemwide Academic & Public Service Programs	TOTAL BUDGET			
(\$ millions)	TOTAL FY17-18 Budget	May Budget Submission	TOTAL FY16-17 Actuals (projected)	Y/Y % Chg
<b>Sources:</b>				
State Appropriation	\$ 150.00	\$ -	\$ -	
General Campus Assessment	-	165.90	165.85	-9.6%
Other Unrestricted Sources	11.41	11.41	11.18	2.1%
<b>Subtotal - Unrestricted Sources</b>	<b>161.41</b>	<b>11.41</b>	<b>177.03</b>	<b>-8.8%</b>
State Funds	129.69	129.69	51.75	150.6%
External Revenues	65.64	65.64	60.94	7.7%
Federal Funds	38.23	38.23	37.82	1.1%
Other Sources	13.87	13.87	12.32	12.5%
<b>Subtotal - Restricted Sources</b>	<b>247.43</b>	<b>247.43</b>	<b>162.84</b>	<b>51.9%</b>
<b>Total Sources, Systemwide Programs</b>	<b>408.84</b>	<b>258.84</b>	<b>339.87</b>	<b>20.3%</b>
<b>TOTAL UCOP BUDGET SOURCES, before UCPath</b>	<b>\$ 745.07</b>	<b>\$ 761.07</b>	<b>\$ 665.53</b>	<b>12.0%</b>
UCPath Assessment	-	52.40	20.15	-100.0%
State Appropriation, UCPath	52.40	-	-	
<b>TOTAL UCOP BUDGET SOURCES, incl. UCPath</b>	<b>\$ 797.47</b>	<b>\$ 813.47</b>	<b>\$ 685.68</b>	<b>16.3%</b>

## Appendix II – CSA Audit Recommendations

Budget Recommendation Number	Workstream Title	CSA Recommendation	CSA's Target Date
1	Fund Restrictions	Document and review the restrictions on its funds and fund commitments to determine whether it can reallocate any of these funds for eventual reallocation to campuses.	April 2018
2	Reserve Policy	Develop a reserve policy that governs how large its reserves should be and the purposes for which they can be used.	
3	Budget Presentation	Implement our recommended budget presentation shown in figure 11 on page 40. Specifically, the Office of the President's budget presentation to the regents should include a comparison of its proposed budget to its actual expenditures for all expenditures for the previous year. It should also include all expenditures and identify changes to the discretionary and restricted reserves. The Office of the President should combine both the disclosed and undisclosed budget into one budget presentation.	
4	Budget Process	Increase opportunities for campus stakeholder involvement in the budget development process by reconvening the campus budget committee and establishing an agreed-upon charter that describes the committee's scope, role, and protocol for reviewing and providing comments on the Office of the President's annual budget.	
5	Fund Restrictions	Publish the results of its review of fund restrictions and fund commitments and identify any funds it anticipates reallocating to campuses.	April 2019
6	Budget Process	Implement the best practices for budgeting identified by Governmental Finance Officer Associates and NACUBO, including developing budget policies and procedures and formally documenting, approving, and justifying all one-time and unexpended expenditure requests.	
7	Budget Presentation	Continue to present a comprehensive budget based on the presentation in Figure 11 to the regents, the Legislature, and the public.	
8	Fund Restrictions	Reallocate to the campuses funds that it identified during its review of fund restrictions and fund commitments.	April 2020
9	Budget Process	Evaluate its budget process to ensure it is efficient and has adequate safeguards that ensure that staff approve and justify all budget expenditures. If the Office of the President determines that its safeguards are sufficient, it should begin developing a multi-year budget plan.	
10	Budget Process	Report to the regents on the amount of funds it reallocated to campuses as a result of implementing our recommendations.	
11	Systemwide and Presidential Initiatives	Develop and use a clear definition of systemwide initiatives and administration to ensure consistency in future budgets.	April 2018
12		Develop a comprehensive list of systemwide initiatives and presidential initiatives, including their purpose and actual cost that will be used in the regents' meeting previously recommended.	April 2019
13		Establish spending targets for systemwide initiative and administrative costs.	
14		Publish the results of the review of systemwide and presidential initiatives, including any funds the Office of the President anticipates reallocating to the campuses.	
15		Restructure budget and accounting systems to ensure that the costs of the Office of the President can be clearly tracked and reported annually. Specifically, the budget and accounting systems should be able to distinguish between systemwide initiatives, presidential initiatives, and administrative costs.	
16		Publically publish its progress in meeting systemwide initiative and administrative cost targets.	April 2020
17		Reallocate funds from the review of systemwide and presidential initiatives, as well as any administrative cost savings, to campuses.	
18		Report to the regents on the amount of funds reallocated to campuses	

Appendix III - Division/Sub-division Programs and Activities Detail  
Item B3 Figure 15 - Department Detail for Systemwide Academic and Public Service Programs

FY 2017-18 BUDGET SUMMARY OFFICE OF THE PRESIDENT (\$ millions)			TOTAL BUDGET		UNRESTRICTED BUDGET		RESTRICTED BUDGET		FY16-17 to FY17-18 Year over Year Variance Analysis Notes		
			TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	Total Budget \$ Delta	Unrestricted	Restricted
Line Item Description											
SYSTEMWIDE ACADEMIC & PUBLIC SERVICE PROGRAMS											
INSTRUCTION			58.39	53.67	3.63	3.55	54.76	50.12	4.72	0.08	4.64
Education Abroad Program	UC's systemwide study abroad program partners with 120 universities worldwide and offers programs in 42 countries. >5,600 students participate annually.		39.46	34.98	0.20	0.20	39.26	34.78	4.48	-	4.48
Innovative Learning Technology Initiative (online)	Helps campuses create online or hybrid course offerings, by providing course designers and guidance		10.00	10.00	-	-	10.00	10.00	-	-	-
UC Washington DC Center	UC-owned facility providing students and faculty opportunities to study, research, work and live in DC		6.73	6.66	1.43	1.36	5.30	5.30	0.07	0.07	-
UC Center Sacramento	A Sacramento-based academic program in public policy for students from across the system		0.68	0.68	0.64	0.64	0.04	0.04	-	-	-
Other programs	Includes funds for the Drew Medical School partnership, the Governor's Teacher Scholars program and the Principal Leadership Institute.		1.52	1.35	1.36	1.35	0.16	0.00	0.17	0.01	0.16
RESEARCH			172.28	108.58	41.84	56.25	130.44	52.33	63.70	(14.41)	78.11
California Institute for Science and Innovation (Cal ISI)	Four institutes including 9 of the 10 campuses, conducting multidisciplinary research in science and technology fields		4.80	16.66		11.86	4.80	4.80	(11.86)	(11.86)	-
Keck	Operational funding provided as the managing partner of the Keck Observatory in Hawaii		14.58	14.58	14.58	14.58	-		-	-	-
Lab Fee Research funds	Funds for research collaborations between campus researchers and national lab scientists		13.60	13.60	-	-	13.60	13.60	-	-	-
Tobacco Research	State-funded research that enhances understanding of tobacco use, prevention and cessation, the social, economic and policy-related aspects of tobacco use, and tobacco-related diseases in California.		90.41	12.47	-	-	90.41	12.47	77.95	-	77.95
UC Research Initiatives (incl multi-campus research)	Umbrella competitive grants program that funds systemwide research programs; awarded every two years.		10.18	10.15	9.35	9.35	0.83	0.80	0.03	-	0.03
HIV/AIDS Research (CHRP)	State-funded research fostering outstanding and innovative research by accelerating prevention, education, care, treatment, and a cure for HIV/AIDS.		8.75	8.75	-	-	8.75	8.75	-	-	-
Breast Cancer Research	State-funded research, through the tobacco tax, voluntary tax contributions on personal California income tax forms and individual donations. The Program funds research and education through grants to research institutions and community organizations.		8.33	8.33	-	-	8.33	8.33	-	-	-
UC Observatories (UCO)	A multi-campus research unit, which operates the Lick Observatory, the technical labs at UC Santa Cruz and UCLA, and acts as a managing partner of the Keck Observatory in Hawaii.		7.55	7.55	7.55	7.55	-	-	-	-	-
UC MEXUS/Mexico Initiative	Creates a strategic and equal partnership between the UC and institutions in Mexico to address common issues and educate the next generation of leaders.		3.28	3.28	3.28	3.28	-	-	-	-	-
Historically Black Colleges and Universities Fellowships	Partners with historically black colleges and universities to provide opportunities for their graduates to attend UC for their graduate careers.		2.00	2.00	2.00	2.00	-	-	-	-	-
President's Postdoctoral Fellow Program	Attracts the nation's top postdoctoral scholars, whose teaching, research or service contributes to UC's mission to serve our increasingly diverse state, nation and world.		0.86	2.06	0.86	2.06	-	-	(1.20)	(1.20)	-
Campus allocation removed from OP budget											



Appendix III - Division/Sub-division Programs and Activities Detail  
Item B3 Figure 15 - Department Detail for Systemwide Academic and Public Service Programs

FY 2017-18 BUDGET SUMMARY OFFICE OF THE PRESIDENT (\$ millions)		TOTAL BUDGET		UNRESTRICTED BUDGET		RESTRICTED BUDGET		FY16-17 to FY17-18 Year over Year Variance Analysis Notes		
Line Item Description		TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	Total Budget \$ Delta	Unrestricted	Restricted
SYSTEMWIDE ACADEMIC & PUBLIC SERVICE PROGRAMS										
Other programs	Includes funds for the Natural Reserve System, California Program on Access to Care (UCB), the Institute for Transportation Studies and the UC-Hispanic Serving Institutions Initiative	7.94	9.15	4.22	5.57	3.72	3.58	(1.21)	(1.35)	0.14
PUBLIC SERVICE		15.19	16.43	10.08	11.33	5.11	5.10	0.03	0.02	0.01
California Subject Matter Projects/Teacher Prep	A statewide network of nine subject-specific projects and professional development programs for K-12 teachers	5.19	5.19	0.19	0.19	5.00	5.00	-	-	-
Mathematics, Engineering, Science Achievement (MESA) (5)	Program for educationally disadvantaged students to support their studies in math and science and graduate with math-based degrees	4.22	4.22	4.22	4.22	-	-	-	-	-
Student Academic Prep and Ed Partnerships - Campus	Campus-run programs that prepare students for college, graduate and professional school opportunities	2.51	2.51	2.41	2.41	0.10	0.10	-	-	-
Student Academic Prep and Ed Partnerships - Puente	Program focused on literacy development for high school and community college students	-	1.27	-	1.27	-	-	-	-	-
High School Articulation Program	Program that communicates and implements UC faculty policy regarding high school coursework to fulfill admissions requirements	1.08	1.08	1.08	1.08	-	-	-	-	-
Other programs	Includes Diversity Pipeline program, Transfer Articulation (ASSIST) and COSMOS (summer program for high school students in math and science)	2.19	2.16	2.18	2.16	0.01	-	0.03	0.02	0.01
ACADEMIC SUPPORT		46.68	46.40	22.50	22.53	24.18	23.87	0.28	(0.03)	0.31
UC Press	Largely self-funded academic publisher committed to supporting and furthering the UC's mission of teaching, research, and public service through publication of books, journals, and digital products.	23.11	23.11	1.03	1.03	22.08	22.08	-	-	-
California Digital Library	One of the world's largest digital research libraries, CDL acts in collaboration with the UC libraries across the system. It provides shared core digital collections and information management services for campuses	21.08	21.13	19.40	19.45	1.68	1.68	(0.05)	(0.05)	-
Academic Senate	Systemwide leadership providing academic policy decisions, analysis, and coordination for all campuses through the campus-based Academic Senate Divisions.	2.12	2.10	2.01	1.99	0.11	0.11	0.02	0.02	-
Other programs	Includes the UC Library Association	0.37	0.07	0.06	0.07	0.31	-	0.31	-	0.31
NATIONAL LABORATORIES		4.27	3.94	-	-	4.27	3.94	0.33	-	0.33
PRESIDENTIAL INITIATIVES		9.77	9.77	9.77	9.77	-	-	-	-	-
TOTAL		306.58	238.79	87.82	103.43	218.76	135.36	67.79	(15.61)	83.40
% change		28.4%		-15.1%		61.6%				

**Item B3 Figure 15 - Department Detail for Systemwide Academic and Public Service Programs**

## OFFICE OF THE PRESIDENT

(\$ millions)

FY 2017-18 BUDGET SUMMARY OFFICE OF THE PRESIDENT (\$ millions)			TOTAL BUDGET		UNRESTRICTED BUDGET		RESTRICTED BUDGET		FY16-17 to FY17-18 Year over Year Variance Analysis Notes		
			TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17			
Line Item Description									Total Budget \$ Delta	Unrestricted	Restricted
SYSTEMWIDE ACADEMIC & PUBLIC SERVICE PROGRAMS											
AGRICULTURE AND NATURAL RESOURCES (ANR)  ANR is a statewide network of UC researchers and educators dedicated to the creation, development and application of knowledge in agricultural, natural and human resources, consistent with UC’s land grant mission.			102.26	101.08	73.60	73.60	28.66	27.48	1.18	-	1.18
			1.2%		0.0%		4.3%				
GRAND TOTAL			408.84	339.87	161.42	177.03	247.42	162.84	68.97	(15.61)	84.58

Appendix III - Division/Sub-division Programs and Activities Detail  
Item B4 Figure 6 - Department Detail for Central and Administrative Services

FY 2017-18 BUDGET SUMMARY  
OFFICE OF THE PRESIDENT  
(\$ millions)

		TOTAL BUDGET		UNRESTRICTED BUDGET		RESTRICTED BUDGET		FY16-17 to FY17-18 Year over Year Variance Analysis Notes			
		TOTAL Proposed Budget FY 2017-18	TOTAL BUDGET FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	Total Budget \$ Delta	Unrestricted	Restricted	Notes
Line Item Description											
OFFICE OF THE PRESIDENT											
CENTRAL AND ADMINISTRATIVE SERVICES		277.78	267.70	151.63	152.13	126.15	115.57				
Academic Affairs		30.04	29.93	28.81	28.70	1.23	1.23				
EVP Academic Affairs Immediate Office	Provides leadership and strategic direction for Academic Affairs	6.87	6.91	6.83	6.87	0.04	0.04	(0.04)	(0.04)	-	Net reduction includes vacancy adjustment and centralization of IT utility costs
Institutional Research and Academic Planning	Provides in-depth analysis of data and research across all 10 UC Campuses	6.90	6.86	6.90	6.86	-	-	0.04	0.04	-	Net increase includes merit and benefits and IT service fee increase, offset by centralization of IT utility costs
Student Affairs	Manages the undergraduate admissions application; coordinates student services and financial support	4.13	4.16	4.13	4.16	-	-	(0.03)	(0.03)	-	Net reduction includes centralization of IT utility costs
Undergraduate Admissions/applyUC	Implements the Regents' and the Academic Senate's admission policies	3.10	3.04	3.10	3.04	-	-	0.06	0.06	-	Net increase includes merit and benefits and IT service fee increase, offset by centralization of IT utility costs
Research Policy and Analysis	Coordinates policy and guidance to support and advance research	2.52	2.41	2.52	2.41	-	-	0.11	0.11	-	Increased maintenance costs for IT systems
Other programs	Student Loan Services, Analytical Writing Placement exam, and Diversity and Engagement	6.52	6.55	5.34	5.36	1.19	1.19	(0.02)	(0.02)	-	Net reduction includes centralization of IT utility costs
Innovation & Entrepreneurship		61.93	52.72	3.86	2.97	58.07	49.75				
Central Administration of Patents	Central management of and contracting for systemwide patents	6.40	5.51	3.86	2.97	2.54	2.54	0.89	0.89	-	Staff build-out
Patent Expenses and Inventor Share Payments	Flow-through revenues and related expenses related to Systemwide patents and inventor share payments	55.53	47.21	-	-	55.53	47.21	8.32	-	8.32	Increase in patent prosecution related expenses, including UCSF and UCB
Finance		40.85	39.77	30.37	29.90	10.48	9.87				
Financial Accounting	Oversees financial accounting for the UC system, including payroll, benefits and tax matters; produces annual financial statements	15.73	15.43	11.20	10.89	4.53	4.54	0.30	0.31	(0.01)	Unrestricted: Net increase includes audit fees and ITS service fee increase
Strategic Sourcing/Procurement	Partners with systemwide UC procurement teams to standardize agreements and procedures, using strategic and collaborative sourcing methods	11.57	11.39	11.56	11.38	0.01	0.01	0.18	0.18	-	Incremental increase in support of Procurement strategy
Capital Programs	Provides guidance and assistance for systemwide capital project design, capital budgetd, environmental compliance and sustainability	4.28	4.30	3.91	3.93	0.37	0.37	(0.02)	(0.02)	-	Net reduction includes centralization of IT utility costs
Systemwide Budget	Manages UC's annual budget and conducts long range financial planning	2.65	2.66	2.58	2.59	0.07	0.07	(0.01)	(0.01)	-	Net reduction includes centralization of IT utility costs
Capital Markets Finance	Provides support to campuses and medical centers in raising capital for a variety of projects and ongoing financing needs	2.52	2.09	0.20	0.20	2.32	1.89	0.44	-	0.44	Maintenance costs for two bond-related databases: Month-Ending Funding Database and the Private Activity Questionnaire
Other programs	Includes administration of systemwide loan programs and benefit plan accounting	4.10	3.91	0.92	0.91	3.18	3.00	0.19	0.01	0.19	Net increase includes merit and benefits and IT service fee increase, offset by centralization of IT utility costs

Appendix III - Division/Sub-division Programs and Activities Detail  
Item B4 Figure 6 - Department Detail for Central and Administrative Services

FY 2017-18 BUDGET SUMMARY OFFICE OF THE PRESIDENT (\$ millions)		TOTAL BUDGET		UNRESTRICTED BUDGET		RESTRICTED BUDGET		FY16-17 to FY17-18 Year over Year Variance Analysis Notes			
Line Item Description		TOTAL Proposed Budget FY 2017-18	TOTAL BUDGET FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	Total Budget \$ Delta	Unrestricted	Restricted	Notes
OFFICE OF THE PRESIDENT											
Operations		118.58	119.31	69.01	71.14	49.57	48.17				
HR Benefits & Strategy	Creates health benefits strategy & programs that enhance the well-being of UC employees and their families.	17.40	17.34	-	-	17.40	17.34	0.06	-	0.06	Net increase includes merit and benefits and IT service fee increase, offset by centralization of IT utility costs
HR Retirement Admin Center (RASC)	Provides health benefits support to current and future retirees.	12.20	12.13	-	-	12.20	12.13	0.07	-	0.07	Expand annual verification of UCRP benefit recipients
HR Employment Labor Policies	Negotiates and administers 12 systemwide labor agreements with 10 unions, representing 80,000 employees	5.35	5.35	1.85	1.85	3.50	3.50	-	-	-	
HR Talent Management	Oversees Systemwide training and development, talent acquisition and executive recruitment	3.90	3.90	2.05	2.05	1.86	1.86	-	-	-	
HR Compensation Program & Strategy	Works closely with compensation and HR professionals at the ten campuses and five medical centers	3.06	3.05	2.34	2.34	0.71	0.71	-	-	-	
VP HR Immediate Office	Drives the vision, strategy and implementation of systemwide human resources programs and policies	5.61	5.75	0.66	0.66	4.95	5.09	(0.14)	-	(0.14)	Net reduction includes centralization of IT utility costs
ITS - CALREN/CENIC - advanced services network	CENIC designs, implements, and operates the California Research and Education Network (CalREN), which interconnects all UC campuses, Stanford, USC, Caltech, and the CSU system	7.63	7.48	7.63	7.48	-	-	0.15	0.15	-	UCDC network service upgrade, network connectivity to be established for Irvine data center for UC Health
ITS Information Security	Risk assessment, consultation, security incident response, training, and support	9.00	9.00	9.00	9.00	-	-	-	-	-	
VP ITS Immediate Office	Systemwide strategy and leadership overseeing information security, IT policy coordination, the systemwide IT leadership council and records management	2.79	2.79	2.79	2.79	-	-	-	-	-	
UCOP Business Resource Center	Provides purchasing, payment and travel services to UCOP departments, as well as efficient, controlled and compliance transaction processing	4.66	4.68	4.44	4.47	0.22	0.22	(0.02)	(0.03)	-	Net reduction includes centralization of IT utility costs
UCOP Local HR Services	Provide guidance and support to all UCOP managers, supervisors and employees regarding human resources services.	4.53	4.55	2.32	2.32	2.21	2.23	(0.02)	-	(0.02)	Net reduction includes centralization of IT utility costs
UCOP Building Services	Provide a clean, safe and secure working environment and efficient administrative support services	11.15	10.49	8.75	8.09	2.40	2.40	0.66	0.67	-	Increase in custodial and security contract expenses.
UCOP ITS/OPs Tech Support Services	Supports UCOP-owned technology infrastructure, providing desktop support and project management services	9.46	8.15	8.66	8.15	0.80	-	1.31	0.51	0.80	Central funding for UCOP IT Utilities
Other programs	Includes the UCOP Budget and Finance function, Energy and Sustainability Department, and the Program Management Office	21.84	24.64	18.52	21.95	3.32	2.69	(2.79)	(3.42)	0.63	Unrestricted: Reduction to UCOP project fund (\$2.5M) and 16-17 surplus merit (\$1.1M) funding; increase for Budget System support (\$350K). Restricted: Pension & Retirement increase for software updates, collective bargaining support, UCRP 2016 Tier consulting, independent actuarial peer reviews, and OPEB valuation and support.
President's Executive Office	Provides leadership and coordination for the UC system	2.61	3.18	2.12	2.69	0.49	0.49	(0.57)	(0.57)	-	Transfer 4 FTE to Public Affairs

Appendix III - Division/Sub-division Programs and Activities Detail  
Item B4 Figure 6 - Department Detail for Central and Administrative Services

FY 2017-18 BUDGET SUMMARY  
OFFICE OF THE PRESIDENT  
(\$ millions)

Line Item Description		TOTAL BUDGET		UNRESTRICTED BUDGET		RESTRICTED BUDGET		FY16-17 to FY17-18 Year over Year Variance Analysis Notes			
		TOTAL Proposed Budget FY 2017-18	TOTAL BUDGET FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	Total Budget \$ Delta	Unrestricted	Restricted	Notes
OFFICE OF THE PRESIDENT											
Health Sciences	Provides leadership and strategic direction for UC's five academic medical centers and 18 health professional schools	4.15	4.17	3.97	3.99	0.18	0.18	(0.02)	(0.02)	-	Net reduction includes vacancy adjustment and centralization of IT utility costs, offset by merits and benefits
Governmental Relations		5.44	5.41	4.80	4.78	0.64	0.63				
Federal Government Relations	Works with Congress, the administration, federal agencies and national organizations to advocate for the university and its priorities	2.57	2.53	1.93	1.90	0.64	0.63	0.04	0.03	0.01	Increase to facility operating expenses
State Government Relations	Serves as the primary university representatives to state elected officials and agencies	2.16	2.17	2.16	2.17	-	-	(0.01)	(0.01)	-	Net reduction includes centralization of IT utility costs
SVP Governmental Relations Immediate Office	Strategic direction and leadership support for the Federal and State Government Relations groups	0.71	0.71	0.71	0.71	-	-	-	-	-	
Public Affairs		14.18	13.21	8.69	7.96	5.49	5.25				
Communications	Builds public awareness of UC's value and impact	8.34	8.00	5.39	5.29	2.95	2.71	0.34	0.10	0.24	Increase salary budget for 2 positions; shift 1 FTE from Investment's office
Alumni and Constituent Affairs	Enriches the lives of alumni and engages them as volunteers, advocates and contributors to UC	1.02	1.03	0.56	0.57	0.46	0.46	-	-	-	
SVP Public Affairs Immediate Office	Provides strategic direction and leadership support focused on increasing public understanding and support for the university	1.61	1.20	1.58	1.17	0.03	0.03	0.41	0.41	-	Shift of 4 FTE from President's Executive Office, net of division vacancy factor
Other programs	Includes Institutional Advancement and the Issues Management and Policy Coordination (IMPAC) functions	3.20	2.99	1.15	0.94	2.05	2.05	0.22	0.22	-	Net increase includes merit and benefits and IT service fee increase, offset by centralization of IT utility costs
REGENTS OFFICERS		58.45	57.97	21.06	20.95	37.39	37.02				
General Counsel	Provides legal services to the Board of Regents, administration, faculty, staff and others acting on the university's behalf.	12.49	11.65	10.46	10.39	2.03	1.26	0.84	0.07	0.77	Shift 1 FTE from Investment's office and 1 from Audit & Compliance; convert finance attorney funding to permanent
Secretary of the Regents	Serves as the primary liaison between and among the Regents and the administration of the University	3.08	2.91	3.07	2.90	0.01	0.01	0.17	0.17	-	Increased meeting expenses related to concurrent meeting format and closed captioning, and increased number of off-cycle meetings
Ethics & Compliance		7.54	7.67	7.53	7.66	0.01	0.01				
Compliance Services	Supports UC's endeavors to serve the people of California in an ethics-based environment, compliant with applicable laws, rules and regulations and in which the public trust is maintained	4.59	4.60	4.59	4.60	-	-	(0.01)	(0.01)	-	Net reduction includes vacancy adjustment and centralization of IT utility costs, offset by merits and benefits
Audit Services	Manages the systemwide internal audit program	2.94	3.06	2.94	3.06	-	-	(0.12)	(0.12)	-	Shift of 1 FTE to Office of the General Counsel
Investments Office	Manages a portfolio of investments totaling approximately \$100 billion, which includes retirement, endowment, and cash assets	35.34	35.74	-	-	35.34	35.74	(0.40)	-	(0.40)	Shift of 1 FTE to Office of the General Counsel
TOTAL		336.23	325.67	172.69	173.08	163.54	152.59	10.56	(0.39)	10.95	Totals
% change		3.2%		-0.2%		7.2%					

Appendix III - Division/Sub-division Programs and Activities Detail  
Item B4 Figure 6 - Department Detail for Central and Administrative Services

FY 2017-18 BUDGET SUMMARY OFFICE OF THE PRESIDENT (\$ millions)		TOTAL BUDGET		UNRESTRICTED BUDGET		RESTRICTED BUDGET		FY16-17 to FY17-18 Year over Year Variance Analysis Notes			
		TOTAL Proposed Budget FY 2017-18	TOTAL BUDGET FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	TOTAL Proposed Budget FY 2017-18	TOTAL FY 2016-17	Total Budget \$ Delta	Unrestricted	Restricted	Notes
Line Item Description											
OFFICE OF THE PRESIDENT											
UC Path Operations	Serves as the transactional hub for the university’s HR, payroll benefits, general ledger, work force administration and academic processes.	52.44	20.15	52.44	20.15	-	-	32.29	32.29	-	\$9M for increase to ongoing IT support of UC Path; \$23M for 195 additional FTEs for UC Path Center
% change		160.2%		160.2%							
Grand Total (including UC Path Operations)		388.67	345.82	225.13	193.23	163.54	152.59	42.85	31.90	10.95	
% change		12.4%		16.5%		7.2%					

## Appendix IV – 2017-18 Assessment Distribution – 33% - 33% -33%

	Data Year	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
<b>Percentage Distributions by Category</b>												
Current Fund Expenditures	2015-16	8.6%	14.8%	9.1%	23.6%	0.9%	2.7%	14.7%	20.2%	3.2%	2.2%	100.0%
Total Students (Actual FTE)	2015-16	15.0%	13.6%	12.5%	16.3%	2.7%	8.3%	13.3%	1.8%	9.3%	7.1%	100.0%
Total Academics and Staff (FTE)	FNL2016	9.8%	15.6%	9.8%	23.2%	1.2%	3.6%	14.9%	14.5%	4.3%	3.1%	100.0%



Appendix V - Systemwide Initiatives and Programs

		Description	Total Proposed Budget FY 17-18	Expenses (Projected) FY 16-17	Total Budget FY 16-17	Actual Expenses FY 15-16	Var FY 16-17 to FY 17-18	Notes		Total Proposed Budget FY 17-18	Expenses (Projected) FY 16-17	Total Budget FY 16-17	Actual Expenses FY 15-16	Var FY 16-17 to FY 17-18	Notes	Grand Total Proposed Budget FY 17-18	Expenses (Projected) FY 16-17	Total Budget FY 16-17	Actual Expenses FY 15-16
	Initiatives and Programs with Limited Term Funding								Initiatives and Programs in the Permanent Budget										
1	CyberSecurity <sup>1</sup>	Start up funding for the Cyber Risk program at UCOP established to coordinate a comprehensive Threat Detection and Intelligence capability for the entire system designed to protect UC from attacks like the one on UCLA Health. The one-time funds were used to pay an outside vendor initial monitoring, issue an RFP for an ongoing vendor to provide such services and startup costs for the 10 campuses and 5 health systems.		7,235,000	7,235,000	1,761,000	(7,235,000)	CyberSecurity had limited term funding in FY15-16 for start-up and remediation, which continued in FY16-17 while funds were also included in the permanent budget. CyberSecurity moved completely to the permanent budget in FY17-18	CyberSecurity <sup>1</sup>	9,600,000	9,600,000	9,600,000	-	-	Cyber was temp funded only in FY15-16, moved to permanent in FY16-17	9,600,000	16,835,000	16,835,000	1,761,000
2	Global Food Initiative <sup>P 2</sup>	Harnessing the collective power of UC's research, community and facilities to make it possible for the world to sustainably and nutritiously feed itself.	5,000,000	2,400,000	5,200,000	1,899,000	2,600,000	GFI is an ongoing program with multi-year commitments, changes in year to year expenditures reflect timing in transferring funds to the campuses								5,000,000	2,400,000	5,200,000	1,899,000
3	UC Merced Wetlands <sup>3</sup>	Reimbursement for UC Merced's environmental mitigation expenses related to the building and expansion of the campus.		4,600,000	4,600,000	7,385,000	(4,600,000)	Reimbursement to UCM for their wetlands mitigation expenses, total commitment was \$12.3 million. FY16-17 amount was the final payment								-	4,600,000	4,600,000	7,385,000
4	Undocumented Students Initiative <sup>P 1</sup>	Enhancing resources, including on-campus support and access to financial aid, for undocumented students in recognition that these students face unique challenges.	2,500,000	3,431,628	3,431,628	600,000	(931,628)	FY15-16 funding for legal services, Student support and financial aid program started in FY16-17, including Dream Loan funding (paid from UC funds, not OP funds), student support and financial aid								2,500,000	3,431,628	3,431,628	600,000
5	Research Catalyst Awards <sup>P 2</sup>	Research awards for multi-campus research in areas of strategic importance to UC that could benefit California and the world. Research proposals must involve a minimum of three UC campuses and address topics that have the potential to improve human lives, society, the environment, or the economy, enhance culture and community or provide other public benefit.		3,000,000	3,000,000	2,991,000	(3,000,000)	FY16-17 was the last year of the current three-year commitment								-	3,000,000	3,000,000	2,991,000
6	Carbon Neutrality <sup>P 2</sup>	Supporting systemwide efforts to achieve UC's goal of becoming carbon neutral by 2025 through initiatives such as student fellowships, teaching and research in sustainability and climate change.		1,600,000	2,500,000	1,211,000	(1,600,000)	CNI is an ongoing program with multi-year commitments, changes in year to year expenditures reflect timing in transferring funds to the campuses, the commitment for FY17-18 will be funded from the permanent Presidential Initiative funds								-	1,600,000	2,500,000	1,211,000
7	President's Postdoctoral Fellows <sup>P 1</sup>	Postdoctoral research fellowships, professional development and faculty mentoring for outstanding scholars in all fields whose research, teaching, and service will contribute to diversity and equal opportunity at UC.		2,149,456	2,149,456	1,660,000	(2,149,456)	This funding represents a limited-term augmentation to the ongoing program for additional fellows, FY16-17 was the last year of that augmentation	President's Postdoctoral Fellows <sup>P 1</sup>	803,589	2,000,000	2,000,000	1,782,169	(1,196,411)	Proposed FY17-18 budget is being reduced by the amount that is campus-based, due to the State direct appropriation of UCOP funding	803,589	4,149,456	4,149,456	3,442,169
8	UC Riverside Medical School <sup>4</sup>	UCOP's committed funds for the start-up of UC Riverside's medical school.	2,000,000	2,000,000	2,000,000	2,000,000	-							-		2,000,000	2,000,000	2,000,000	2,000,000
9	Sexual Violence/Sexual Harrassment <sup>1</sup>	Expansion of systemwide training, outreach and investigative capabilities aimed at the prevention of sexual violence and sexual harassment on UC campuses.		1,664,174	1,664,174	3,270,000	(1,664,174)	Represents limited term funding for expansion of SVSH prevention capabilities at UCOP and a systemwide SVSH task force; the SVSH expansion has been moved to the permanent budget	Sexual Violence/Sexual Harrassment <sup>1</sup>	975,000	875,000	975,000	657,000	100,000	FY15-16 and FY16-17 savings due to vacancies as the program staffed up	975,000	2,539,174	2,639,174	3,927,000
10	Historically Black Colleges and Universities Fellowships <sup>P 1</sup>	Partnering with historically black colleges and universities to provide opportunities for their graduates to attend UC for their graduate careers.		174,362	174,362	1,825,000	(174,362)	One-time supplemental funding for additional fellowships and grant awards in FY15-16, carried forward into FY16-17	Historically Black Colleges and Universities Fellowships <sup>P 1</sup>	2,000,000	2,000,000	2,000,000	1,361,323	-	Unused funding carried into FY16-17 due to timing in allocating fellowship awards	2,000,000	2,174,362	2,174,362	3,186,323
11	Education Abroad Program	UC's systemwide study abroad program partners with 120 universities worldwide and offers programs in 42 countries. >5,600 students participate annually.							Education Abroad Program	34,982,928	34,982,928	34,982,928	34,982,928	-		34,982,928	34,982,928	34,982,928	34,982,928
12	California Institutes for Science and Innovation	A statewide initiative to support research in fields that were recognized as critical to the economic growth of the state – biomedicine, bioengineering, nanosystems, telecommunications and information technology. The initiative funds four institutes across 9 campuses that represent a multidisciplinary effort focusing on public/private resources and expertise simultaneously with research areas critical to sustaining California's economic growth and its competitiveness in the global marketplace.							California Institutes for Science and Innovation	4,800,000	16,660,000	16,660,000	16,660,000	(11,860,000)	Proposed FY17-18 budget is being reduced by the amount that is campus-based and funded, due to the State direct appropriation of UCOP funding	4,800,000	16,660,000	16,660,000	16,660,000
13	UC Observatories	The University of California Observatories (UCO) is a multi-campus research unit, which operates the Lick Observatory, the technical labs at UC Santa Cruz and UCLA, and acts as a managing partner of the Keck Observatory in Hawaii.							UC Observatories	7,598,244	7,598,244	7,598,244	7,598,244	-		7,598,244	7,598,244	7,598,244	7,598,244
14	Public Service Law Fellowships <sup>P</sup>	A systemwide fellowship program to support UC law students and graduates committed to practicing law in service to the public.							Public Service Law Fellowships <sup>P</sup>	4,500,000	4,500,000	4,500,000	-	-	Fellowship awards started in FY16-17	4,500,000	4,500,000	4,500,000	-
15	UC Mexico Initiative <sup>P</sup>	Creating a strategic and equal partnership between UC and institutions in Mexico, to address common issues and educate the next generation of leaders.							UC Mexico Initiative <sup>P</sup>	2,348,742	2,348,742	2,348,742	2,348,742	-		2,348,742	2,348,742	2,348,742	2,348,742
16	Natural Reserve System	The UC Natural Reserve System is a network of protected natural areas throughout California. Its 39 sites include more than 756,000 acres, making it the largest university-administered reserve system in the world. The Natural Reserve System includes the White Mountain Research Center.							Natural Reserve System	1,551,257	2,193,281	2,193,281	2,319,985	(642,024)	Proposed FY17-18 budget is being reduced by the amount that is campus-based, due to the State direct appropriation of UCOP funding	1,551,257	2,193,281	2,193,281	2,319,985
17	Student Acad Prep/Ed Partnerships (SAPEP) Puente	A series of programs focused on high school student and community college transfer student preparation for and access to the University of California. Includes SAPEP-ASSIST, SAPEP Puente, SAPEP Campus Programs, SAPEP Evaluation, SAPEP Graduate Students, SAPEP MESA, and SAPEP UC LEADS.							Student Acad Prep/Ed Partnerships (SAPEP) Puente	(0)	1,266,403	1,266,403	1,266,403	(1,266,403)	Proposed FY17-18 budget is being reduced by the amount that is campus-based, due to the State direct appropriation of UCOP funding	(0)	1,266,403	1,266,403	1,266,403



Appendix V - Systemwide Initiatives and Programs

		Description	Total Proposed Budget FY 17-18	Expenses (Projected) FY 16-17	Total Budget FY 16-17	Actual Expenses FY 15-16	Var FY 16-17 to FY 17-18	Notes		Total Proposed Budget FY 17-18	Expenses (Projected) FY 16-17	Total Budget FY 16-17	Actual Expenses FY 15-16	Var FY 16-17 to FY 17-18	Notes	Grand Total Proposed Budget FY 17-18	Expenses (Projected) FY 16-17	Total Budget FY 16-17	Actual Expenses FY 15-16
	Initiatives and Programs with Limited Term Funding								Initiatives and Programs in the Permanent Budget										
18	Inst of Transportation Studies	ITS locations at the University of California's Berkeley, Davis, Irvine, and Los Angeles campuses are centers for research, education, and scholarship in the fields of transportation planning and engineering.							Inst of Transportation Studies	980,000	980,000	980,000	980,000	-		980,000	980,000	980,000	980,000
19	California Program on Access to Care (CPAC)	An applied policy research program administered by the California Policy Research Center, a systemwide research program overseen by a Steering committee that includes appointees of the Governor, the Senate President Pro Tempore and Minority Leader, the Assembly Speaker and Minority Leader, and the UC President to address issues related to access to health care for low-income populations. Areas of examination include an assessment of health services for the working poor, paying particular attention to immigrant workers and their families, and low-income households in agricultural and rural areas.							California Program on Access to Care (CPAC)	0	935,465	935,465	935,465	(935,465)	Proposed FY17-18 budget is being reduced by the amount that is campus-based, due to the State direct appropriation of UCOP funding	0	935,465	935,465	935,465
20	UC MEXUS	The University of California Institute for Mexico and the United States (UC MEXUS), is an academic research institute dedicated to encouraging, securing, and contributing to binational and Latino research and collaborative academic programs and exchanges. Its main focus is to contribute substantially to improving binational scholarly understanding and providing positive contributions to society in both Mexico and the United States, particularly in the graduate and professional areas. UC MEXUS provides support for doctoral students from Mexico coming to study in the UC system, and for postdoctoral researchers from both countries within the UC system. The program also provides funding for binational collaborative research projects, and is considered by the Mexican government to be a model for the nation for how institutions in the United States and Mexico should collaborate.							UC MEXUS	930,136	930,136	930,136	930,136	-		930,136	930,136	930,136	930,136
21	UC Sacramento Center	UC site located in Sacramento is a multi-campus center focused on providing academic programs in public policy for students from across the system. This program gives students an opportunity to study public policy through seminars and internships in and around the State Capitol.							UC Sacramento Center	636,603	636,603	636,603	636,603	-		636,603	636,603	636,603	636,603
22	D. Hayes-Bautista Project	The Center for the Study of Latino Health and Culture (CESLAC), under the leadership of Dr. Hayes-Bautista has provided cutting-edge research, education, and public Information about Latinos, their health, and their role in California. It has been the lead institution to inform the public about the important emerging Latino medical market by emphasizing the positive contributions of Latinos to the state's economy and society. CESLAC created the first courses at UCLA in which medical and public health students focus on Latino health and created MedPEP, a community college program that provides direction and assistance to Latino students planning to study medical health as a profession. Funding has been allocated by UCOP through its systemwide research portfolio.							D. Hayes-Bautista Project	556,602	556,602	556,602	556,602	-		556,602	556,602	556,602	556,602
23	Song Brown Act	UC contribution to the program, which encourages universities and primary care health professionals to provide healthcare in medically underserved areas, and financial support to family medicine, internal medicine, OB/GYN, and pediatric residency programs, family nurse practitioner, physician assistant, and registered nurse education programs throughout California.							Song Brown Act	500,000	500,000	500,000	178,440	-	This line also included funds for other programs which were funded on a limited-term basis	500,000	500,000	500,000	178,440
24	Drew Matching Funds	Matching central UC funds for the Charles R. Drew University of Medicine and Science, a private, non-profit University that conducts educational and research programs in south central Los Angeles in conjunction with Martin Luther King, Jr. County Hospital. The funds are designated to match State general funds for Charles Drew University administered by UC.							Drew Matching Funds	475,000	475,000	475,000	475,000	-		475,000	475,000	475,000	475,000
25	CA State Summer School - Math & Science (COSMOS)	COSMOS is an intensive four-week summer residential program for high school students who have demonstrated an aptitude for academic and professional careers in science, technology, engineering and mathematics (STEM) subjects. Students completing grades 8-12 have the opportunity to work with renowned faculty, researchers and scientists in state-of-the-art facilities, while exploring advanced STEM topics far beyond the courses usually offered in California high schools.							CA State Summer School - Math & Science (COSMOS)	(0)	240,562	240,562	240,562	(240,562)	Proposed FY17-18 budget is being reduced by the amount that is campus-based, due to the State direct appropriation of UCOP funding	(0)	240,562	240,562	240,562
26	Wilkie-Soc Security/Double Taxation	A research project in the field of international tax policy at UCLA focusing on ending U.S.-Mexican inequities in taxation of personal income of executives, professionals, technicians and workers and double taxation of social security contributions.							Wilkie-Soc Security/Double Taxation	187,093	187,093	187,093	187,093	-		187,093	187,093	187,093	187,093

Appendix V - Systemwide Initiatives and Programs

		Description	Total Proposed Budget FY 17-18	Expenses (Projected) FY 16-17	Total Budget FY 16-17	Actual Expenses FY 15-16	Var FY 16-17 to FY 17-18	Notes		Total Proposed Budget FY 17-18	Expenses (Projected) FY 16-17	Total Budget FY 16-17	Actual Expenses FY 15-16	Var FY 16-17 to FY 17-18	Notes	Grand Total Proposed Budget FY 17-18	Expenses (Projected) FY 16-17	Total Budget FY 16-17	Actual Expenses FY 15-16
		Initiatives and Programs with Limited Term Funding								Initiatives and Programs in the Permanent Budget									
27		Mathematics Diagnostic Testing Project (MDTP)								Mathematics Diagnostic Testing Project (MDTP)	59,082	59,082	59,082	59,082	-	59,082	59,082	59,082	59,082
28		Youth Leadership								Youth Leadership	50,000	50,000	50,000	45,000	-	50,000	50,000	50,000	45,000
29		Graduate Fellows Program								Graduate Fellows Program	41,000	54,000	41,000	41,000	(13,000) Increase to the annual amount was approved in FY16-17, after FY17-18 budget presentation	41,000	54,000	41,000	41,000
		Grand Total	\$ 9,500,000	\$ 28,254,620	\$ 31,954,620	\$ 24,602,000	\$ (18,754,620)	\$ -		Grand Total	\$ 73,575,276	\$ 89,629,141	\$ 89,716,141	\$ 74,241,777	\$ (16,053,865)	\$ 83,075,276	\$ 117,883,761	\$ 121,670,761	\$ 98,843,777

P Presidential Initiative  
1 Initiative has moved from one-time to permanent funding  
2 Initiative has moved from one-time to Presidential Initiatives Fund permanent funding  
3 Final payment of limited-term funding  
4 One-time/limited-term

UNIVERSITY OF CALIFORNIA

# Report of the Portfolio Review Group

---

2012-2013 University of California Systemwide  
Research Portfolio: Cycle 1 Programs Findings  
and Recommendations

1/7/2014

## ***Contents***

Letter to the Vice President .....	3
2012-2013 Portfolio Review Group Members .....	4
Executive Summary.....	5
Summary of PRG Findings and Recommendations for Cycle 1 Programs .....	6
Background and Process Overview.....	7
Principles, Objectives and Considerations .....	7
Program Summaries and Supporting Information .....	8
Deliberation Process–Principle Alignment Analysis .....	8
Deliberation Process–Research Investment Priority Assessment.....	9
Findings and Recommendations.....	9
UC Research Initiative: Multicampus Research Programs and Initiatives.....	9
UC Research Initiative: Laboratory Fees Research Program .....	11
California Institutes for Science and Innovation .....	11
UC Observatories and Keck Telescopes.....	12
Natural Reserve System.....	13
University of California Institute for Mexico and the United States .....	14
Research Opportunity Fund .....	15
California HIV-AIDS Research Program.....	15
UC Research Initiatives: Proof of Concept Commercialization Gap Grants .....	16
Conclusion and Next Steps: Plan for Future Assessments.....	17
Appendix 1: Portfolio Review Group (PRG) – Charge to the Committee (01/17/2013) .....	18
Appendix 2: Considerations for Conducting the Principle Alignment Review (Revised 05/24/2013).....	21
Appendix 3: Conflicts of Interest (updated 09/23/2013) .....	23

**\* Report updated on January 7, 2014 on page 12 to correct and error in the reported total budget for the CalISIs in FY13-14. Revised amount from \$15.36 million to \$20.16 million. Previous version dated 12/9/2013.**

## ***Letter to the Vice President***

On behalf of the members of the Portfolio Review Group, I am pleased to transmit the final report on Cycle 1 systemwide research programs. This report complements the Interim report submitted by the Portfolio Review Group with recommendations for optimizing UC's systemwide research investments to ensure the highest value and impact for the system.

The findings and recommendations presented in this report represent a strong consensus among the majority of committee members. Two members, while supporting the majority of the findings and recommendations herein, do not support the recommended restoration of funding for MRPI or the planned increase of funding for the Cal ISIs to earlier levels until after the recommended programmatic changes discussed have been adopted and implemented. These member supported transmission of this report with the provision that their caveats on these specific programs be noted.

I want to express my deep appreciation to the members of the PRG who without exception have been exceptionally thoughtful and diligent in their analysis. Their commitment and integrity has been critical to the progress made in conducting this review of UC's systemwide research portfolio. We are greatly indebted to the staff who supported the committee and to the programs directors who provided thoughtful and informative summaries upon which this report is based. This information was critical to our work and their efforts are greatly appreciated.

I welcome your feedback on this report.

Sincerely,

A handwritten signature in dark ink, reading "Paul R. Gray". The signature is fluid and cursive, with the first name "Paul" and last name "Gray" being the most prominent parts.

Dr. Paul R. Gray

Chair, Portfolio Review Group

## ***2012-2013 Portfolio Review Group Members***

### **Paul Gray, PRG Chair**

Professor Emeritus and Executive Vice  
Chancellor and Provost Emeritus

### **Robert Price, UC Berkeley**

Associate Vice Chancellor for Research and  
Professor of Political Sciences

### **Harris Lewin, UC Davis**

Vice Chancellor for Research and  
Professor of Evolution and Ecology

### **Michael Kleeman, UC Davis**

Professor, Civil & Environmental Engineering  
and immediate past Chair of the of the  
University-wide Committee on Research Policy

### **John Hemminger, UC Irvine**

Vice Chancellor for Research and  
Professor of Chemistry

### **Steve Olsen, UC Los Angeles**

Vice Chancellor of Budget, Finance and Capital  
Programs and Chief Financial Officer

### **Timothy Tangherlini, UC Los Angeles**

Professor in the Department of Asian Languages  
and Cultures

### **Juan Meza, UC Merced**

Dean of the School of Natural Sciences

### **Robert Clare, UC Riverside**

Professor of Physics and Chair of the  
University-wide Committee on Research Policy

### **Marylynn Yates, UC Riverside**

Dean of the College of Natural & Agricultural  
Sciences and Professor of Environmental  
Microbiology

### **Sandra Brown, UC San Diego**

Vice Chancellor for Research and  
Professor of Psychology and Psychiatry

### **Keith Yamamoto, UC San Francisco**

Vice Chancellor for Research, Executive Vice  
Dean of the School of Medicine and Professor  
of Cellular & Molecular Pharmacology

### **Tejal Desai, UC San Francisco**

Professor of Bioengineering and Therapeutic  
Sciences and of Physiology

### **Michael Witherell, UC Santa Barbara**

Vice Chancellor for Research and  
Professor of Physics

### **David Stuart, UC Santa Barbara**

Professor of Physics

### **Tyrus Miller, UC Santa Cruz**

Vice Provost and Dean of Graduate Studies and  
Professor of Literature

### **Susan Gillman, UC Santa Cruz**

Professor of Literature

## ***Executive Summary***

The Portfolio Review Group was appointed by Vice President for Research and Graduate Studies Steve Beckwith in the fall of 2012 and charged with:

1. Reviewing the Systemwide Research Portfolio (the portfolio) and assessing alignment of programs within the portfolio against the three principles for systemwide research investments;
2. Making recommendations on priorities and adjustments in the current mix of research investments; and,
3. Suggesting long-term strategies for maintaining a vibrant and well-balanced research portfolio.

The alignment assessment was completed for the first group of portfolio programs, referred to herein as the cycle 1 programs, in the spring of 2013 and was conveyed to the Vice President for Research and Graduate Studies in the Interim Report of the PRG.<sup>1</sup> The committee's assessment of priorities and adjustments in research investments was completed for these programs in September and October of 2013. A summary of the alignment findings and recommendations as well as the recommendations associated with the priorities and research investments assessment are the subject of this report. The remaining programs in the systemwide research portfolio will be evaluated by the committee and recommendations conveyed in a separate report. As a basis for the committee's deliberations, the program director for each program being assessed was asked to provide a narrative program summary and supporting data. For both the alignment assessment and the subsequent priorities and research investment discussion, the committee followed a process of individual assessment followed by committee discussion and recommendation development for each program in the systemwide research portfolio. Assessments were based on information provided to the committee by the program directors as well as external program reviews when available. This information was not independently verified.

All of the programs included in the UC systemwide research portfolio make important contributions across the UC system and the committee concluded that each program, or at least a portion of their constituent elements, should be continued. However, in some cases, programs should not be included in the systemwide research portfolio and should be transitioned off of systemwide research funding. The findings of the committee regarding alignment, reported in the Interim Report, and the committee's recommendations on priorities and research investment are summarized in the table below.

---

<sup>1</sup> University of California, Office of the President. *Interim Report of the Portfolio Review Group: 2012-2013 University of California Systemwide Research Portfolio Alignment Assessment*. Oakland, CA. June 13, 2013. [http://ucop.edu/research-graduate-studies/\\_files/research/documents/prg-2013-interim-report.pdf](http://ucop.edu/research-graduate-studies/_files/research/documents/prg-2013-interim-report.pdf)

***Summary of PRG Findings and Recommendations for Cycle 1 Programs***

<b>Systemwide Research Program</b>	<b>Findings on Alignment to Systemwide Research Investment Principles</b>	<b>Near term Recommendations and Priority of Systemwide Research Investments (trajectory of systemwide research funds)</b>
MRPI	Aligned	Increase level of systemwide research investment
LFRP	Aligned	Maintain current level of systemwide research investment
CallSIs	Mostly aligned	Maintain current level of systemwide research investment
UCO & Keck	Aligned	Maintain current level of systemwide research investment
NRS	Aligned	Maintain current level of systemwide research investment
MEXUS	Aligned	Maintain current level of systemwide research investment
ROF	Not aligned	Reconfigure program: Maintain current level of systemwide investment
CHRP	Not aligned	Remove program from systemwide research portfolio: Eliminate systemwide research investment
POC	Not aligned	Remove program from systemwide research portfolio: Eliminate systemwide research investment



## ***Background and Process Overview***

The University of California, Office of the President provides funding for a small number of research programs and facilities intended to mutually benefit the University and the State of California. The current mix of systemwide research investments arose over many decades in response to different opportunities or political imperatives. While the size and composition of the Systemwide Research Portfolio (the portfolio) had evolved over time, a comprehensive review of the portfolio had not up till now been done.

To ensure that the current and future systemwide research portfolio provides optimal systemwide value, the University of California, Office of the President established the Portfolio Review Group (the committee). The committee was convened by Vice President for Research and Graduate Studies Steve Beckwith in the fall of 2012. Members were nominated to serve on the committee by Campus Chancellors and the University-wide Academic Senate and were selected to include a balance of faculty and administrative perspectives, a broad range of roles and academic disciplines, and a deep knowledge of UC's research enterprise. Initial committee appointments have been extended through June 30, 2014.

The charge to the committee is included in Appendix 1. Briefly, the committee was charged with:

1. Reviewing the Systemwide Research Portfolio and assessing alignment of programs within the portfolio against to three principles for systemwide research investments,
2. Making recommendations on priorities and adjustments in the current mix of research investments.
3. Suggesting long-term strategies for maintaining a vibrant and well-balanced research portfolio.

To manage the workflow of the committee and respond to the charge in a timely manner, the programs comprising the portfolio are being evaluated in two cycles. Programs were analyzed first from the standpoint of alignment with systemwide research investment recommended by the Principles, Process, and Assessment Task Force<sup>2</sup> and refined by the committee. The Interim Report<sup>3</sup> of the committee discussed the findings and recommendations pertinent to the alignment of the cycle 1 programs. The committee subsequently assessed the level of systemwide investment in the cycle 1 programs. This report contains the committee's final findings and recommendations on the alignment and investment priorities for cycle 1 programs.

## ***Principles, Objectives and Considerations***

The committee built on the principles for systemwide research investment recommended by the Principles, Process, and Assessment Task Force<sup>1</sup> and further supplemented the principles with working definitions, objectives and considerations (see Appendix 2). The principles, working definitions, objectives and considerations served, collectively, as a framework for the committee's assessment and

---

<sup>2</sup> University of California, Office of the President. *The Task Force on University-wide Research Principles, Process and Assessment*. Oakland, CA. June 2012. [http://ucop.edu/research-graduate-studies/\\_files/research/documents/ppa\\_report.pdf](http://ucop.edu/research-graduate-studies/_files/research/documents/ppa_report.pdf)

<sup>3</sup> University of California, Office of the President. *Interim Report of the Portfolio Review Group: 2012-2013 University of California Systemwide Research Portfolio Alignment Assessment*. Oakland, CA. June 13, 2013. [http://ucop.edu/research-graduate-studies/\\_files/research/documents/prg-2013-interim-report.pdf](http://ucop.edu/research-graduate-studies/_files/research/documents/prg-2013-interim-report.pdf)

provided guidance and structure to program directors in developing program summaries and supporting information responsive to the committee's needs.

### ***Program Summaries and Supporting Information***

For the cycle 1 program assessment, the committee based their findings and recommendations primarily on the program summary and supporting information provided by each program's director. Each director was asked to provide a program summary and supporting data to familiarize the committee with the program's mission, goals and activities as well as how the program's activities (and systemwide funds) directly contribute towards achieving the principles. A formatted template was provided to assist in collecting and presenting information in a uniform and consistent fashion. Directors were given six weeks to prepare their submissions. Submissions were processed by UCOP staff for consistency in formatting and presentation and provided to the committee several weeks in advance of the April 2013 meeting.

While specific data and information was requested, directors were given a wide scope in suggesting additional considerations, metrics or indicators relevant to their programs. This allowed each director to introduce their program using appropriate language and data appropriate and allowed members to experience the wide range of programs and reporting evidenced included in such a diverse portfolio. In the several cases where external program reviews had been completed recently, those reviews were made available to the committee.

### ***Deliberation Process–Principle Alignment Analysis***

The committee met in person three times during the 2012-13 assessment: January, April, and May 2013. Prior to the first committee meeting, program directors were advised to begin preparing a program summary and supporting data to support the assessment.

At its first meeting, the committee adopted the principles as modified, discussed the scope of work, and agreed to a process and work plan for the next six months. The committee met again in April to perform an alignment assessment and begin deliberations on a set of recommendations. Members were given access to program summaries and supporting data several weeks in advance of the meeting and were asked to perform individual assessments of each program's alignment prior to the meeting.

Members participated in all program assessments and discussions (in person or through unattributed written comments), except where a direct conflict was identified (see Appendix 3). After all programs were discussed individually, the committee considered alignment across the entire portfolio. Member assessments were compiled into unattributed group reports and used to inform discussions. Based on these discussions, members grouped the programs by degree of alignment and discussed recommendations for individual programs within each group.

A draft report of the committee's findings and recommendations was compiled and circulated to the committee for comment after the April meeting. The committee met a final time in May to finalize recommendations. The Interim Report on alignment of the cycle 1 programs was delivered on June 13, 2013.

## ***Deliberation Process—Research Investment Priority Assessment***

The committee met twice in the fall of 2013—September and October—to consider the level of systemwide investment in the cycle 1 programs.

At its September meeting, the committee adopted a process for considering funding levels of the cycle 1 programs, based on a recommendation from a subcommittee appointed for this purpose. The subcommittee also worked with UCOP staff to develop a uniform format of presentation and materials for all programs to be considered by the committee. The process was discussed, slightly modified, and adopted by the committee. Prior to the October meeting, committee members were asked to review the available program materials, and asked to perform individual assessments of each program's systemwide research investment. Members participated in all program assessments and discussions (in person or through unattributed written comments), except where a direct conflict was identified (see Appendix 3). After all programs were discussed individually, the committee considered systemwide investments across the entire portfolio. Members unable to attend all or part of the meeting were consulted offline by the chair following the meeting.

A draft report of the committee's findings and recommendations was compiled and circulated to the committee for comment after the October meeting. The final report on cycle 1 programs (this document) was delivered in December 2013.

## ***Findings and Recommendations***

The following narrative summarizes the committee's main findings and recommendations regarding both programmatic alignment and priorities for systemwide research investments. For the purpose of this discussion, the subprograms of the UC Research Initiative program—Proof of Concept Commercialization Gap Grants, Multicampus Research Programs and Initiatives, and Laboratory Fees Research Program—are treated separately, as the committee's findings and recommendations for each subprogram are different. The four California Institutes for Science and Innovation are addressed together as the findings and recommendations for the Institutes are comparable. Similarly, the University of California Observatories and Keck Telescopes are addressed together as the findings and recommendations for these programs are comparable.

### ***UC Research Initiative: Multicampus Research Programs and Initiatives***

The committee reviewed the UC Research Initiative (UCRI): Multicampus Research Programs and Initiatives (MRPI) program as it operated up through Fiscal Year 2012-13, when it was supported by a systemwide investment of approximately fifteen million dollars per year. The program supports competitively awarded research projects that span the full range of academic disciplines across all of the University of California's campuses and medical centers. Since Fiscal Year 2010-11, the MRPI program has sustained a reduction of approximately sixty-three percent in systemwide research funds, reducing the MRPI base budget from approximately fifteen million dollars per year to approximately \$5.5 million per year in Fiscal Year 2013-14. It is important to note that the committee reviewed the MRPI program as a fifteen million dollar per year operating program. The committee's findings and recommendations, therefore, reflect this higher systemwide investment.

The committee found that the MRPI program strongly aligns with the systemwide research principles for investment and currently returns value to the system commensurate with an approximately fifteen million dollars per year systemwide investment. In addition to providing important value to the system

in terms of the supported research, the committee found the MRPI program provides important support to strategically important but traditionally under-supported disciplines. The MRPI program's strategic investment in these areas (e.g. UC's Humanities Research Network) provides distinction and value to the UC system that would be difficult to achieve any other way. Additionally, the program provides a critically needed mechanism for identifying, developing, and providing seed funding to new and innovative ideas and initiatives that require collaborative, multi-campus, and cross-disciplinary research. This program is the only systematic systemwide mechanism for identifying and developing such opportunities. The committee felt that there is potential for the program to enhance its systemwide value by more effectively identifying, developing, and supporting new and innovative systemwide research.

The committee found that the MRPI program is efficiently and effectively managed at the systemwide level and could not be replicated by a single campus.

The committee wishes to comment on two important recent developments regarding the MRPI program:

1. Reduction of funding level to \$5.5M per year. The MRPI program as now constituted is not sustainable at that level, and the committee strongly recommends continuation of the higher funding level. If this is not possible, the program should be completely restructured so as to sustain an irreducible core of systemwide research programs that can be enabled only by this program and which are strategic to the UC system. This less desirable narrowing of focus would significantly weaken the value of the MRPI program to the system, as well as its alignment with the three principles.
2. The delay in the next round of MRPI funding competition jeopardizes valuable systemwide programs dependent on MRPI funding. This gap should be immediately addressed to avoid irreparable loss of important assets in the subset of initiatives and projects where alternative funding sources are unavailable.

**Recommendation 1:** The program should be restored to the \$15M/year level of systemwide investment for the fiscal year 2013-14 budget cycle.

**Recommendation 2:** Immediately address the gap in funding caused by the delay in the MRPI proposal cycle.

**Recommendation 3:** Program leadership should consider several enhancements to the program that could potentially increase its systemwide value:

1. More effectively foster new initiatives by adding proposal cycles so that new ideas are captured more frequently.
2. Conduct an impact assessment to capture and measure outcomes aligned with the three systemwide research investment principles. Outcome measures will need to be tailored to individual disciplines. Perform such impact assessments on a continuing basis going forward.
3. Provide larger, more concentrated grants in areas of strategic priority to the UC system.

**Recommendation 4:** The program should be reevaluated for alignment with the systemwide research investment principles and level of systemwide investment in three years.

## ***UC Research Initiative: Laboratory Fees Research Program***

Funding for the Laboratory Fees Research Program is derived from the laboratory management fee received from the US Department of Energy for administering the three national laboratories associated with the UC system: Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and Los Alamos National Laboratory. These funds are awarded through the UC Research Initiative (UCRI): Laboratory Fees Research Program (LFRP) to support collaborative research between UC campuses and the national laboratories.

The committee found that the LFRP program aligns with the systemwide research principles for investment and provides a unique value to the system by fostering productive collaborations and providing campus faculty and graduate students with access to the unique research facilities and research environments available at the national laboratories. This program is effectively and efficiently administered at the systemwide level.

The systemwide value of this program could be strengthened by expanding the program's research focus and by broadening awareness of and participation in the program. This could be achieved by developing, jointly with laboratory leadership, a set of strategic research priorities that are mutually beneficial to the laboratories and the University of California prior to future LFRP solicitations.

**Recommendation 1:** The current practices of reinvesting the laboratory management fee to fund collaborative campus-laboratory research under the LFRP program should continue.

**Recommendation 2:** The program should develop a set of strategic research priorities that are mutually beneficial to the laboratories and the University of California.

**Recommendation 3:** The program should be reevaluated for alignment with the systemwide research investment principles and level of systemwide investment in three years.

## ***California Institutes for Science and Innovation***

The four California Institutes for Science and Innovation (CallSIs) support an array of translational and applied interdisciplinary research in engineering and the sciences and have demonstrated exceptional capability in leveraging external investments. Collectively, the CallSIs engage virtually every campus to some extent and a subset of campuses very substantially. The CallSIs substantially align with the systemwide principles and return value to both the UC system and the state.

The committee found that there is unrealized potential to increase the systemwide value and impact of the Institutes by expanding research engagement, collaboration, and participation both between each Institute's host campuses and beyond the host campuses. Some CallSIs have achieved higher degrees of cross-campus interaction and leveraging of external funds than others, and the committee, in concert with the recent external reviews,<sup>4,5,6,7</sup> supports improvement in these aspects wherever possible. The

---

<sup>4</sup> University of California, Office of the President. *California Institute for Quantitative Biosciences, 2007 Academic Review Final Report*. Oakland, CA. November, 2007.

<sup>5</sup> University of California, Office of the President. *Center for Information Technology Research in the Interest of Society, 2010 Academic Review Final Report*. Oakland, CA. December, 2010.

<sup>6</sup> University of California, Office of the President. *California Institute for Telecommunications and Information Technology, 2011 Academic Review Final Report*. Oakland, CA. November, 2011.

committee recognizes that the Institutes have individually evolved their own operating and research approaches and that without careful implementation, broadening multicampus collaborations has the potential to lessen the impact and focus of the Institutes. Nonetheless, to varying degrees and depending on the particular Institute, the opportunity to enhance each Institute's systemwide value exists.

Each Institute has recently gone through an academic review. While these earlier reviews focused on individual Institutes, it is an appropriate time to examine the Institutes as a group. The committee recommends that the Office of the President consider forming an advisory body to provide advice to the Institute directors on 1) strategic opportunities for increasing multicampus engagement in the Institutes wherever possible and appropriate; 2) areas of overlapping research interest and projects between Institutes; 3) strategies for more closely aligning cross-Institute research initiatives where appropriate; 4) strategies for evolving the program as the current research domains mature; 5) areas of overlapping administrative functions and strategies for increasing management efficiencies; and 6) operational best practices that can be shared across Institutes among other topics to be decided on by the Institute directors and UCOP.

The 2013-14 fiscal year allocation memo<sup>8</sup> indicated the CallSI base support will be increased by seven million dollars over two years; bringing the total funding from state and assessment funds to \$20.16 million. The committee found that this increased systemwide investment is appropriate and should remain steady through fiscal year 2016-17, after which the program should be reevaluated for alignment with the systemwide research investment principles and level of systemwide investment. While some level of systemwide investment in the CallSIs is both necessary and appropriate, it may be possible for host campuses to increase support of the Institutes on their campus. This consideration should be part of subsequent evaluations of the systemwide investment.

**Recommendation 1:** UCOP funding levels for the Institutes should be maintained at the fiscal year 2013-14 allocation level through fiscal year 2016-17, at which point the program should be reevaluated for alignment with the systemwide research investment principles and level of systemwide investment.

**Recommendation 2:** Each Institute should develop a plan for increasing systemwide research engagement, collaboration, and participation wherever possible, advantageous, and appropriate.

**Recommendation 3:** The Office of the President should consider forming an advisory body with systemwide as well as non-UC affiliated membership to provide advice regarding future evolution of the Institutes as a whole and opportunities for inter-Institute collaboration and synergy.

## ***UC Observatories and Keck Telescopes***

The UCO Action Plan<sup>9</sup> mandates operational and funding bounds on the University of California Observatories (UCO) program moving forward. The committee was not asked to comment on this plan and has not done so in this report. The committee did review the program for its alignment to the three

---

<sup>7</sup> University of California, Office of the President. *California Nanosystems Institute, 2011 Academic Review Final Report*. Oakland, CA. November, 2011.

<sup>8</sup> President March G. Yudof to University of California Chancellors. August 19, 2013. Office of the President. *Final Allocations for 2013-14*.

<sup>9</sup> Provost and Executive Vice President Aimee Dorr and Executive Vice President Nathan Brostrom to UCO Interim Director Sandra Faber and UCO Interim Executive Director David Kliger. September 16, 2013. Office of the President, *UCO Action Plan*.

systemwide research investment principles and found that overall, the program substantially aligns with the principles. The committee also found that the UCO returns systemwide value commensurate with the current systemwide funding through world class astronomical facilities and important public outreach that supports UC's current and future preeminence in astronomy and astrophysics. Implementation of the UCO Action Plan needs to be done in a managed fashion so that this systemwide value is maintained, and which comprehends the need for UCO to support Keck and the next generation telescopes.

In addition to the activities outlined in the UCO Action Plan, as planning, schedules, and budgets for the next generation telescopes progress the committee recommends that the program consider investment priorities for whether and how UCO could support Keck and a next generation telescope. The committee found that the Keck Telescopes were operated efficiently and found that operation of the Keck Telescopes is a good example of a systemwide activity. UC's current contract to support Keck stipulates the annual level of systemwide investment through 2018. The committee found that the Keck Telescopes deliver value commensurate with this level of systemwide investment.

At this time, the committee is not making a recommendation on the level of systemwide funding as the UCO Action Plan provides a mandated path for the complex organization. However, the committee could not ascertain whether or not the systemwide funds currently supporting the Lick Observatory will be retained in the UCO program as the Lick Observatory is transitioned off systemwide funds. The committee recommends that these systemwide funds remain with the UCO program to appropriately support, plan, and execute Keck and Keck-related activities and projects developing the next generation telescopes. The committee recommends that UCO be reevaluated for both alignment and systemwide investment in three to five years; at the mid-point of the UCO Action Plan timeline. The committee assumes that the program will operate under the guidelines outlined in the UCO Action Plan.

**Recommendation 1:** The program should include discussion of long-term investment priorities as the end of the current Keck contract approaches.

**Recommendation 2:** The systemwide funds currently supporting the Lick Observatory should remain with the UCO program to the extent appropriate to support, plan, and execute UCO priorities as the Lick Observatory is transitioned off systemwide funds.

**Recommendation 3:** The program should be reevaluated for alignment with the systemwide research investment principles and level of systemwide investment in three to five years, at the mid-point of the UCO Action Plan timeline.

## ***Natural Reserve System***

The Natural Reserve System (NRS) provides the UC system with a unique opportunity to conduct field research, educate students, engage the public, and conserve California's biodiversity. The program is an important asset for the UC system, for the state, and for the nation. As such, the committee found that the NRS program is well aligned with the systemwide research principles and returns value commensurate with the current systemwide investment.

Given the present revenue streams, the current size and scope of the program may be unsustainable. A strategic plan is needed to move the program to a sustainable financial model that preserves UC's investment in biodiversity conservation, addresses the deferred maintenance and deterioration issues across the reserves, increases the educational and research opportunities to the UC community, and improves the program's public outreach capabilities. The program should consider cultivating alternative revenue streams and, where appropriate, partner with philanthropic organizations and other

conservation funders to support the reserves. Of critical importance to the program's long-term sustainability is the deferred maintenance and deterioration of facilities at many of the reserves. The committee recommends that the program include in its strategic plan a comprehensive process for prioritizing and working through the backlog of existing maintenance issues. Greater awareness of the program within the UC system could help increase use of the Natural Reserve System by researchers both in the state and around the country, which could enhance the program's overall impact. Broader awareness of the program outside of the UC system could help increase use of the program by community members, educators, and potential funding partners.

The new NRS leadership presents an excellent opportunity for the program to develop and implement a strategic plan and to improve the systemwide engagement and governance structure across the program.

**Recommendation 1:** Funding should be maintained at the current level through fiscal year 2014-15 while the strategic plan is developed, after which the appropriate level of systemwide support should be reassessed.

**Recommendation 2:** The program should immediately develop a strategic plan to guide future directions for the system. The plan should address the systemic issues of deferred maintenance across the reserves, and if necessary should include a proposal to restructure the program to a critical core of representative ecosystems so that the NRS, as a whole, is sustainable.

**Recommendation 3:** The program should increase awareness of the NRS and the educational and research opportunities it provides the UC community.

**Recommendation 4:** The program should strengthen outreach and fundraising activities to cultivate alternative funding streams.

### ***University of California Institute for Mexico and the United States***

The University of California Institute for Mexico and the United States (UC MEXUS) is an important program for the state as an element of the collaborative, cross-border partnership between California and Mexico. Overall, the committee found that the program had potential to align well with the systemwide research investment principles. However, alignment would benefit greatly from a more strategic focus, perhaps around a limited number of themes that could be determined together with CONACYT.

While the current program provides systemwide value, the committee noted additional potential for enhancing the return on systemwide investment. Consideration should be given to whether or how management efficiencies could be achieved by leveraging campus expertise in dealing with international students. Both a program review and a management-efficiency review may help improve returned value.

**Recommendation 1:** Systemwide investment in the program should be kept flat at the current level and re-evaluated when the CONACYT-UC MOU negotiations are completed.

**Recommendation 2:** The program should collect and assess the program's impact on faculty and student diversity across the UC system. This should subsequently be done on a regular basis.

**Recommendation 3:** As part of the CONACYT-UC MOU renegotiation, a set of strategic focus areas should be developed to serve as a starting point for the discussion. Multicampus engagement and participation should be among the UC priorities in the renegotiation. Exploration of potential CONACULTA-UC collaborations should be postponed until after the CONACYT-UC MOU is finalized.



**Recommendation 4:** The program should be reevaluated for alignment with the systemwide research investment principles and level of systemwide investment in three years.

### ***Research Opportunity Fund***

The committee considered it desirable and appropriate that the Vice President for Research and Graduate Studies have access to a small discretionary fund that allows him to respond quickly to opportunities, seed new efforts, and support fast-moving and innovative research that might not allow time for a full proposal cycle. However, the committee does not believe that the Research Opportunity Fund should be assessed as part of the UC systemwide research portfolio. While the opportunities seeded with this fund may very well develop into systemwide research programs that could be included in the systemwide research portfolio and, therefore, would be appropriately assessed by this committee, until that point the VP-RGS should decide how best to manage this fund and how to make decisions about its use. As such, we recommend this program be removed from the systemwide research portfolio and evaluated separately by the Vice President according to its own success criteria.

The committee sees systemwide value in having a mechanism for identifying emerging areas of research and innovation across the UC system that might be best addressed by multicampus efforts. If there continue to be funds that are regularly allocated towards frequent and rapid proposal competitions, the committee recommends that this aspect of the ROF program be folded into the existing Multicampus Research Programs and Initiatives program, which the committee found efficiently manages such awards and competitions. It is essential, however, that the short proposal cycles and response times present in the ROF be retained to capture opportunities as they emerge. As currently implemented, the ROF program is relatively unknown, limiting its potential systemwide value. To capitalize on its potential value, the committee recommends greater outreach to the broadest eligible community of investigators.

**Recommendation 1:** The program should be removed from the systemwide research portfolio and evaluated separately by the Vice President according to its own success criteria.

**Recommendation 2:** Consideration should be given to folding aspects of the existing ROF program into the Multicampus Research Programs and Initiatives program.

**Recommendation 3:** The program should increase outreach to the eligible community of investigators to increase awareness and utilization of the program.

### ***California HIV-AIDS Research Program***

This program has been a key part of California's leadership in attacking the AIDS epidemic over the past thirty years. Originally conceived and funded as a state program administered by UC for the state, this program has had a broader focus than other programs in the research portfolio, supporting HIV/AIDS-related research across the state at both UC and non-UC institutions. The program has created several partnerships between UC researchers and external organizations that are working to advance HIV/AIDS treatment and prevention involving community clinical interventions, trials of new approaches to HIV treatment and prevention in the field, policy research and development, and other public health related activities. Funds are also used to support pilot research and training grants available to both UC and non-UC investigators.

The program does provide some resources to support HIV/AIDS research. However, these resources are not unique and are much smaller than available federal resources, thus the committee did not conclude that there is strong alignment with Principle 1 (enhance UC's research capacity). While the program

relies heavily on multi-sector collaborative efforts, these collaborations are primarily between UC faculty on a given campus and external entities instead of systemwide collaborations. The program does demonstrate efficiency in management, aligning adequately with Principle 2 (promote inter-campus collaborations and efficiencies of scale). While this program was unquestionably impactful when it was initially founded, the federal investment in HIV/AIDS research has greatly surpassed California's investment, thus diminishing the current impact of systemwide funds supporting this program. Therefore alignment with Principle 3 (impact for California) was strong but is waning. On the whole, the committee found the program to be important but had concerns about the program's overall alignment with the systemwide investment principles.

The committee recommends that, over a period of years, funds be shifted to help support systemwide research that is tackling new priority research areas of significant impact for the state of California. The reduction of systemwide research funding for the CHRP should be managed so that 1) some existing research-related components of the program can be competitively considered for funding through the MRPI program; 2) important community and clinical-related aspects of the program can identify other funding sources; and 3) existing grants and program commitments can be fulfilled.

**Recommendation 1:** Over the next two to three years systemwide research investment in the program should be gradually reduced, and that those research funds be shifted to support new research opportunities. Consideration should be given to shifting these systemwide research funds to the MRPI program as this is the existing mechanism for identifying and supporting new systemwide research opportunities.

**Recommendation 2:** Where appropriate, existing research-related components of the program involving faculty and graduate student research (i.e. the pilot research programs, training grants, and perhaps parts of the policy research programs) should be absorbed by other systemwide programs. The MRPI competitive grant process may be suitable.

**Recommendation 3:** The program should identify alternative modes of funding for community and clinical-related aspects of the program as these components are unlikely, even with restructuring, to align closely with the systemwide research investment principles.

### ***UC Research Initiatives: Proof of Concept Commercialization Gap Grants***

Programs that bridge the gap between discovery and application are critically important for both UC and the state and the committee recommends that investments in such programs continue. However, when evaluating the Proof of Concept Commercialization Gap Grants (PoC) program, the committee found that while the program has potential to align with Principle 3 (impact to the state), it did not align with the other principles.

PoC-type programs are most successful when the faculty and students conducting the research are closely linked to the ecosystem of investors and entrepreneurs unique to each campus. These close relationships are harder to develop and maintain in a systemwide program. Therefore, the committee recommends that campuses play the leading role in efforts to incubate and stimulate business start-ups while the Office of the President provides support and assistance for the campuses; coordinates responses to Regent's, media, federal, and state inquiries; and communicates the aggregated impacts resulting from campus-based programs.

**Recommendation 1:** Investment in the PoC program should be discontinued as a formal systemwide program and efforts shifted to the campuses as the relationships between industry and faculty are local and unique.

## ***Conclusion and Next Steps: Plan for Future Assessments***

The committee found that the value returned to the system by the cycle 1 programs reviewed in this report justifies the continued investment of systemwide funds. The findings and recommendations contained in this report would, if adopted fully, result in a flat to increasing systemwide investment in the research portfolio. The reduction in investment in the California HIV/AIDS Research Program would approximately offset the recommended restoration of systemwide research investment in the University of California Research Initiatives: Multicampus Research Programs and Initiatives.

The remainder of the systemwide research portfolio, those programs in cycle 2 of the PRG review, will be evaluated for alignment with the systemwide research investment principles and level of systemwide investment during the second half of the 2013-14 academic year. This will complete the committee's first two charges. The committee will then discuss long-term strategies for maintaining and evolving a vibrant, well-balanced UC systemwide research portfolio, thus completing the current committee charge.

## ***Appendix 1: Portfolio Review Group (PRG) – Charge to the Committee (01/17/2013)***

The UC Office of the President (UCOP) invests<sup>10</sup> in a limited number of systemwide research programs and facilities to serve UC-wide needs and strengthen research capacities throughout the UC system. The overall objective of the Portfolio Review Group (PRG) is to help optimize the investments in this portfolio given constraints on overall funding capacity. The PRG should:

- 1) Provide advice to the Vice President of Research and Graduate Studies (Vice President) on the overall value and unique purpose of the systemwide research portfolio to the University and the State of California.
- 2) Provide recommendations on how to improve UC's return on current investments. This includes recommending changes to the configuration and investment levels in the programs within the portfolio.
- 3) Advise the Vice President about strategies for growing or evolving UC investments in systemwide research to strengthen and/or balance the research portfolio.

The PRG will provide written reports to the Vice President. Final decisions about investments in research will be made by the UC President, in consultation with the UC Provost and Vice President. Recommendations will be made available to the UC community to ensure transparency about systemwide research funding.

The PRG will be responsible for carrying out the following principle tasks:

- 1) Develop working definitions and indicators for the Principles for Systemwide Research Investments (Systemwide Principles) provided by the Vice President (see attached).
- 2) Utilize the Systemwide Principles, and the working definitions and indicators (referenced above), to carry out an evaluation of the systemwide research portfolio based on information provided by Program Directors, program reviews and UCOP analyses. The committee may request additional information, from Program Directors or UCOP staff, as needed. The committee should consider both the overall performance of the portfolio in delivering value based on the Systemwide Principles and the relative value of individual research investments compared to the dollars invested. Based upon this evaluation, the committee will provide recommendations to the Vice President on priorities and adjustments within the current mix of research investments.
- 3) Consider and recommend long-term strategies for maintaining a vibrant and well-balanced research portfolio that is responsive to the needs of the University and State. Based on the Systemwide Principles, the committee should consider different approaches to identifying and evaluating new opportunities and/or areas for growth. The committee may also consider different models for funding or project competition and selection.

Additional tasks:

---

<sup>10</sup> In FY2012-13, UCOP invested close to \$85 million of UC's funds to support programs within the UC systemwide research portfolio.

- 4) During the course of its deliberations, the committee should develop suggestions for more effective strategic directions and management of individual portfolio programs. These suggestions should be noted and communicated to the Vice President as appropriate.

PRG Membership:

- A. Composition: Members will be appointed by the Vice President from a slate of faculty nominees drawn from across the UC system; administrators from the campuses and UCOP; and individuals not employed by UC (External), as deemed necessary by the Vice President. Committee membership shall be maintained at approximately 50% academic faculty and 50% administrative members.
- B. Nominations: The Vice President will select administrators and external members from nominations from campus chancellors, taking into account representation by a broad range of roles and academic disciplines on and an emphasis on individuals with a deep knowledge of research (e.g. Vice Chancellors for Research). The Vice President will work with the Chair of the Universitywide Academic Senate to solicit nominations for faculty members.

**ATTACHMENT A: Addendum to PRG Charge: Deliverables for Founding Committee Cycles**

In the initial founding term (Cycle 1) of the PRG, the committee will be charged with completing the following specific tasks and deliverables by June 30, 2013:

- 1) Carry out an evaluation on an initial set of research programs assigned to the systemwide research portfolio and use that experience to refine the working definitions, indicators, and process. Provide a report that summarizes how well the current portfolio provides value to the UC system, based on the Systemwide Principles provided below. The report should assess the alignment or “fit” of each research program individually, and the portfolio, as a whole. The committee may recommend some programs as “well-aligned” with Systemwide Principles, and may note others of questionable fit, based on the information provided. These latter programs may require more investigation. The committee is invited to recommend a process for further investigation of these programs, or specific questions they would like to ask of Program Directors. NOTE: Additional research programs may be included in the systemwide research portfolio as the committee’s work progresses.
- 2) Based on experience gained in the first cycle of evaluations, develop, refine and implement an annual process for evaluation of overall quality and appropriateness of the components of the systemwide research portfolio.

**ATTACHMENT B: Principles of Systemwide Research Investments**

*The Vice President of Research and Graduate Studies charges the PRG with the following Systemwide Principles to help guide its work. These principles were derived from the work of a joint task force of UCOP, Academic Senate and campus administrators (the PPA Task Force) which convened in FY2011-12 to discuss a framework to guide future decision- making and evaluation of research investments.*

Each UC campus has a unique and competitive research enterprise that is responsive to its faculty and students, and to its sponsors and stakeholders in research. As a ten-campus public university system, however, UC has unique opportunities and responsibilities to invest in research that is

different and beyond what can be done on a single campus. In addition to the objective of supporting research of the highest quality and impact, the following three principles define the goals and purpose that drive and distinguish UC-wide research investments.

1. Principle #1: Act as one system of multiple campuses to enhance UC's research capacity, influence and advantage. With ten campuses, three national laboratories, state-wide resources and networks, the UC system offers researchers access to opportunities and a competitive advantage that a single campus cannot provide on its own. Acting as a network of multiple campuses, UC can invest in efforts that bring the best and most diverse minds together to define challenges, secure funding, and solve significant problems. This provides more opportunities for UC's world-class faculty and creates larger and stronger collaborative resources and networks that can enhance the entire research community.

2. Principle #2: Promote efficient inter-campus collaborations and systemwide economies of scale.

Finding ways for UC researchers and administrators to cross campus boundaries and work together effectively is a key goal of UC-wide investments. Not only does this generate energy and ideas among UC researchers across the system, but it leads to shared innovation and efficiencies in how we conduct and manage research, resulting in savings or financial gains that can be reinvested in UC-wide research.

3. Principle #3: Serve the State of California.

As California's research university, we implement research on behalf of the state in a fair and impartial basis. UC research has a unique capability to address many of the greatest challenges facing California today. UC seeks to create and grow industries that support California regional economies and to educate a culturally literate, knowledgeable workforce that will continue to lead the growth of California and optimize the State's return on its investment in UC.

## ***Appendix 2: Considerations for Conducting the Principle Alignment Review (Revised 05/24/2013)***

<b>Principle #1: Act as one system of multiple campuses to enhance UC's research capacity, influence and advantage.</b>	
<b>Objective</b>	<b>Considerations</b>
1. Provide UC faculty and students with access to unique facilities, resources, and/or opportunities that sustain and extend UC's competitive advantage.	1. What opportunities, resources or facilities provided by the program can uniquely leverage UCOP funds to position UC as a world leader in current and emerging research, scholarship, and/or creative work?
	2. What is the scope of access to these unique systemwide opportunities, resources or facilities for UC faculty, students and researchers? How does it go beyond that which could be achieved through a single campus initiative or activity?
	3. How do the unique systemwide opportunities provided by program help attract and retain faculty, researchers, technical staff and students, significantly enhancing campus recruitment/retention efforts?
2. Enable successful competition for sponsored research projects and grants for which proposals from a single campus would be substantially less competitive.	1. How does the program enable successful competition for sponsored research projects and grants for which proposals from a single campus would be substantially less competitive?
	2. How does the program's approach to research project development and research project collaboration build systemwide engagement, consensus and support that encompasses (and benefits) multiple campuses?
<b>Principle #2: Promote efficient inter-campus collaborations and systemwide economies of scale.</b>	
<b>Objective</b>	<b>Considerations</b>
1. Ensure efficient operation/management of shared research, facilities, systems, and/or staff.	1. How does the program operate/manage systemwide shared research resources, facilities, systems, and/or staff more efficiently than might be managed by a single campus program or initiative?
	2. Is the program's operational efficiency periodically evaluated and how are recommendations for improvement implemented?

2. Demonstrate systemwide engagement and collaboration beyond that present on a single campus.	1. How does the program regularly engage multiple campuses to encourage and identify opportunities for collaborations and broader participation that can extend and leverage UC's existing research expertise and resources across UC campuses?
	2. How does the program engage additional UC campuses, similar programs, and/or external organizations to promote collaboration, share administrative functions, and avoid duplication of effort to achieve higher efficiencies?
<b>Principle #3: Serve the State and citizens of California.</b>	
<b>Objective</b>	<b>Considerations</b>
1. Collectively impact Californians through research addressing current and emerging issues of strategic importance to the state.	1. How does the program demonstrate UC's commitment to public outreach and inclusion, citizen engagement, and broader public education?
	2. How does the program deliver significant impacts, either locally or across California, in economic, social, environmental, energy, health, security, and/or other areas to serve the public interest?



### ***Appendix 3: Conflicts of Interest (updated 09/23/2013)***

Conflicts of interest exist when a review committee member can be viewed as being in a position to gain or lose personally, professionally, or financially (including for commercial reasons) from a research program under consideration by the Portfolio Review Group (PRG). In order to ensure that the fairness and objectivity of the reviews are not compromised by such conflicts, the guiding principle of University of California is to avoid both actual and perceived conflicts.

PRG members must identify and declare potential conflicts of interest (or their appearance), and may be asked to recuse themselves from the scoring of program summaries for which a potential conflict has been identified. A group member should notify the PRG chair and UCOP staff immediately upon identifying a potential conflict. If a conflict arises at the meeting, the member should notify the Chair, who may then ask the member to abstain from the scoring of that program.

There are two primary categories in which conflict may occur:

**PRG Member Personally Engaged with Program or Department Under Consideration by PRG:** If the PRG member is named as an affiliated faculty or staff, is engaged in the oversight of the program (e.g. sits on executive boards, has direct reporting line to or from the program), has received funding, or expects to hold some appointment or position with the research program under consideration by the PRG or holds an appointment in a department that would participate in the research program under consideration by PRG, there is a *prima facie* conflict. PRG members would be recused from scoring these programs and would instead be assigned to lead or participate in discussions on research programs from other departments or research units.

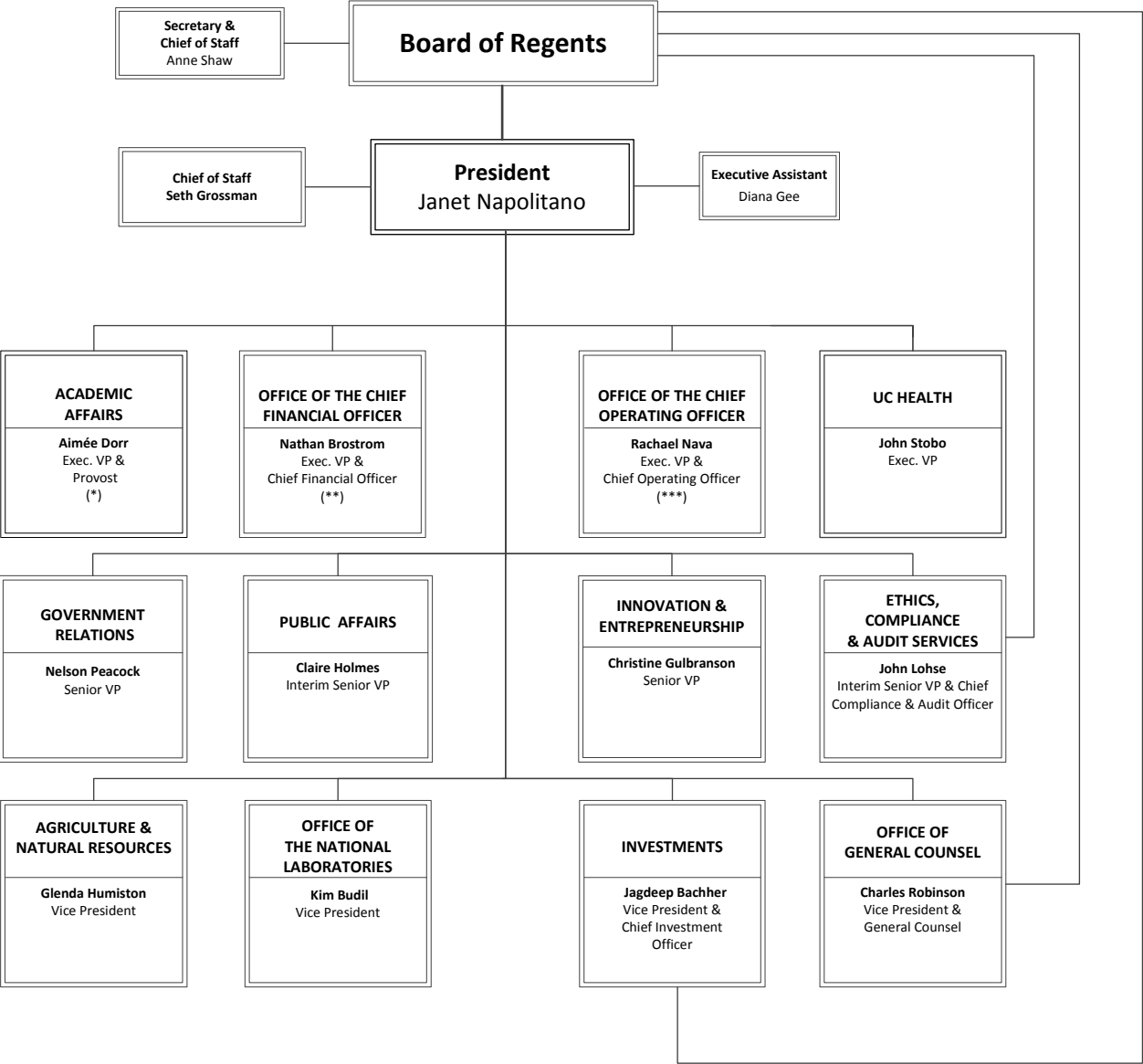
**PRG Member Has a Relationship with Program:** A conflict is considered to exist if the group member has a professional or close personal relationship with the Program Director or other primary member of the research program team. Examples of this category include but are not limited to:

- A PRG member's spouse or registered domestic partner, family member, business partner, is named in the program summary as affiliated faculty or staff, or the member is aware that this person will be invited to join the staff under specific circumstances.
- The PRG member and key program personnel have co-authored a peer-reviewed publication within the last five years.
- At the time of the PRG meeting, the PRG member and key program personnel are actively collaborating, or are planning to collaborate on other research.
- In the recent past, the PRG member and key program personnel had a close professional relationship, e.g., advisor/student, postdoctoral mentor/fellow.

**You will be required to sign a form disclosing any potential conflicts of interest you might have in evaluating research programs within the UCOP Research Portfolio.**

*Thank you for agreeing to serve as a member of the Portfolio Review Group for the University of California. Please contact Debbie Shen, PRG Project Lead, if you have any questions ([Debbie.Shen@ucop.edu](mailto:Debbie.Shen@ucop.edu)).*

UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT



\*Acts for the President in her absence.

\*\*Acts for the President in her absence and in the absence of the Provost.

\*\*\*Acts for the President in her absence and in the absence of the Provost and Chief Financial Officer

## President's Executive Office



**Janet Napolitano,**  
**President**

The President's Executive Office (PEO) functions as the immediate office for President Napolitano. In addition to supporting the President in the execution of her duties, key functions of the PEO include overseeing the implementation of Systemwide and Presidential Initiatives, systemwide senior executive recruitment and personnel management, and coordinating within UCOP and with all UC locations on important systemwide matters.

### **Chief of Staff**

The Chief of Staff serves as the senior advisor to the President on all matters relating to the administration of the University.

### **Press Secretary and Media Relations**

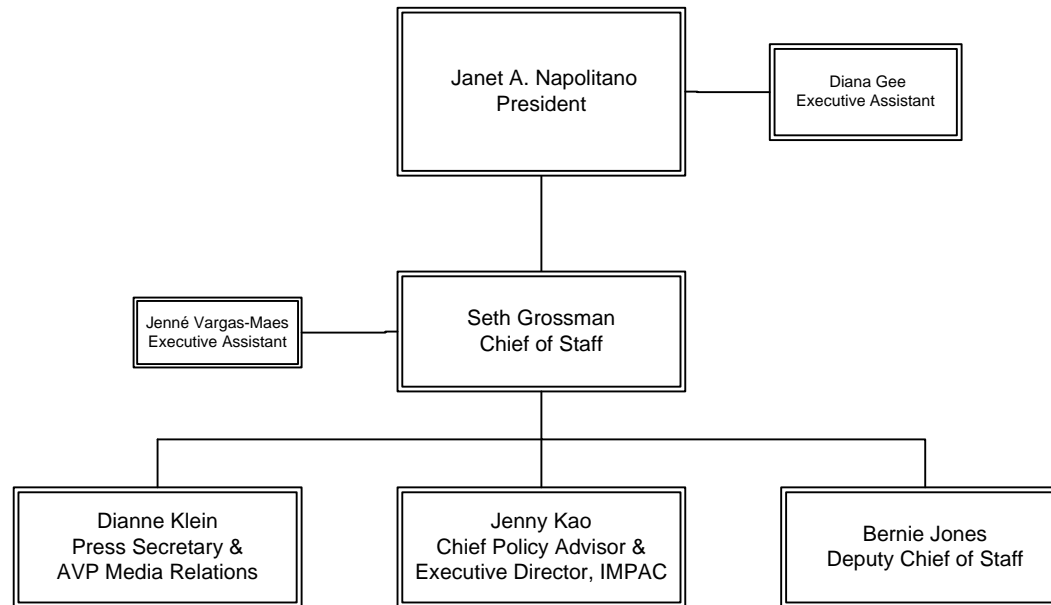
Media Relations enhances the public's understanding of the university and its contributions to California, the nation and the world. The Media Relations team interacts with journalists and media outlets, coordinates responses on news coverage and executes proactive communications strategies.

### **Issues Management, Policy Analysis & Coordination**

Issues Management, Policy Analysis & Coordination (IMPAC) is responsible for coordinating the development of the university's position for state and federal legislation, as well as responses to state and federal legislative, gubernatorial, and other official requests. IMPAC provides policy analysis and research to further initiatives consistent with UC's policy agenda.

# President's Executive Office Organizational Chart

---



## Academic Affairs Division



**Aimée Dorr,**  
Provost and  
Executive Vice  
President

Academic Affairs builds on the energy and academic strength of UC's campuses to enhance the system's educational impact. We help recruit and retain outstanding professors and provide them with the support they need to succeed. We promote excellence through programs that help prepare, recruit and support undergraduate, graduate and professional students. We manage programs that help position UC and California as engines of economic, social and cultural development. And we ensure that UC remains on the cutting edge of innovation in teaching and learning by supporting new academic initiatives.

### **ACADEMIC AFFAIRS**

#### **DEPARTMENTS:**

##### **Academic Personnel and Programs**

Advances UC's mission through innovative academic policy and programs serving UC faculty and students.

##### **Diversity and Engagement**

Manages and evaluates student and teacher preparation programs and works with the CCC and CSU systems to enhance the accessibility of university degrees.

##### **Institutional Research and Academic Planning**

Provides information and analysis in support of university management, planning and decision-making.

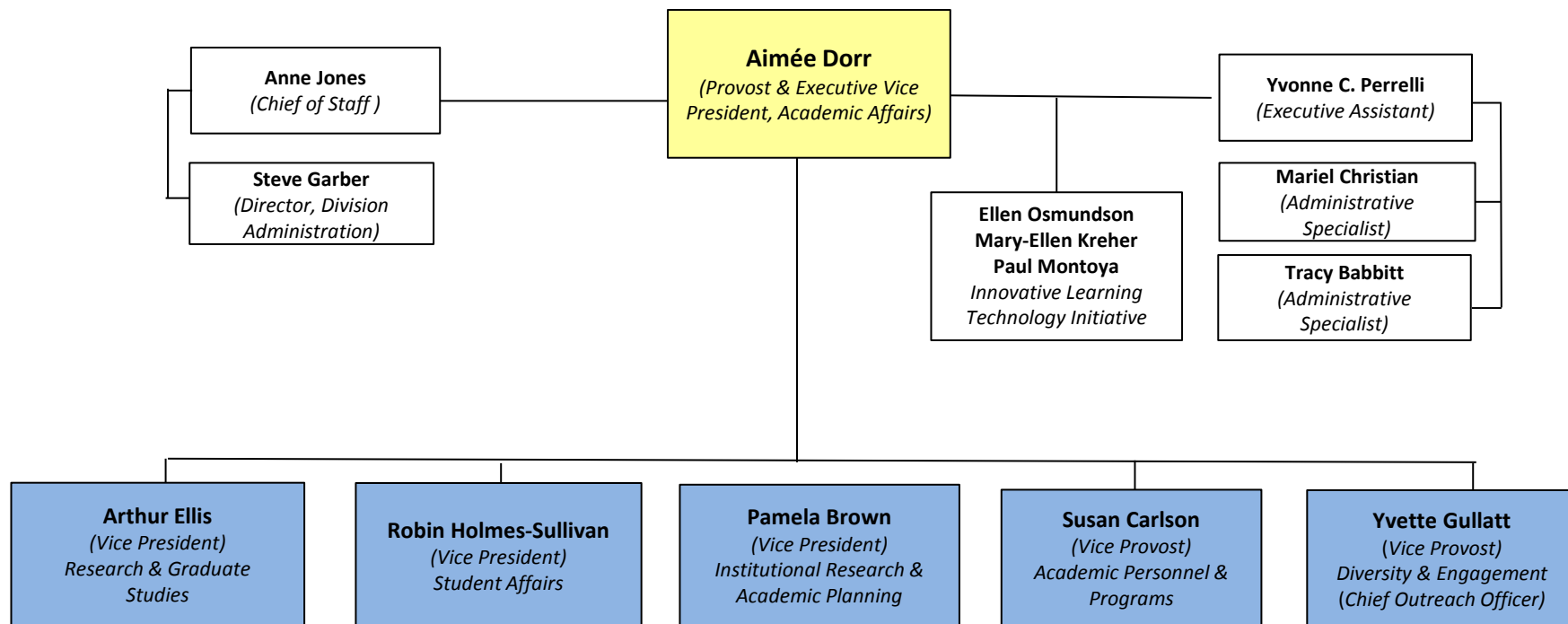
##### **Research and Graduate Studies**

Coordinates systemwide policies for technology transfer, intellectual property and graduate study and manages a portfolio of grants.

##### **Student Affairs**

Maintains UC's admissions process and portal, oversees student financial aid policies throughout the system and works closely with community colleges and high schools on courses and criteria for admission to UC

# Division of Academic Affairs



(I) Interim Appointment

## Academic Affairs Division Academic Personnel and Programs



### Susan Carlson, Vice Provost, Academic Personnel and Programs

Academic Personnel and Programs manages systemwide programs and develops policy supporting faculty careers at UC, including recruitment, retention, advancement, compensation, diversity, and affirmative action. We have universitywide responsibility for education abroad and exchange relationships. We provide faculty and students with opportunities to study and work in Washington, DC and Sacramento. We help prepare high school and middle school students for university opportunities. Several of our programs offer publication, media, and digital services to the UC community as well as to California and to the world.

---

#### **PUBLISHING:**

##### **California Digital Library (CDL)**

Supports the assembly and creative use of the world's scholarship and knowledge for the University of California libraries and the communities they serve.

##### **Systemwide Library Planning**

Provides strategic leadership and planning support for the long-term growth of the University's library collections and services.

##### **UC Press**

One of the largest and most distinguished university presses in the United States. Advances scholarship in the humanities, social sciences, and natural sciences through its publication of thousands of books and journals, online and in print.

##### **UCTV**

Delivers (via web, satellite and cable) documentaries, faculty lectures, cutting-edge research symposiums and artistic performances from each of the 10 UC campuses, as well as UC's national laboratories and affiliated institutions.

#### **SYSTEM-WIDE INSTRUCTIONAL PROGRAMS:**

##### **UC Education Abroad Program (UCEAP)**

As the UC systemwide international exchange program, UCEAP supports UC's mission through academic instruction and exchange relationships around the world.

##### **UC Scout**

Provides high quality curricular choice and opportunity to middle schools and high schools in California, across the nation, and beyond. Scout's mission is to reach out to educationally disadvantaged students, raising achievement levels and closing achievement gaps.

##### **UC Center Sacramento**

Advances the University's mission with an integrated program to train future state leaders, address challenging public-policy issues confronted by the nation and state and carry out the University's mandate to assist state government.

##### **UC Washington Center**

UCDC multi-campus residential, instructional and research center that provides UC students and faculty with opportunities to research, work, study and live within the rich cultural, political and international heritage of our capital city.

## Academic Affairs Division Diversity and Engagement



**Yvette Gullatt,**  
Vice Provost and  
Chief Outreach  
Officer

The Office of Diversity and Engagement provides vision, direction, leadership and oversight of UC's engagement in public education. We manage programs, initiatives and services that prepare students to succeed academically and to ensure that they advance smoothly throughout the academic pipeline. We focus on students from communities with low college enrollment rates, applying current research and best practices to enhance the teaching-learning process with public school educators. We contribute to developing overarching strategies and approaches for the UC system that advance access, diversity and inclusion for students and faculty.

### **K-12 OUTREACH PROGRAMS:**

#### **Student Preparation Programs**

Working in under-resourced schools across the state, UC provides support through programs that have enabled many young people to achieve access to higher education.

*Of the high schools served by UC's systemwide programs, 70 percent are among the lowest-performing schools in the state. Program participants have higher rates of enrollment in the California public college segments and participants who are accepted to UC enroll at higher rates than their peers.*

#### **Educator Preparation Programs**

UC's educator preparation work is organized along a continuum that begins at the undergraduate level, with programs designed to recruit and provide early preparation for students to explore careers in teaching, continues through post-baccalaureate teacher credential programs, and extends to ongoing, in-depth professional development for practicing educators.



## Academic Affairs Division Institutional Research and Academic Planning



### Pamela Brown, Vice President, Institutional Research and Academic Planning

UC is a leader in advocating for the purpose and importance of public higher education. By providing timely, accurate, consistent and reliable information about UC and the environment in which it operates, Institutional Research and Academic Planning (IRAP) illustrates UC's progress, challenges and outcomes in support of its mission.

#### SERVICES:

##### Systemwide Data Management

IRAP accesses and analyzes data across all ten UC campuses. With focus on data quality and integration, provide accurate reporting and analytics, ensure data consistency and adequate data granularity to support business processes, empower UC decision makers and inform California legislators and the general public.

##### Survey Services

Conducts several systemwide surveys on a regular basis and is available to provide support and consultation for various departmental survey needs, including instrument design, sample determination, survey administration, data analysis, reporting and visualization.

##### Reporting Relief

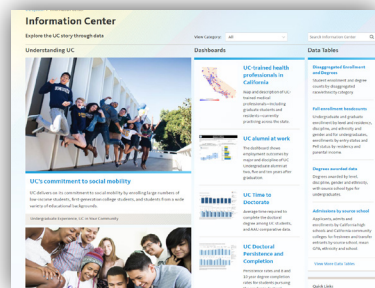
Coordinates UC's required reporting to federal, state and other agencies. In doing so, IRAP primarily relies on the standardized data that campuses provide to UCOP as part of the UC data warehouse.

##### Decision Support

Provides support and data infrastructure planning guidance for a wide variety of decision makers at UCOP, UC campuses, and systemwide policy committees such as Board of Admissions and Relations with Schools (BOARS).

#### PUBLICATIONS, REPORTS & WEBSITES:

##### UC Information Center



##### UC Accountability Report

Annual comprehensive assessment of UC's progress in meeting key teaching, research and public service goals across its 10 campuses. The data inform the University's strategic planning, budgeting and performance management, and help the Board of Regents identify the most important policy issues facing UC.

##### UC Undergraduate Experience Study (UCUES)

UCUES is a biennial survey that solicits student opinions about academic and co-curricular experiences, collects information about student behavior and presents demographic information so that UC can better understand student engagement in academic and civic activities and more effectively assess undergraduate student learning outcomes.

##### Other sample survey reports:

- Graduate Student Well-Being
- Cost of Attendance
- Admitted Transfer Applicant
- UC Global Food Initiative Student Food Insecurity
- Undergraduate Application
- Medical Plan Satisfaction
- Undergraduate Alumni
- Graduate Alumni

## Academic Affairs Division Research and Graduate Studies



**Arthur Ellis,**  
Vice President,  
Research and  
Graduate Studies

Research and Graduate Studies (RGS) is a resource for UC researchers and administrators in research policy, funding for systemwide programs, and graduate education. We work to build UC-wide partnerships, help shape effective policies and provide a strong voice nationally for research and graduate education on behalf of UC.

The Research Investments Studies and Analysis unit in the immediate office provides leadership and operational support for programs and initiatives, as well as data and analysis to help assess the impact of systemwide research investments and the overall research performance, strengths and contributions of UC system.

### **Research Grants Program Office**

Provides funding for UC research programs as well as grant and financial administration for state funded research programs.

### **Natural Reserve System**

Provides a network of 39 protected natural areas throughout California used for university-level teaching, research and public service.

### **Graduate Studies**

Advances graduate education at the University of California through strategic planning, outreach and coordination.

### **Research Policy Analysis and Coordination**

Provides guidance for the development, interpretation and implementation of UC research policies and external rules for the conduct of academic research.

---

### **STATE-SPONSORED AND SYSTEM WIDE RESEARCH**

As the primary research arm of the State, UC administers and supports several State-Sponsored Programs and Systemwide Programs and Initiatives with the goal of advancing research in areas of critical importance to UC and the State; promoting effective statewide and inter-campus collaboration; and enhancing the impact of UC research for the economy, society and environment. Some programs are directly funded by the State. Others are partnerships between UC, California and other parties. All of these programs draw on UC's expertise and commitment to public research, which sustains California as a leader in science, ideas and innovation. Examples include the California Breast Cancer Research Program, California HIV/AIDS Research Program, Tobacco-Related Disease Research Program, Gray Davis Institutes for Science and Innovation, Clean Energy Research Center for Water Energy Technologies, and the Institutes for Transportation Studies.

## Academic Affairs Division Student Affairs



### Robin Holmes-Sullivan Vice President, Student Affairs

#### ApplyUC

All nine undergraduate UC campuses follow common admissions policies, and in 1985 a centralized, common admissions application process was adopted. Student Affairs at the UC Office of the President is responsible for admissions policy and operations while the individual campus Undergraduate Admissions Offices evaluate applications and determine admission.

The applyUC project was initiated in late 2008 with the goal of modernizing, streamlining, and reducing the cost of an integrated centralized undergraduate admissions process.

Prospective freshmen and transfer students use applyUC to submit a single application to all campuses to which they are applying.

Applicants are guided through a series of pages to collect all required information. Within the application filing periods for each academic term, applicants can proceed at their own pace.

Student Affairs work is carried out through the following functions:

#### Undergraduate Admissions

implements the Regents' and the Academic Senate's admission policies and is responsible for the centralized undergraduate application system (ApplyUC) through which over 200,000 students apply for admission annually.

#### Student Financial Support

provides critical central support to campus administration of student assistance totaling over \$5 billion annually.

#### Student Services and

**Engagement** advises and supports campuses in maintaining positive campus climates that are conducive to student success, diversity, health and wellness, leadership and retention, facilitating student engagement with UC Regents, the UC president and other systemwide administrators.

#### Student mental health

*Student mental health is an ongoing and urgent issue for higher education. In 2006, the UC Student Mental Health Committee presented its Final Report to the UC Regents. The report provided its recommendations in a three-tiered model (Tier 1, Critical Mental Health Services; Tier 2, Targeted Interventions for Vulnerable Groups; Tier 3, Comprehensive Approach to Creating Healthier Learning Communities) which serves as the basis for the University's comprehensive framework for meeting the fundamental mental health needs of our students and providing for safe and healthy campus environments across the system.*

*Subsequent to the 2006 report, the University convened the Student Mental Health Oversight Committee, which tracks trends on student mental health issues on all UC campuses; assesses how these trends are managed and the appropriate levels of services provided, and whether campuses have the resources to provide appropriate services.*

*Proposition 63, the Mental Health Services Act, was passed by California voters in November of 2004 to address mental health issues in the state. The Student Mental Health Initiative was created to expand suicide prevention efforts and mental wellness promotion in the K-12 and higher educational systems. \*Proposition 63 funding has allowed the UC to begin to address Tier 3.*

## CFO Division



**Nathan Brostrom,**  
Executive Vice  
President and  
Chief Financial  
Officer

The CFO 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.

### **CFO DIVISION DEPARTMENTS:**

#### **Budget Analysis and Planning**

Manages UC's annual budget and conducts long range financial planning.

#### **Capital Asset Strategies and Finance**

Supports capital-raising activities systemwide.

#### **Financial Accounting**

Provides systemwide financial management, reporting, policy and procedures.

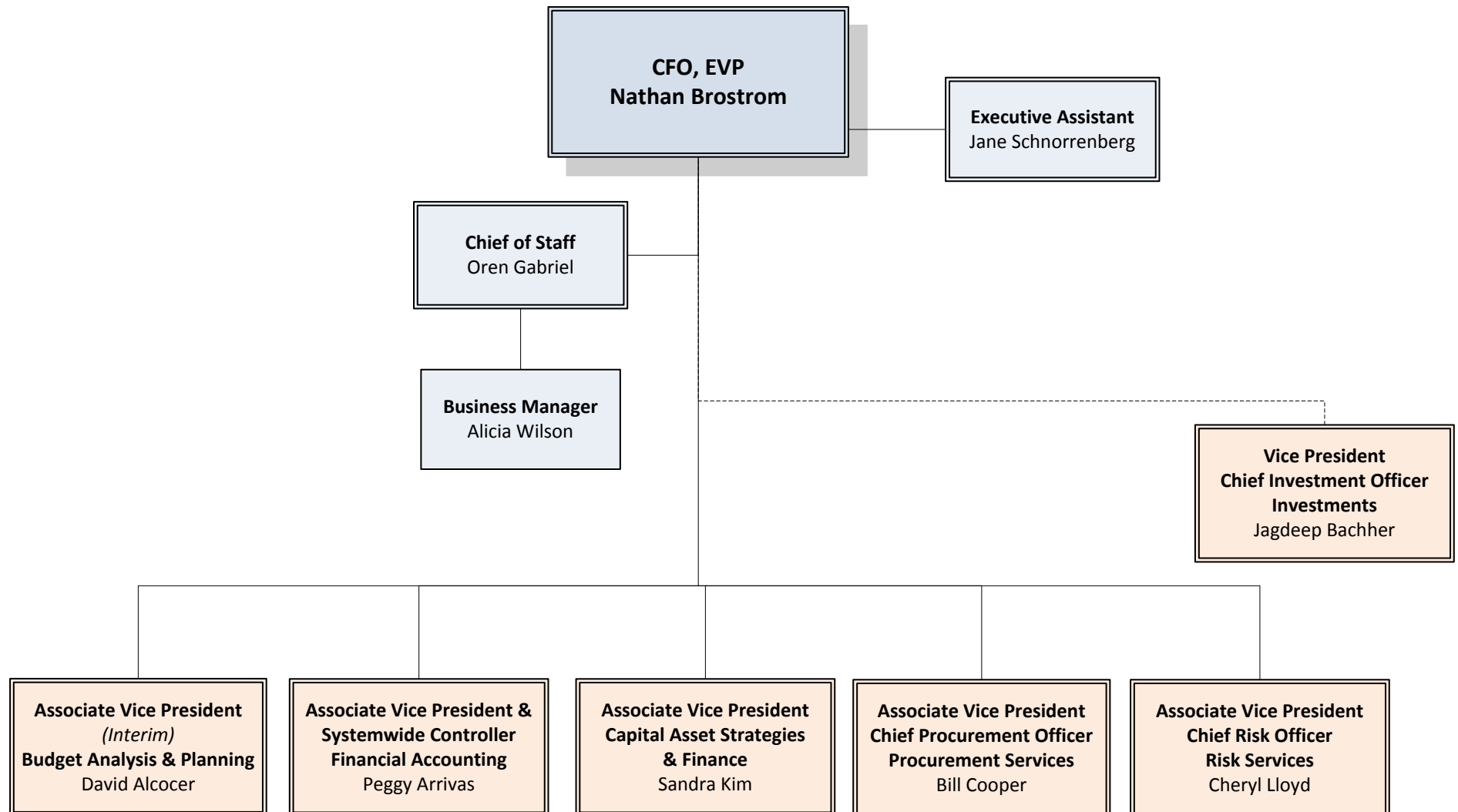
#### **Procurement Services**

Develops and implements systemwide purchasing policies and strategies.

#### **Risk Services**

Enables university faculty, staff and students to identify and manage risk.

# Office of the Chief Financial Officer



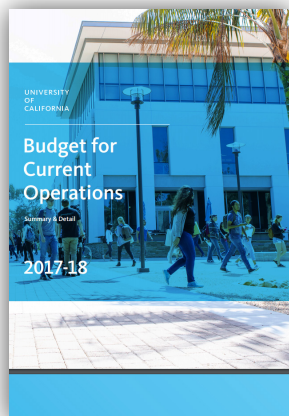
## CFO Division Budget Analysis and Planning

### David Alcocer, Interim Associate Vice President, Budget Analysis and Planning

Budget Analysis and Planning (BAP) manages UC's annual budget and conducts long range financial planning. Our role includes analysis of the complex factors which influence the university's budget, development of the annual budget requests to the State, and coordination with the campuses on a wide variety of budget-related issues. We advocate in support of the university's budget and we work with leadership from across the university system to integrate local and UC-wide priorities into our forecast and planning.

#### PUBLICATIONS AND REPORTS:

**Annual University of California  
Budget for Current Operations**



## CFO Division Capital Asset Strategies & Finance



**Sandra Kim,**  
Associate Vice  
President, Finance

Capital Asset Strategies and Finance accesses capital markets to finance capital and working capital needs for the university's campuses, laboratories, and medical centers. Provides leadership and support in capital project policy, planning, design, contract and regulatory issues, and originates and services mortgage loans for certain faculty and senior staff.

### **MAJOR UNITS:**

#### **Capital Markets Finance**

We provide support for capital programs to the campuses and medical centers which, in turn, provide services to our faculty and student body. In serving the university's needs, the staff of Capital Markets Finance is dedicated to providing efficient service with the highest standards of excellence.

#### **Capital Programs**

Capital Programs provides systemwide leadership and campus support in the following areas: capital budget strategy, policy and recommendations to the regents and the state of California; capital project design and delivery strategies, policy, contract development and training; design professional selections; building/safety code and regulatory issues; land use and site planning, long-range development plans, CEQA compliance and environmental documents; sustainability; and real estate transactions.

#### **Office of Loan Programs**

The Office of Loan Programs designs, delivers and manages housing assistance programs for the recruitment and retention of faculty and senior managers in support of the education, research and public service missions of the University of California. We strive to maintain superior customer satisfaction by providing timely, accurate and cost-effective mortgage products, researching new product alternatives and evaluating industry processes and changes to continually improve delivery of services.



## CFO Division Financial Accounting



### Peggy Arrivas, Associate Vice President, Systemwide Controller

Financial Accounting provides numerous systemwide support functions, including financial management and reporting in connection with employee benefits, debts, federal and other extramurally funded projects, endowment funds, and campus foundations. We oversee financial accounting policy, initiate changes to the Payroll/Personnel System, and develop systemwide policy and procedures regarding payroll, disbursements and tax matters. For UCOP, we operate the shared administrative services center.

Endowment Pool, Short Term Investment Pool and Total Return Investment Pool, including recording and reconciling investment transactions, as well as accounting and recording investment activity for the University of California Retirement Plan (UCRP) and University of California Retirement Savings Plan (UCRSP) funds, including pool processing for the UCRP and Department of Energy Laboratory segments. The Endowment & Investment Accounting unit is responsible for: centralized accounting (endowments and investments), investment pools (STIP, GEP, TRIP & UCRP), endowment and trust administration and cashing and cash reporting.

#### Payroll Coordination & Tax Services

Payroll Coordination and Tax Services is responsible for initiating changes to the Payroll/Personnel System (PPS) and developing systemwide policy and procedures regarding payroll, disbursements and tax matters, preparation of consolidated tax returns, evaluation of new tax developments, interpretation of tax laws and coordination of IRS exams. The Payroll Coordination & Tax Services unit is responsible for benefits, collective bargaining, disbursements policies, payroll systems, payroll taxes, taxation of nonresident aliens and UBIT and other taxes.

#### MAJOR UNITS:

##### Benefit Plan Accounting

Benefit Plan Accounting is responsible for financial management and reporting functions in connection with the University of California Retirement System (UCRS), including UCRP and UCRSP, the Health and Welfare Program and the University of California Retiree Health Benefit Trust. These functions include financial transactions, financial reporting and analysis, financial audit coordination and internal control assessment and monitoring.

##### Corporate Accounting

Corporate Accounting is responsible for UC financial accounting policy and the consolidated financial reporting under GAAP for campuses, medical centers, University of California Retirement System and foundations.

This unit maintains the Corporate Financial Reporting (CFR) system and coordinates the systemwide annual fiscal close and external audit. In addition, Corporate Accounting is responsible for UC debt accounting, reporting and administration and provides technical financial guidance on unusual/nonrecurring transactions such as leases, joint ventures, pensions, other postemployment benefits and DOE Laboratory dispositions.

##### Endowment & Investment Accounting

Endowment and Investment Accounting is responsible for centralized accounting and financial reporting for endowment funds, campus foundations, other UC affiliated organizations and deferred gifts. This area is also responsible for participant accounting for the General



## CFO Division Procurement Services



**William Cooper,**  
Associate Vice  
President, Chief  
Procurement  
Officer

Procurement Services at UCOP partners with systemwide UC procurement teams to standardize agreements and procedures, which make it easier to do business with the university and ensure our campus clients have access to the goods and services they need. By using strategic and collaborative sourcing methods, supported by tools, training and data analysis, we optimize spend and purchasing activities across the UC system, creating significant savings for the university.

---

### **Strategic Sourcing**

Strategic Sourcing staff work across UC locations to understand resource and operational requirements. Strategic Sourcing coordinates efforts to monitor and encourage compliance with agreements. Strategic Sourcing also works with campus clients to understand and resolve problems with agreements or supplier performance.

### **MAJOR UNITS AND PROGRAMS:**

#### **Information, Analytics & Systems**

Manages the systems and tools for managing procurement operations, including spend and benefit tracking and reporting as well as sourcing and supplier management.

#### **Central Travel Management**

Central Travel Management is responsible for managing university travel, including negotiating contracts with agency providers, hotels, rental cars and airlines; monitoring usage of the Connexus system and its success in meeting savings targets; and recommending best practices in managing systemwide travel spending. We coordinate the development, implementation and management of the Connexus Travel Program through campus and laboratory participation on the UC Travel Management Council.

#### **Program Management**

Facilitates system-wide collaboration on complex initiatives including the implementation of supply-chain technologies and process integration and transformation initiatives. Supply Chain 500 (SC500) is a System-wide effort to create a more integrated procurement and supply-chain model across all UC locations and contribute \$500 million in benefits to the University.

#### **Bank Card & Payment Efficiency Program**

Works across campuses to share best practices and analyze usage of available systems to optimize efficiency in UC's payment processes.

## CFO Division Risk Services



### Cheryl Lloyd, Associate Vice President & Chief Risk Officer

The Office of Risk Services is responsible for developing and implementing Enterprise Risk Management systemwide, identifying and developing strategies to minimize the impact of risk, developing a center of excellence for managing risk, reducing costs and improving safety by executing new ideas and strategic plans in a rapid manner. By strategically managing risk we can reduce the chances of loss, create greater financial stability and protect our resources in support of UC's mission.

#### MAJOR UNITS AND PROGRAMS:

##### Enterprise Risk Management

Like organizations within the private sector, the UC system operates in an inherently risky environment. Risks include financial risk, operating risk, strategic risk, regulatory risk, environmental risk, reputational risk, political risk, and a whole host of other types of risk. Managing this portfolio of risks is especially important to help ensure the university can continue to serve the university's faculty, staff and students.

By strategically managing risk, we can reduce the chance of loss, create greater financial stability, and protect our resources so we can continue our mission of supporting teaching, research and public service.

##### Loss Prevention and Control

UC is committed to achieving excellence in providing a healthful and safe working environment, and to supporting environmentally sound practices in the conduct of University activities. To meet this standard of excellence, the University implements management initiatives and best practices to systematically integrate environmental health and safety programs into all activities. All University activities are to be conducted in a manner that ensures the protection of students, faculty, staff, visitors, the public, property, and the environment. The University's goal is to prevent all workplace injuries and illnesses, environmental incidents, and property losses or damage. Achieving this goal is the responsibility of every member of the University community.

##### Risk Financing & Claims

Risk Financing and Claims administers a portfolio of categories, including Liability Insurance (such as Professional, Medical and Hospital Liability, Employment Practices Liability, and much more); Workers Compensation and programs supporting wellness and return-to-work readiness; CyberRisk and Self-Funded Health Plans.

##### Crisis Management

UC takes a comprehensive approach to prevent, mitigate, prepare for, respond to, and recover from any adverse event or disruption, including all types of emergencies and disasters. The goal is to create a disaster-resistant and disaster-resilient institution with effective crisis and consequence management capability.

The Emergency Management (EM) programs at all ten UC campuses and five medical centers are staffed by multi-disciplinary personnel in public safety (police/fire), EH&S, and various independent emergency management offices. These Emergency Managers are augmented by Continuity Managers who coordinate the implementation of UC Ready, our systemwide mission continuity planning program, that seeks to minimize operational disruptions and recover and restore critical functions as soon as possible.

Risk Services provides strategic guidance, leadership, oversight, and systemwide coordination of personnel and resources in support of UC emergency management and continuity planning programs. OPRS also staffs the Emergency Manager function for UCOP.

## COO Division



**Rachael Nava,**  
Executive Vice  
President and  
Chief Operating  
Officer

The COO division provides systemwide leadership and oversight of human resource administration, information technology, the UCPATH Center, the project and initiative management unit and energy services and sustainability. This division also oversees the budget and operations within the Office of the President itself.

### **COO DIVISION DEPARTMENTS:**

#### **Energy & Sustainability**

Supports efficient use of university resources and helps chart a path to carbon neutrality through its leadership and coordination across climate and energy, transportation, green building, zero waste, water and food programs and initiatives.

#### **Human Resources**

Manages systemwide human resources and benefits, employee and labor relations, compensation and performance, workforce development and compliance.

#### **Information Technology Services**

Provides IT services for UC campuses and the Office of the President, from corporate data systems to telecommunications to computer networks.

#### **Operational Services**

Supports the successful deployment and operation of common systems which leverage UC's scale and improve our administrative efficiency.

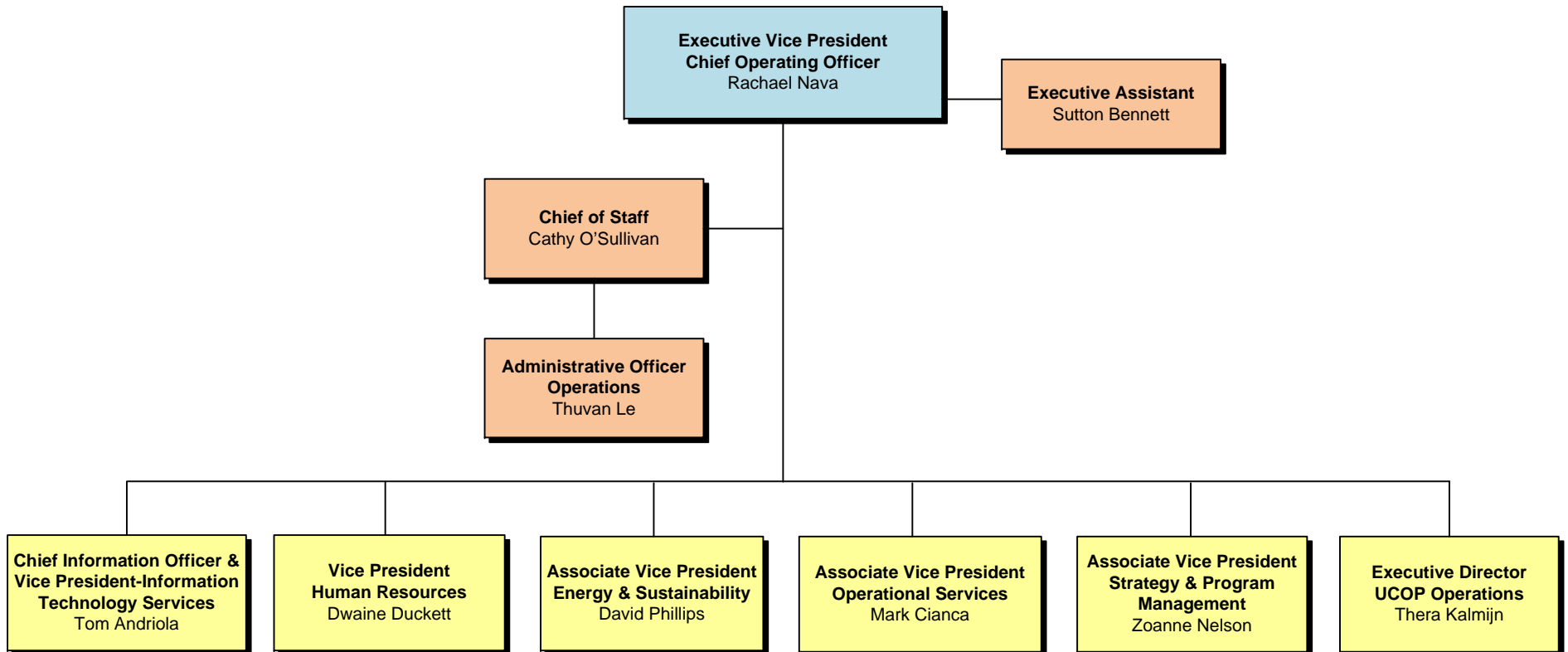
#### **Program Management Office**

Provides management and support to UCOP projects and organizational transition initiatives

#### **UCOP Operations**

Responsible for the day-to-day operations of the Office of the President.

# OFFICE OF THE CHIEF OPERATING OFFICER



## COO Division Energy & Sustainability



**David Phillips,**  
Associate Vice  
President, Energy  
and Sustainability

Energy & Sustainability supports efficient use of university resources and helps chart a path to carbon neutrality through its leadership and coordination across climate and energy, transportation, green building, zero waste, water and food programs and initiatives. We are leading a bold new effort to change the sources of the energy that UC consumes through our energy services unit.

### **Energy & Facilities Management Services**

Supports efficient operation, maintenance and renewal of UC's real estate assets.

### **Sustainability**

Develops, coordinates, and supports campus sustainability efforts throughout the UC system.

---

## **INITIATIVES**

### **Carbon Neutrality Initiative**

In November 2013, President Napolitano announced the Carbon Neutrality Initiative (CNI), which commits the UC to emitting net zero greenhouse gases from its buildings and vehicle fleet by 2025. The President formed the Global Climate Leadership Council to advise UC on achieving this ambitious goal.

To date, the council has secured funding for and supported implementation of twenty six systemwide carbon neutrality projects in support of this initiative, including the Cool Campus Challenge, Carbon Neutrality Student Fellowships Program, a Deep Energy Efficiency study, Faculty Climate Action Champions, and campus carbon neutrality planning charrettes in spring 2016.

### **Global Food Initiative**

The University of California Global Food Initiative (GFI) addresses one of the critical issues of our time: how to sustainably and nutritiously feed a world population expected to reach 8 billion by 2025.

### **Innovation and Entrepreneurship Initiative**

As a cutting edge for research and innovation, the University of California brings sustainable technology from laboratory to market through its entrepreneurship programs. In addition to breakthroughs by its world class faculty, UC offers Cleantech to Market, a graduate level program that develops innovative cleantech leaders and entrepreneurs. From wave energy capture projects to biofuel innovations, UC student researchers are leading the way to a sustainable future. Read more about UC innovation and entrepreneurship in the annual UC Technology Commercialization Report.

### **Global Climate Leadership Council**

Formed in 2014 to advise UC on achieving the ambitious goal of achieving carbon neutrality by 2025 while providing guidance on other longstanding sustainability goals.

## COO Division Systemwide Human Resources



**Dwaine Duckett,**  
Vice President

The Office of Human Resources is responsible for systemwide human resources and programs. This includes strategic planning, employee and labor relations, talent management, staff development, senior management recruitment, compensation, performance management and the development and maintenance of staff personnel policies with the intent of ensuring compliance in all areas. We oversee all aspects of universitywide health and welfare programs and policies as well as administration of UC retirement operations.

---

### HR UNITS

**Systemwide Benefits Programs & Strategy** manages and creates health benefits strategy and programs that enhance the well-being of our employees and their families.

**Systemwide Compensation Programs & Strategy** oversees compensation policy and program design, tools and systems, working closely with compensation and human resource professionals at the ten campuses and five medical centers.

**Systemwide Employee Relations** is responsible for facilitating the development and implementation of strategies and initiatives that build an environment of employee engagement in which people can do their best work.

**Systemwide HR Compliance** works with UC locations to ensure compliance with appropriate employment laws, regulations and HR policies.

**Systemwide HR Policy** is responsible for developing and interpreting personnel policies and other employment-related programs, guidelines and procedures for staff employees.

**Systemwide Labor Relations** is responsible for negotiating and administering 12 systemwide labor agreements with 10 unions, covering over 80,000 academic and staff employees across the UC system.

The **Retirement Administration Service Center (RASC)** counsels members of the University as they transition into retirement and provides long-term pension and retirement health benefits support.

**Systemwide Retirement Programs & Services** coordinates the University's retirement benefit programs and plans, and conducts retirement related research, policy development, benefit design, costing and fiduciary oversight for the University.

**Systemwide Talent Management & Staff Development** oversees training and development, talent acquisition and executive recruitment, and all their associate processes, to best optimize the performance of each employee at UC.

## COO Division Information Technology Services



**Tom Andriola,**  
Vice President and  
Chief Information  
Officer

The work of ITS touches many aspects of university life. Prospective students use [applyUC](#) to apply online for undergraduate admissions. Faculty and staff use [At Your Service Online](#) to access their benefits and retirement plans.

### Initiatives

- Digital copyright
- Electronic accessibility (systemwide)
- IT accessibility (UCOP)
- IT communications
- Information Technology Leadership Council
- Privacy & information security
- Records management (systemwide)
- Records management (UCOP)
- Sautter Award Program
- Technology Asset Management Program (UCOP)
- UC information security
- UCOP information security
- UCOP IT projects

### GUIDING STATEMENT

We deliver data and technology services and, through collaboration with partners, transform the role of Information Technology to advance the UC mission.

## COO Division Operational Services



**Mark Cianca,**  
Associate Vice  
President,  
Operational  
Services

Operational Services supports the successful deployment and operation of common systems which leverage UC's scale and improve our administrative efficiency.

### **UCPath Center**

The transactional hub for the university's HR, payroll benefits, general ledger, work force administration and academic processes.

### **UCPath Project**

UC's priority program to implement a single payroll, benefits, human resources and academic personnel solution for all employees.

### **Working Smarter**

Working to build a sustainable financial model to carry the university forward.

---

### **What is UCPath?**

UCPath is the University of California's priority program to implement a single payroll, benefits, human resources and academic personnel solution for all UC employees.

UCPath represents a significant transformation in the way UC works and handles HR and payroll services:

- **Streamlined processes**
  - Processes that are standardized, streamlined and common/systemwide
  - Approximately 100 processes in the areas of payroll, benefits, finance/GL integration, absence management, compensation, and human resources/workforce administration
- **Shared services center: UCPath Center**
  - A shared services center that processes certain HR/payroll transactional work
  - In Riverside, CA
  - Will likely employ up to 415 people by the time it is fully operational
- **Powerful technology (PPS replacement)**
  - A single, new payroll and human resources technology system
  - For use by UC employees and managers, as well as staff at the UCPath shared services center



## COO Division Program Management Office



**Zoanne Nelson,**  
Associate Vice  
President, Strategy  
and Program  
Management

The Program Management Office (PMO) serves the Office of the President in three key areas:

1. Leading multi-year strategic planning, performance management, and project portfolio management
2. Providing strategy and program management support to systemwide initiatives
3. Supporting organizational assessment and design

### **SERVICES:**

#### **Strategic planning, performance management, and portfolio management**

- Strategic plan development, implementation and review
- Integrated planning with campus counterparts
- Project proposal review
- Portfolio management and reporting

#### **Systemwide initiatives strategy and support**

- Problem definition
- Business case development
- Comprehensive project planning and management, including scope, budget, resources and timeline
- Meeting facilitation

#### **Organizational development**

- Organizational assessment and design
- Change management development and implementation
- Communication planning and delivery

## COO Division UCOP Operations



**Thera Kalmijn,**  
Executive Director

UCOP Operations is responsible for the day-to-day operations of the Office of the President. This includes management of the OP Budget, Human Resources, Information Technology, Building Services, Procurement and the Business Resource Center (BRC). We serve as a one-stop service center for all OP clients with the goal of ensuring that the Office of the President models best practices in the areas of customer service, accountability and resource management.

### **Budget Office**

Develops, monitors and manages the UCOP budget program, systematically aligning resources with strategic needs and goals.

### **Building and Administrative Service Center (BASC)**

Provides a clean, safe and secure working environment and efficient administrative support for OP.

### **Business Resource Center**

Provides financial operations transactions and events services support for UCOP to ensure accountability for and compliance with UC policy.

### **UCOP Human Resources**

Oversees human resources programs and policies for the Office of the President.

### **UCOP Information Technology Services**

Delivers data and technology services.

## UC Health Division



**John Stobo, MD,**  
Executive Vice  
President

UC Health provides leadership and strategic direction for UC's five academic medical centers and 18 health professional schools. UC Health's central office supports operational initiatives at individual campuses and development of systemwide initiatives, promoting collaboration among the university's health professional schools and providing oversight on the business and financial activities of the clinical enterprise.

### **UC HEALTH INITIATIVES:**

#### **California Health Benefits Review Program (CHBRP) Link**

CHBRP provides independent analysis of the medical, financial and public health impacts of proposed health insurance benefit mandates and repeals.

#### **Programs In Medical Education (PRIME)**

Programs designed to prepare medical students to become clinicians, leaders and policy-makers with the skills to serve diverse and underserved communities.

#### **Supply Chain and Procurement**

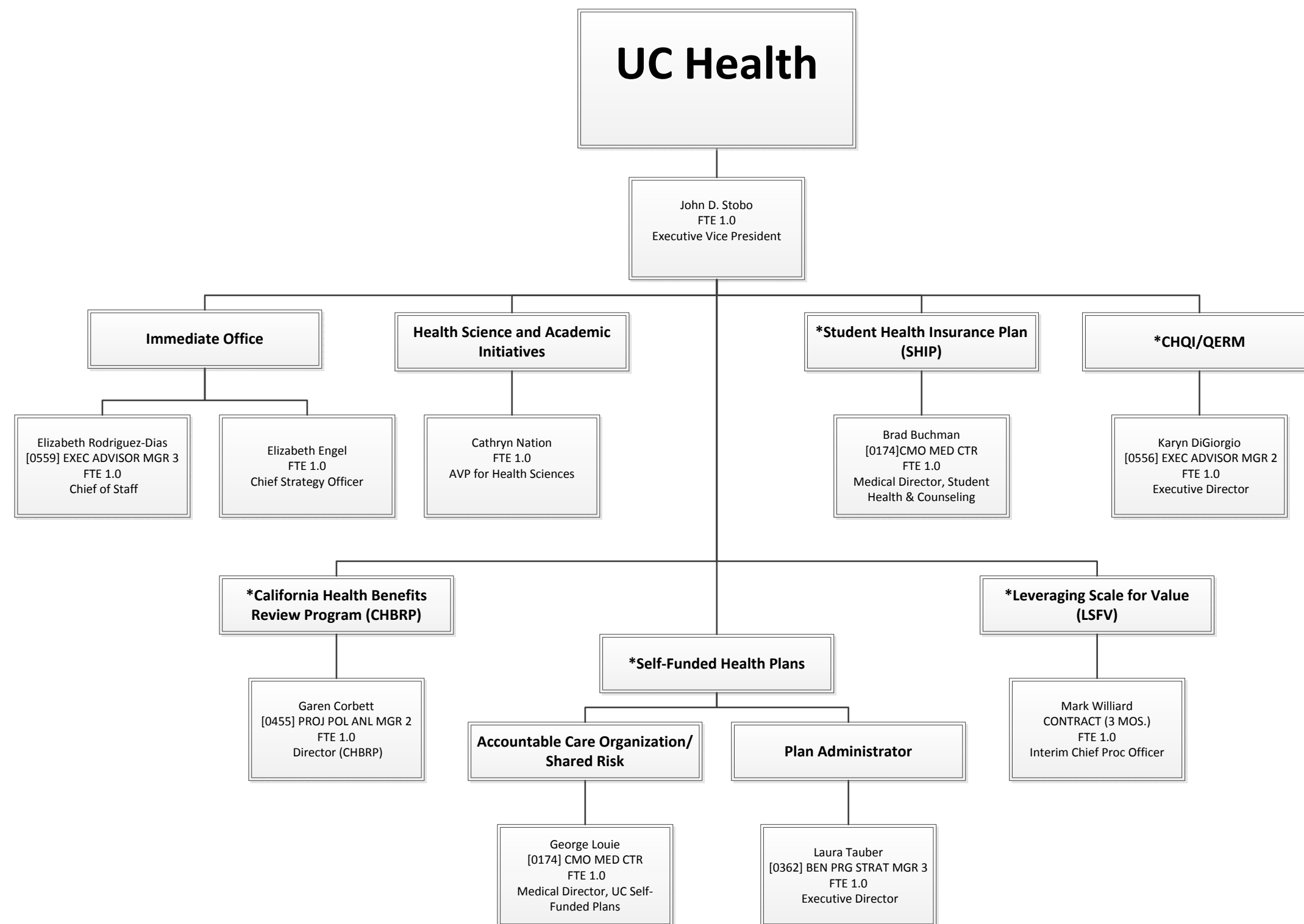
The UC Health Supply Chain and Procurement division is part of a systemwide team to deliver on the promise of becoming the keystone strategic partner for the University of California.

#### **UC Center for Health Quality and Innovation**

Designed to promote, support and nurture innovations at UC medical center campuses and hospitals to improve quality, access and value in the delivery of health care.

#### **Anatomical Donation Program**

Supports the education of health professionals and the advancement of scientific research via donated body programs based at each UC medical school.



\* These programs are funded by \$ not in core budget e.g. medical center appropriation, etc.

## Government Relations



**Nelson Peacock,**  
Senior Vice  
President,  
Government  
Relations

As the largest public research institution in the world, the university maintains strong partnerships with federal and state officials in Washington, D.C. and Sacramento, CA. We advocate for the university and its missions in education, research and public service.

### **Federal Governmental Relations**

The University of California's Office of Federal Governmental Relations is located at the UC Washington Center in Washington, DC. As the largest public research institution in the world, the university engages in numerous partnerships with federal education, health care and research agencies. Working with Congress, the administration, federal agencies and national organizations, we advocate for the university and its missions in education, research and public service.

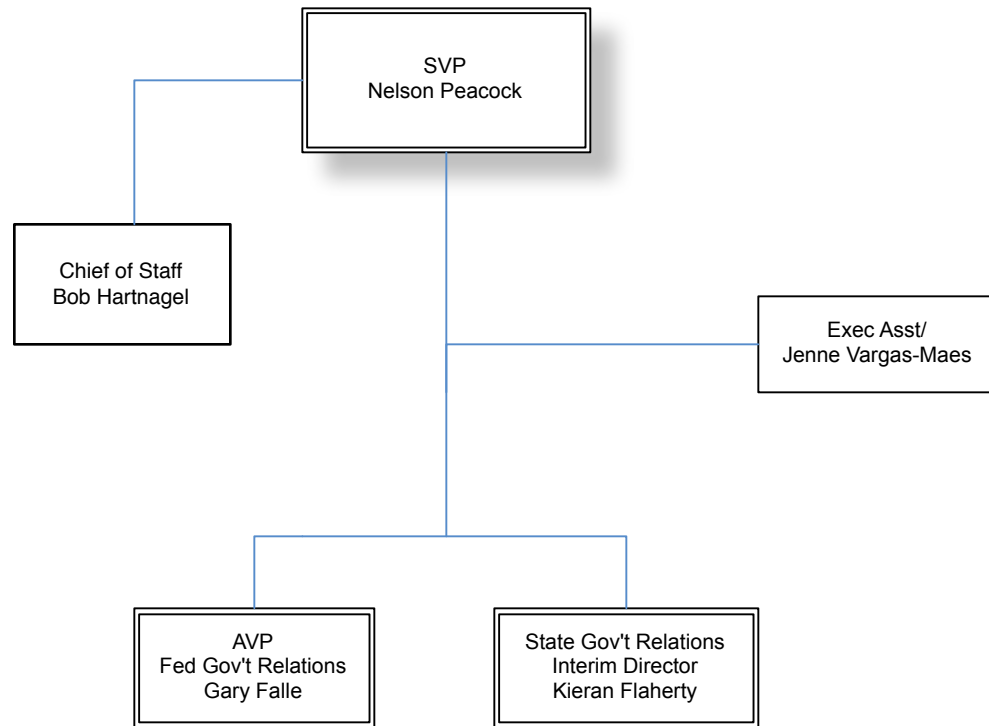
### **State Governmental Relations**

State Governmental Relations (SGR) serves to advance understanding and support for UC's tripartite mission of teaching, research and public service. As UC's principal representative to state elected officials and state agencies in Sacramento, we represent university positions on legislative, budgetary and policy matters.

# Government Relations

Senior Vice President and Direct Reports

January 2017



## Public Affairs Division

### Claire Holmes, Interim Senior Vice President, Public Affairs

Public Affairs is focused on increasing public understanding and support for the university and communicating UC's value and impact on the lives of people in our local communities, California and the nation. We help establish and strengthen relationships with outside constituencies — such as alumni and philanthropists, business and industry — and, in coordination with campuses, facilitating their support for the university. Public Affairs also conducts policy analysis for the university.

#### **PA DIVISION DEPARTMENTS:**

##### **Alumni and Constituent Affairs**

Increases the involvement of alumni in supporting UC through support of UC alumni associations and stewardship of the AAUC.

##### **Institutional Communications and Strategy**

Oversees the Executive Communications and Marketing Communications departments. Works to build public awareness of UC's value and its impact on the lives of people in California and beyond. Communicates and builds support for the UC's mission to a diverse audience.

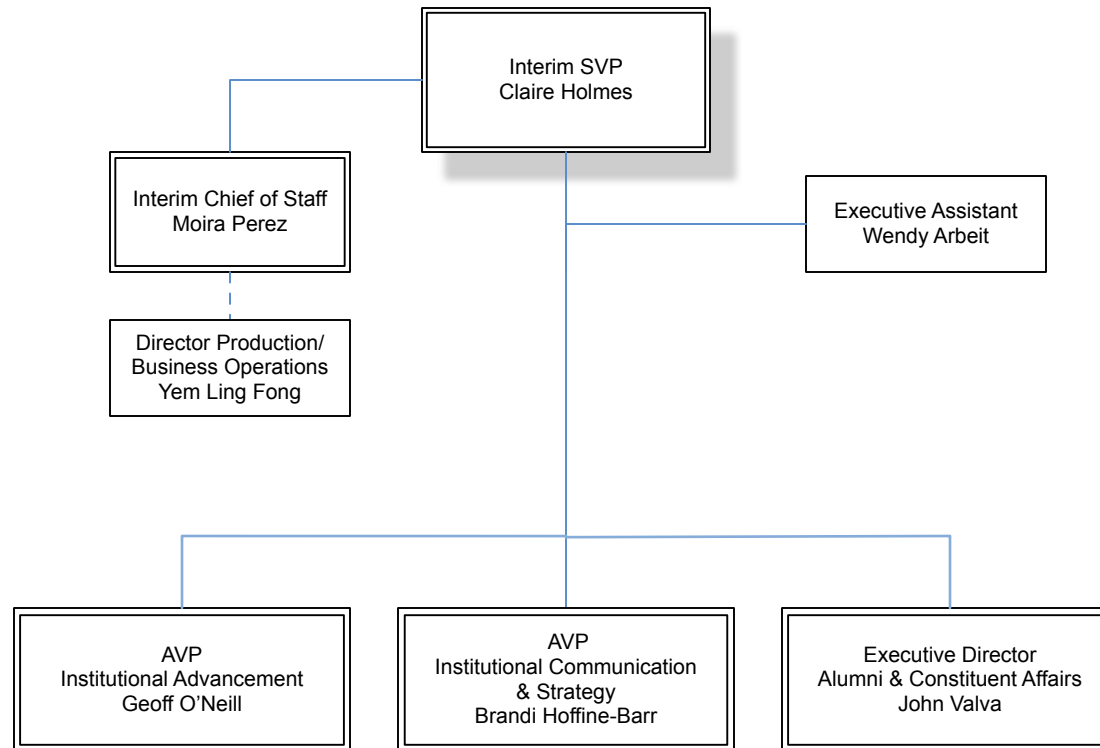
##### **Institutional Advancement**

Facilitates support for UC through private gifts, grants and contracts as well as federal and state appropriations and contracts.

# Public Affairs

Senior Vice President and Direct Reports

April 2017





## Public Affairs Division Alumni and Constituent Affairs



**John Valva,  
Executive  
Director**

UC has more than 1.8 million alumni living and working around the globe. They are leaders and contributors to the vitality of our communities, our businesses and our culture. The mission of the Alumni and Constituent Affairs office is to enrich the lives of alumni and engage them as volunteers, advocates and contributors who strengthen the University of California.

### **Support UC**

Private support is essential to UC's ability to maintain the excellence its known for and keep growing. While UC depends on state funds to support many core educational functions, the state budget provides only about one-quarter of UC's annual operating budget.

UC receives substantial funding from a variety of federal sources for research, student aid and other programs. Increasingly, the university counts on the generous private support of alumni and friends. This support has grown steadily, reaching a billion dollars annually for the past five years.

There are many ways to give to the University of California and its campuses. Gifts to support the teaching, research and public service activities of the UC system may be made out to "The Regents of the University of California." In addition, each campus has an active program to seek philanthropic support.

## Institutional Communications and Strategy

**Brandi Hoffine  
Barr,**  
Associate Vice  
President

Institutional Communications and Strategy (ICS) works to build public awareness of UC's value and its impact on the lives of people in California and beyond. ICS also communicates and builds support for the UC's mission to a diverse audience.

### **Executive Communications and Engagement**

Executive Communications and Engagement handles speeches, remarks and statements on behalf of the university President, and develops and executes major speaking opportunities, events and public engagement for UC leadership that demonstrate the breadth and depth of the University of California.

### **Marketing Communications**

Marketing communications builds public awareness of UC's value and its impact on the lives of people in California and beyond. Working with campus colleagues, OP leaders and our clients, we convey the breadth and depth of UC's leadership in teaching, research and public service, and foster pride and engagement in the UC community.

## Public Affairs Division Institutional Advancement



**Geoff O'Neill,**  
Assistant Vice  
President

The Office of Institutional Advancement (IA) promotes, expedites, encourages and assists the campuses in increasing private, voluntary support of the university by providing a central hub for inquiries about support, managing reports and analyses of fundraising activities and assuring accountability in the private support program. We work to interpret, coordinate and oversee policy for volunteer and private support, oversee endowment administration matters and issues related to UC's status as a 501(c)(3) entity.

Some activities of IA include the following:

- Policy interpretation, coordination and oversight for volunteer and private support-related matters;
- Services to the campuses in support of their fundraising activities, including direct and indirect financial support to defray related costs; and review and counsel on specific gift agreements;
- Central “Hub” for inquiries pertaining to private, voluntary support;
- Management of reports and analyses of fundraising activities at UC and comparison institutions;
- Advice and counsel with respect to university policies and state and federal laws pertaining to fundraising;
- Assurance of accountability in the private support program;
- Oversight for endowment administration matters; and
- Miscellaneous and sundry matters related to private support or UC's status as a 501(c)(3) entity.

## Office of Innovation and Entrepreneurship



**Christine  
Gulbranson,**  
Senior Vice  
President,  
Innovation and  
Entrepreneurship

The Office of Innovation & Entrepreneurship works to increase UC's innovation capabilities and to create new opportunities for the UC community. It supports campus programs and forges alliances with the government, private and philanthropic sectors to promote public benefit and economic growth.

### Major Units and Programs

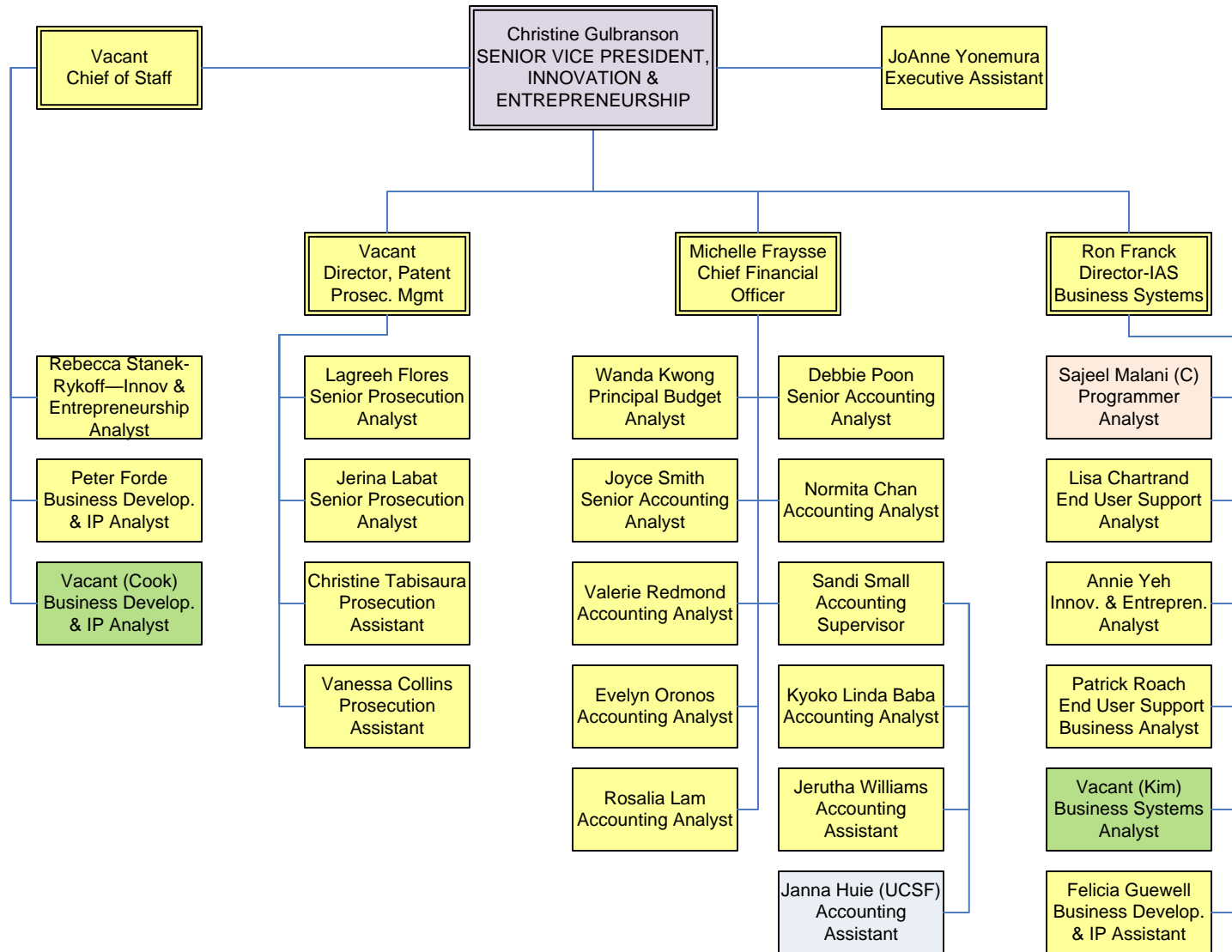
#### **UC Innovation**

UC Innovation moves groundbreaking research and discovery from the lab and classroom into the marketplace by nurturing great ideas and people, and by investing in bold solutions to today's biggest challenges..

#### **Innovation Services**

Innovation Services support UC campuses in technology transfer operations. Our group provides information systems, financial management, patent prosecution and intellectual property management services. We create tools to help connect external parties to UC innovations. We support UC inventors, entrepreneurs and best practices at UC campuses to realize the public benefit of UC research.

# Innovation & Entrepreneurship Organizational Chart



## Office of the National Laboratories



**Kimberly S. Budil,  
Ph.D.,  
Vice President for  
National  
Laboratories**

The Regents of the University of California have a long and rich history in the management and operation of three U.S. Department of Energy (DOE) national laboratories as a service to the nation that spans more than 80 years:

- Lawrence Berkeley National Laboratory (Berkeley Lab or LBNL) since 1931
- Los Alamos National Laboratory (LANL) since 1943
- Lawrence Livermore National Laboratory (LLNL) since 1952

### **Lawrence Berkeley National Laboratory (LBNL)**

LBNL's mission is to create advanced new tools for scientific discovery and to work on problems of great scale, enabling transformational solutions for energy, health, and environment.

### **Lawrence Livermore National Laboratory (LLNL)**

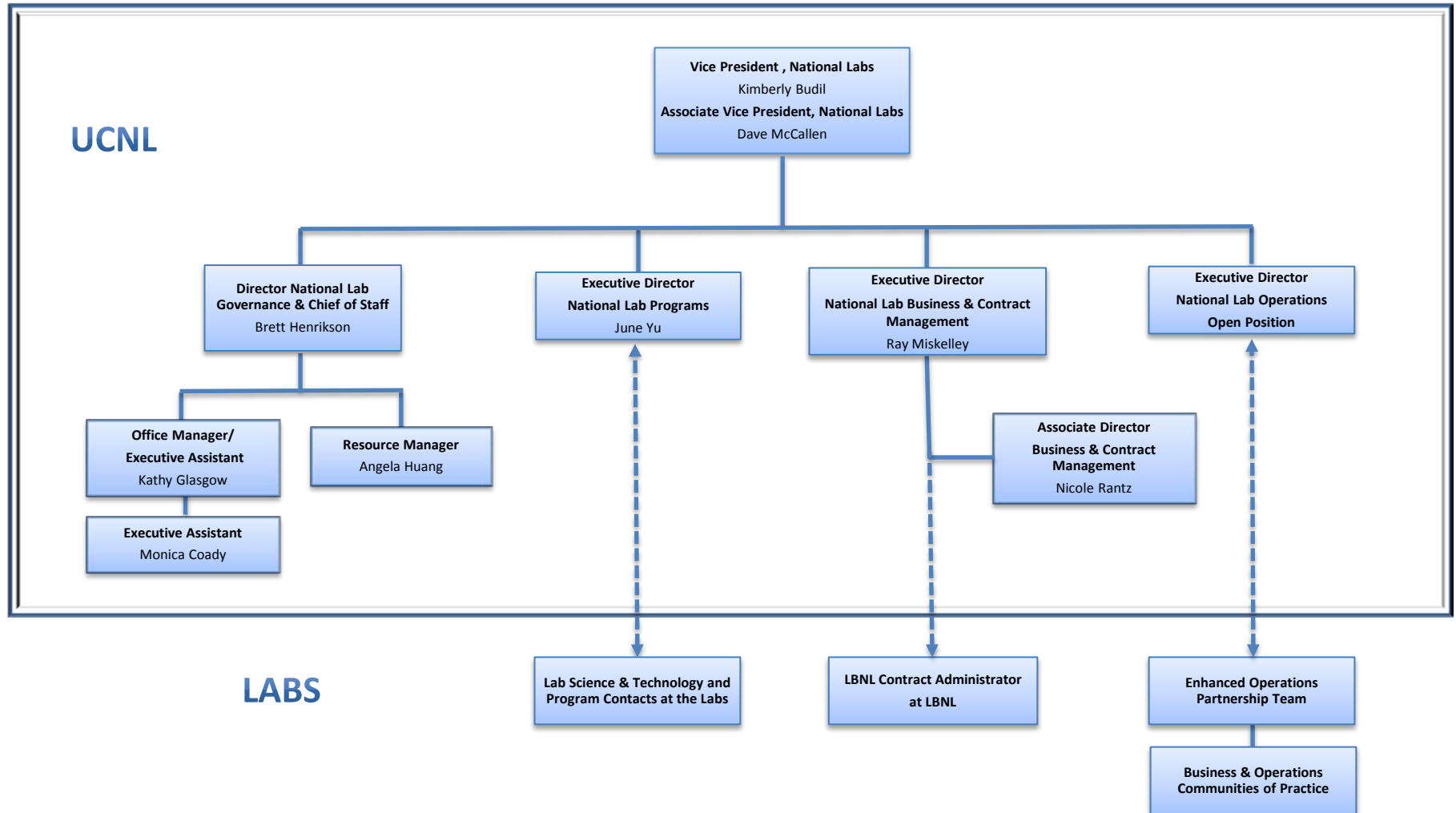
LLNL has a mission of strengthening the United States' security through development and application of world-class science and technology to: enhance the nation's defense; reduce the global threat from terrorism and weapons of mass destruction; and respond with vision, quality, integrity and technical excellence to scientific issues of national importance.

### **Los Alamos National Laboratory (LANL)**

LANL's mission is to develop and apply science and technology to ensure the safety, security, and reliability of the U.S. nuclear deterrent; reduce global threats; and solve other emerging national security and energy challenges.

# University of California

## Office of the National Laboratories (UCNL)



## Division of Agriculture and Natural Resources



**Glenda Humiston,**  
Vice President

### **Mission statement**

The Division of Agriculture and Natural Resources (ANR) is a statewide network of University of California researchers and educators dedicated to the creation, development and application of knowledge in agricultural, natural and human resources.

**-Glenda Humiston, Vice President**

### **PROGRAMS:**

**Agricultural Experiment Station (AES) and UC Cooperative Extension (UCCE)** are a vast network of researchers and educators who work together to develop and extend science-based solutions to families, farmers, ranchers, and decision-makers

**Research and Extension Center System (RECs)** provide unique and varied resources, including land, labor, facilities, and equipment, to support academic research and engage the public through outreach programs

---

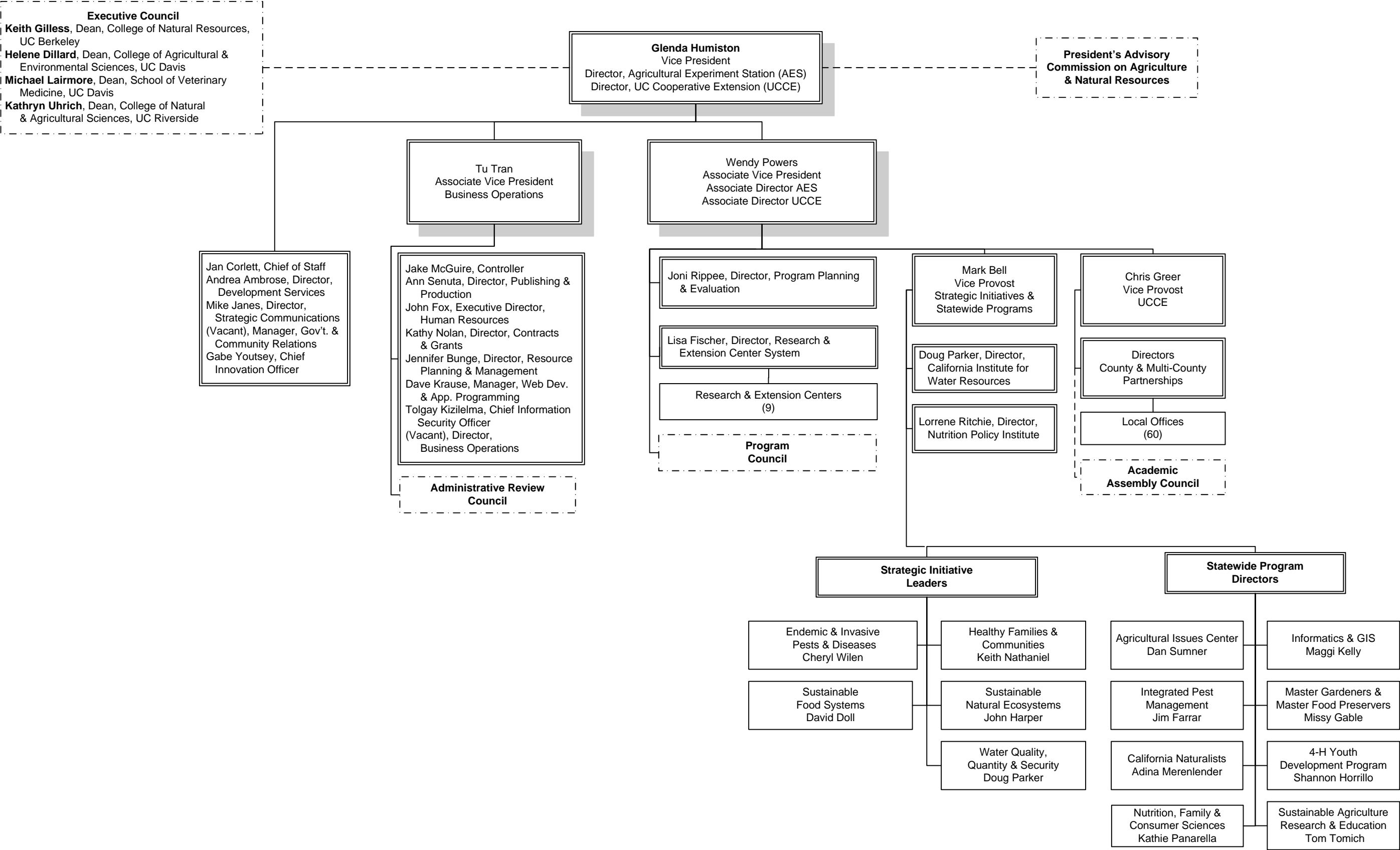
In addition to the research and extension work provided by AES faculty, UCCE Specialists, and UCCE Advisors, UC ANR also delivers expertise via focused statewide institutes and programs:

- Agricultural Issues Center
- California Institute for Water Resources
- California Naturalist Program
- Informatics and Geographic Information Systems Program
- Integrated Pest Management Program
- Master Gardener Program
- Master Food Preserver Program
- Nutrition Policy Institute
- Sustainable Agriculture Research and Education Program
- Youth, Families and Communities Program (including the 4-H Youth Development Program and Nutrition, Family and Consumer Sciences)



# UC Division of Agriculture and Natural Resources

June 2017



## Chief Investment Officer Division



**Jagdeep Singh  
Bachher,**  
Chief Investment  
Officer, Vice  
President of  
Investments

The Office of the Chief Investment Officer of the Regents manages the University of California's retirement, endowment, working capital, and cash assets under the policies, guidelines, and performance benchmarks established by the Regents. The mission of the Office is to implement those policies and guidelines by selecting, executing, and monitoring investment strategies designed to add value over the benchmarks within a risk-controlled framework.

The Office adheres to high ethical as well as professional standards in serving the investment management needs of its constituency.

The Office currently manages a portfolio totaling approximately \$100 billion. These investments provide substantial benefits to current and retired employees, and support the university's mission of education, research, and public service.

The Office of the Chief Investment Officer of the Regents is organized into three sections:

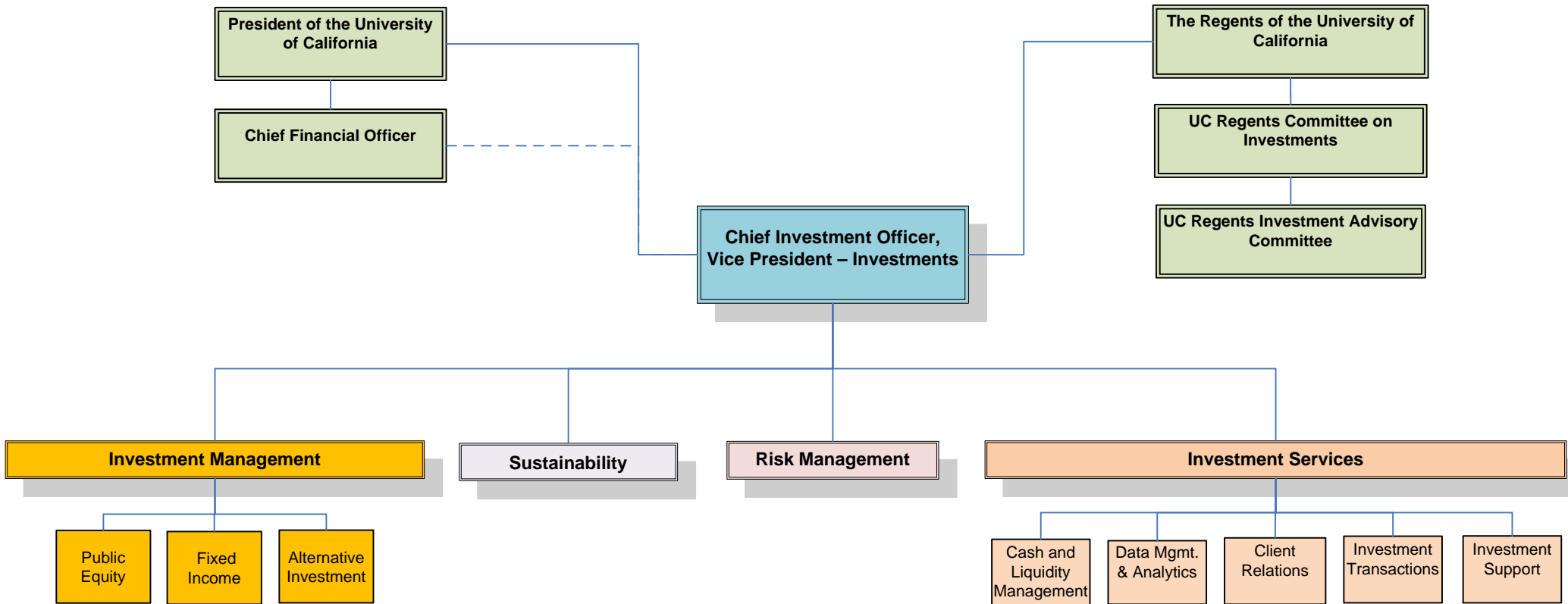
1. Investment Services
2. Investment Risk Management
3. Investment Management

### **Investment funds**

- General Endowment Pool (GEP)
- Short Term Investment Pool (STIP)
- Total Return Investment Pool (TRIP)
- UC Retirement Plan (UCRP)
- UC Retirement Savings Program

# University of California

## Office of the Chief Investment Officer



## General Counsel Division



**Charles Robinson,**  
General Counsel  
and Vice President  
– Legal Affairs

The Office of General Counsel (OGC) provides legal services to the university, including representation, advice, research and training. We also provide legal opinions to the Board of Regents, administration, faculty, staff and others acting on the university's behalf. We report jointly to the Board of Regents and the President.

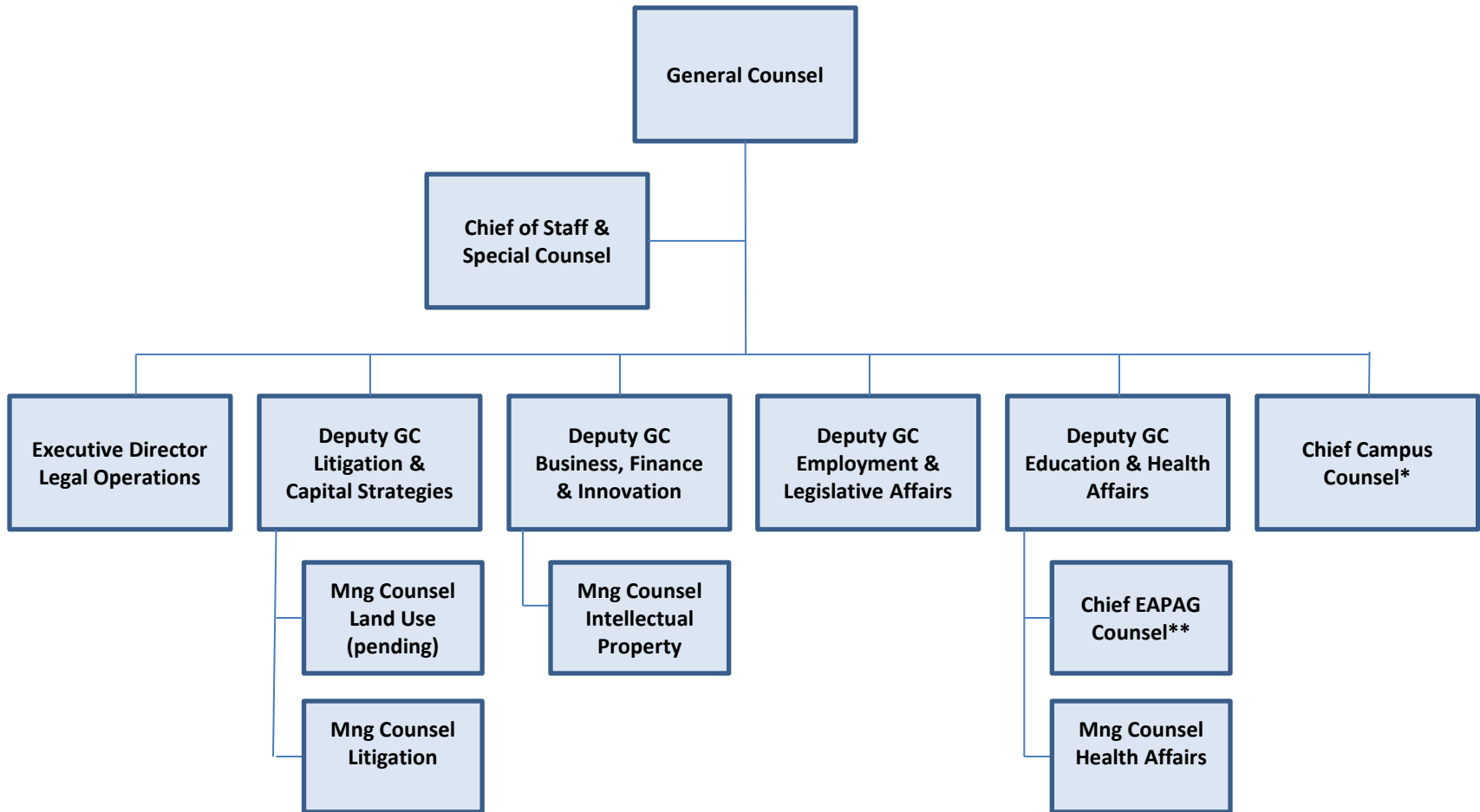
OGC is a service organization dedicated to helping our clients conduct their business effectively and in accord with legal and policy requirements. We see ourselves not just as experts on those requirements, but as problem-solvers committed to helping resolve issues in a practical, timely and efficient manner.

The Oakland office is organized into four sections of subject-matter experts:

1. Litigation and Capital Strategies
2. Business, Finance and Innovation
3. Employment and Legislative Affairs
4. Education and Health Affairs

Campus and Medical Center-based attorneys provide advice and counsel to senior management and others on the campuses and at the Medical Centers on a broad range of legal issues, working as needed in coordination with Oakland attorneys.

# OFFICE OF THE GENERAL COUNSEL



\* Dual reporting line to Chancellors

\*\*Educational Affairs, Public Accountability and Governance

## Ethics, Compliance and Audit Services Division



**John Lohse,**  
Interim Senior Vice  
President and  
Chief Compliance  
and Audit Officer

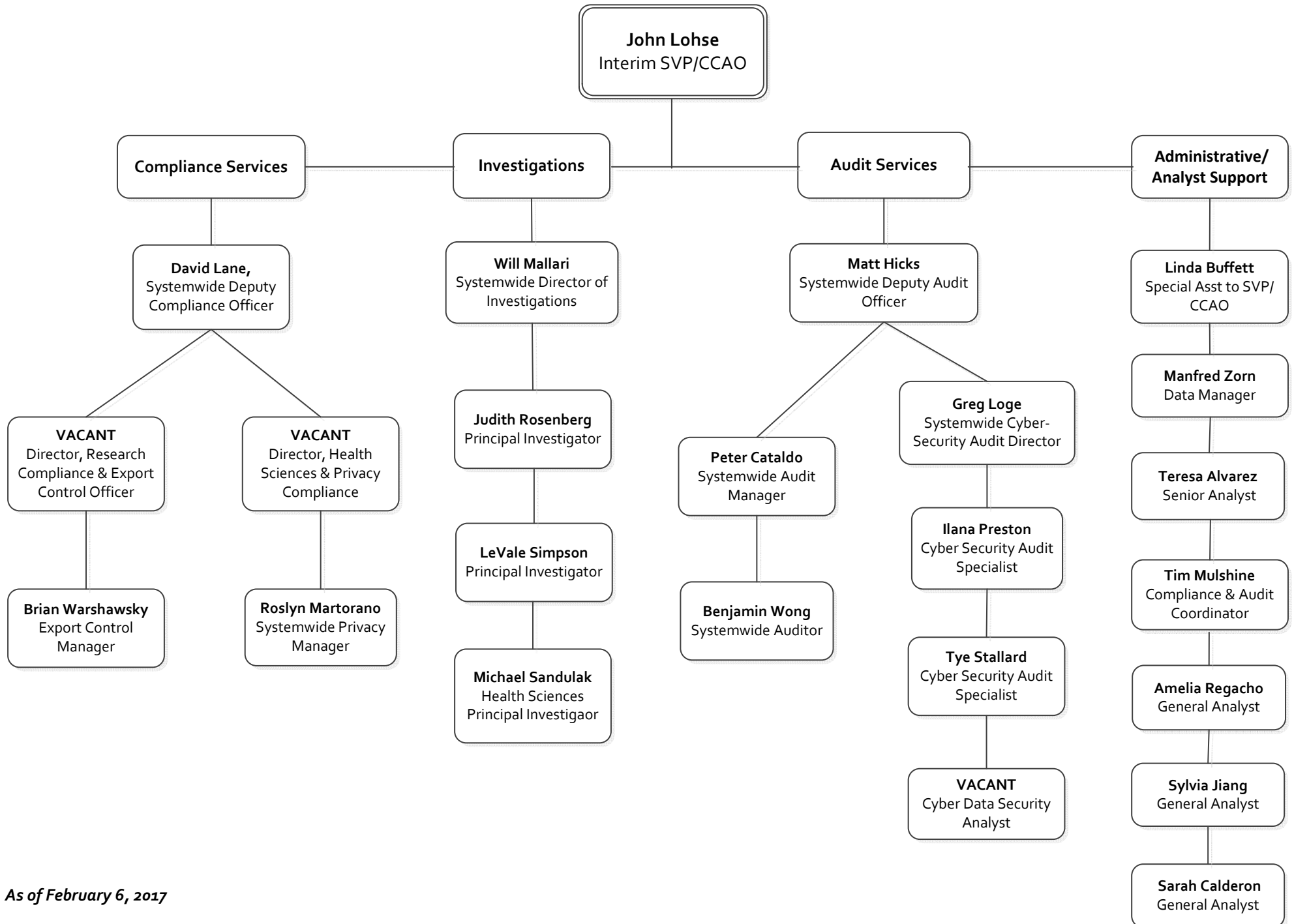
The Office of Ethics, Compliance and Audit Services provides direction, education, oversight for president policy process, investigatory services, auditing and monitoring, guidance and resources to the University to optimize ethical and compliant behavior, provide assurance, and improve operations through effective controls and processes.

The goal of the **Compliance** program is to assist in the university's endeavors to fulfill its responsibilities to the people of California in an ethics-based environment that is compliant with applicable laws, rules and regulations and in which the public trust is maintained.

The **Audit Services** office is responsible for the systemwide internal audit program (audits, investigations and advisory services). It provides systemwide training for auditors and plans strategic program goals. For more information, view Internal Audit's [Charter](#).

The Senior Vice President-Chief Compliance Officer manages communications with the Regents' Committee on Compliance and Audit and applies their direction to the program's development, develops universitywide audit policies, procedures and practices, and is responsible for the audit program at UCOP, DANR and multi-research programs.

# Office of Ethics, Compliance & Audit Services



As of February 6, 2017

## Office of the Secretary of the Regents

### Anne Shaw, Secretary and Chief of Staff to the Regents

The Secretary and Chief of Staff serves as the primary liaison between and among the Regents and the Administration of the University, working directly with the Board Chair and the President of the University, and with other senior leaders of the Board and University (Bylaw 23.5a).

In addition, the Secretary and Chief of Staff:

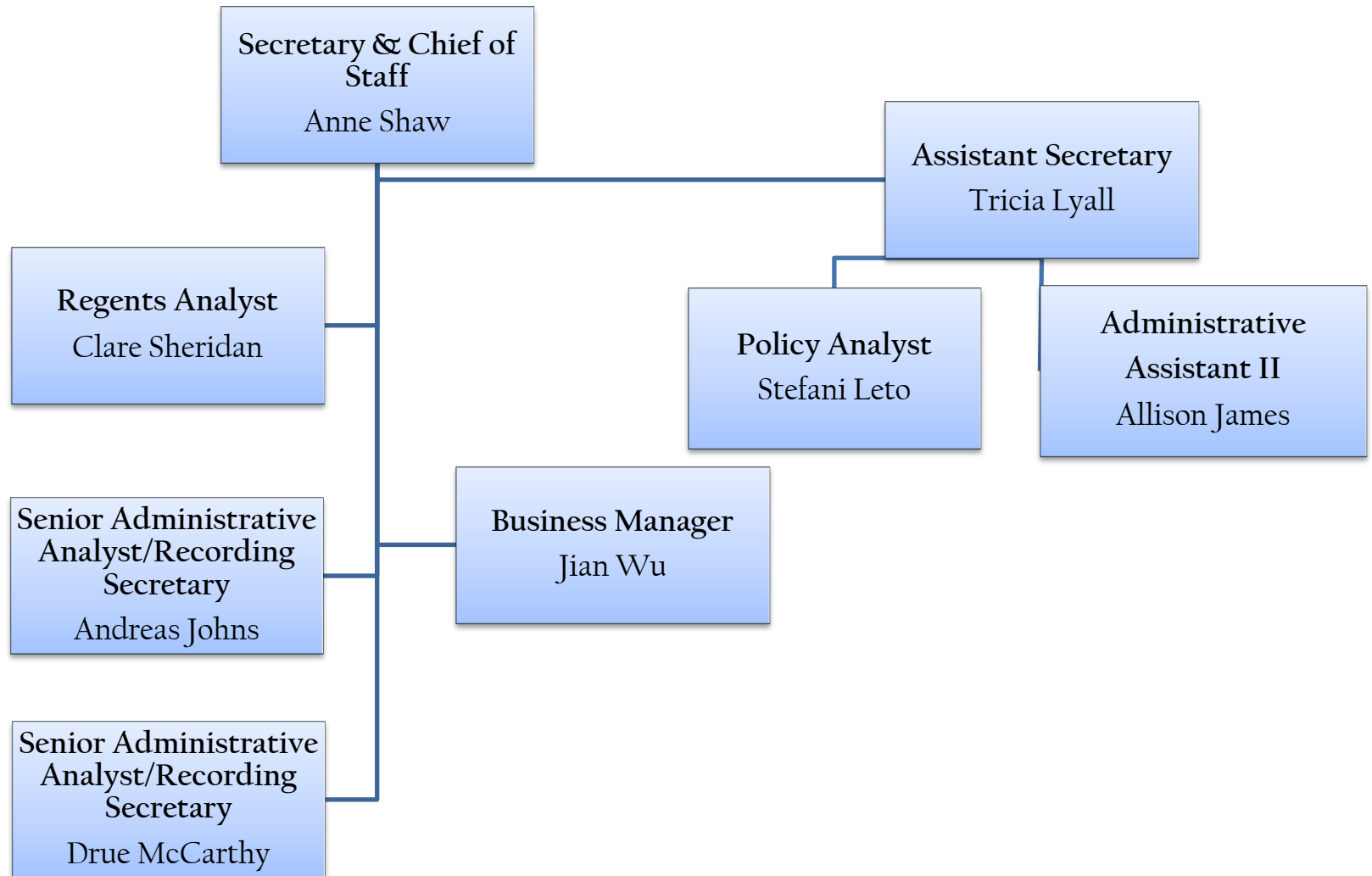
- is the custodian of certain official corporate records of the university
- is responsible for planning and staffing all Board and its Committee meetings
- executes or attests to certain documents which have been executed on behalf of The Regents
- provides direct administrative support to the members of the Board of Regents
- prepares minutes of the Regents meetings and is custodian of Regental and other corporate records.



UCSF Mission Bay



*The Regents of the University of California  
Office of the Secretary & Chief of Staff  
Organizational Chart*



## Academic Senate



**James Chalfant,**  
Chair, Academic  
Senate

The Systemwide Academic Senate and the ten Divisional Senates provide the organizational framework that enables the faculty to exercise its right to participate in the University's governance. The faculty voice is formed through a deliberative process that includes the Standing Committees of the Senate, the Academic Council, the Assembly of the Academic Senate, and their Divisional counterparts. Consultation with the senior administration occurs in a parallel structure: at the systemwide level between the Academic Council Chair and the President; and on the campus level between the Divisional Senate Chairs and the Chancellors.

In accordance with the tenets of shared governance, the Senate's responsibilities include authorizing, approving, and supervising all courses and determining the conditions for admissions, certificates, and degrees. In other areas of University life, the Senate exercises an active advisory role. It has specific authority from the Regents to advise the President and Chancellors on budget matters and on the administration of the libraries. Campus and systemwide officials regularly seek advice and review from the Senate on a wide variety of issues affecting faculty welfare and the academic environment. The Senate participates in searches for deans, chancellors and the president.

The Senate has influence over career advancement and the quality of UC's faculty through its recommendations to the chancellors, deans, and chairs on appointments and promotions. In addition, it protects the professional environment for faculty members with committees devoted to preserving academic freedom and assuring due process in personnel matters.

# Academic Senate Systemwide Office Organization chart

