May 28, 2014

CHANCELLOR NICHOLAS DIRKS
EXECUTIVE VICE CHANCELLOR AND PROVOST CLAUDE STEELE

Subject: *Committee on Academic Planning and Resource Allocation recommendations on
campus budget priorities for 2014-15*

I am forwarding for your consideration the budget recommendations that the
Committee on Academic Planning and Resource Allocation (CAPRA) has
formulated based on its discussions with Vice Chancellors and Vice Provosts.
The Divisional Council reviewed and endorsed CAPRA's recommendations.

As has become customary, we would appreciate receiving a written response
from you concerning the final choices made with respect to these
recommendations no later than September 18, 2014.

Sincerely,

*Elizabeth Deakin*

Elizabeth Deakin
Chair, Berkeley Division of the Academic Senate
Professor of City and Regional Planning

Encl. (2)

Cc:   Nancy Wallace, Chair, Committee on Academic Planning and Resource
      Allocation
      Diane Sprouse, Senate Analyst, Committee on Academic Planning and
      Resource Allocation

**CAPRA BUDGET AND POLICY RECOMMENDATIONS FOR 2014-2015**

The Committee on Academic Planning and Resource Allocation (CAPRA) offers the following recommendations for campus budget and policy priorities for the coming fiscal year.   Our recommendations include some new issues that were identified over the course of this year in our discussions with senior campus administrators, and continuing priorities that we believe are critical to the future financial health of the UC Berkeley campus and to maintaining UC Berkeley's standards of excellence.

CAPRA invited the following administrators to discuss a range of issues within the committee's purview:  Chancellor Dirks; Graduate Dean and Campus Shared Services Faculty Head Andrew Szeri (twice); VC-Business and Administration John Wilton (twice); EVCP Breslauer (twice); VP-Teaching, Learning, and Academic Planning & Facilities Cathy Koshland; Athletics Director Sandy Barbour; VC-University Relations Scott Biddy and CFO Berkeley Endowment Management Co. John Austin Saviano; VC-Real Estate Bob Lalanne, and Arts & Humanities Dean Anthony Cascardi.  Other senior staff members who contributed their insights to a variety of issues were Chief Operating Officer Campus Shared Services Thera Kalmijn; AVC/Director Financial Aid and Scholarships Rachelle Feldman; IA-CFO David Secor; and, Executive Director Space Management & Capital Programs Paula Milano. The committee refined its recommendations through these thoughtful presentations and conversations.

The committee asks that DIVCO endorse these recommendations and that you will forward them, along with DIVCO's endorsement, to Chancellor Dirks and to the Executive Vice Chancellor and Provost, Claude Steele.   We further request that Chancellor Dirks and EVC&P Steele provide a written response to the Senate detailing the extent to which our recommendations will be adopted no later than September 27.

**Prioritized CAPRA Recommendations for 2014-2015:**

**1)  UC Berkeley Strategic Plan Development**
CAPRA wholeheartedly supports the Chancellor's stated goal of developing an academic strategic plan for U.C. Berkeley. While we believe that financial planning should be driven by academic planning, we also believe the campus is facing an immediate financial crisis, which needs to be addressed at the same time as the academic plan is being developed.

CAPRA therefore recommends that the campus administration and faculty undertake a *Campus-wide Financial Strategic Planning Process* that focuses on resolving the ongoing structural deficits that have been identified by the Vice Chancellor for Administration and Finance, John Wilton, as part of the Berkeley Financial Planning Model.  This strategic plan development should take a holistic campus view of how on-going expenses can be controlled, revenues can be grown, resources, both academic and administrative, can be best and more efficiently allocated, and incentives can be rationalized rather than a strategy of "across the board cuts."  This strategic planning should develop a set of forward-looking options under both a worst case scenario in which the Regents continue to freeze tuition increases and the non-resident undergraduate student body is set at 23%; the state continues to refuse to fund all building capital and maintenance expenditures or contribute to the pension plan; Federal grants and contracts

experience continued pressure; and, state educational appropriations remain at approximately 12% of overall campus revenues, and a realistic, conservatively defined "best" case scenario. CAPRA strongly believes that administrators and faculty should be weighing all options--dire though they may be--to address immediately the anticipated negative effects of continuing on our current financial path without a plan that is of our own devising, and we endorse attempts to maintain Berkeley's excellence under a possibly more streamlined or reorganized structure.

CAPRA recognizes that tuition policy is now a central component of the solvency problem. This policy is intertwined with the composition of the student body and related issues of financial aid. At present, the student body includes a large and seemingly growing proportion of undergraduates who pay no tuition at all. CAPRA proposes that a joint faculty/administration task force be appointed by DIVCO to review admissions policy in all its aspects, including the consequences for campus revenue, financial burdens on students, and the academic excellence of those admitted.

**2) The Undergraduate Experience**
CAPRA agrees with Chancellor Dirks that undergraduate students at UC Berkeley should expect, and should receive, a quality educational experience. We support his Task Force on the Undergraduate Student Experience to better understand and grapple with issues such as student to faculty ratios; levels of academic advising; initiatives to expand interdisciplinary course offerings, degrees, and certificates; increased opportunities for undergraduates to be exposed to a more international set of academic experiences; and, new ways for academic departments to launch new initiatives with a focus on undergraduate education. CAPRA looks forward to reviewing the policy recommendations that are forthcoming from the Task Force along with proposals for next steps to plan for and deliver on initiatives designed to enhance the Berkeley undergraduate experience.

CAPRA requests a report from the Vice Chancellor for Student Affairs, Harry Le Grande, that addresses the high cost of student housing on campus and proposes concrete strategies to reduce these costs and to improve the quality and availability of student housing. CAPRA would also like this report to address issues related to the quality of campus life and the programmatic planning for extra-curricular student activities. CAPRA is especially concerned about the number of alcohol and drug related emergencies that have occurred on campus and related facilities this academic year. We've heard disturbing reports concerning the inadequate level of essential services involving student safety, access to educational resources such as study areas that are open and secure at varied hours, and student mental health services.

CAPRA remains concerned about the potential for significant negative financial impacts on students and the campus due to the current lack of a sound business plan from either the ASUC and/or the ASUC Auxiliary that clearly explains the operational programming (including the planned net rental income from the food and retail tenants and the anticipated operational and maintenance costs) for the facilities that will be located in the Martin Luther King Student Union Center upon completion of the Lower Sproul Reconstruction Project. We request that such a plan be forthcoming by May 31, 2014.

**3) Campus Buildings and Infrastructure**
Attending to campus buildings and infrastructure in a more systematic and strategic way is of paramount importance. In recent decades building projects in general have been opportunistic and responsive sporadically to individual segments of the campus community. This has resulted in uneven attention to physical space needs and disastrous levels of deferred maintenance to the core campus buildings, which now are over a century old and widely exhibiting the effects of decades-long neglect. Now that the burden for care, renovation and renewal of campus buildings has been wholly shifted to the university, this tendency to respond to unit pressure or financial opportunities rather than to a well thought-out, appropriately prioritized, strategic plan threatens to encourage even more haphazard planning and inequitable marshaling of resources. The campus has just completed a more-successful-than-hoped capital campaign and has the benefit of a change in leadership both at the top and in Capital Projects/Facilities to tackle this issue head-on.

CAPRA therefore recommends that the administration, with Senate involvement, develop a Physical Campus Strategic Plan, aligned with the academic strategic plan, to address these challenges. The plan should set priorities within each of the categories of building repair/retrofit, maintenance and new construction. It also should describe budgetary requirements and identify sources and mechanisms of funding. Uniform guidelines for naming opportunities should be set. Finally, a system for tracking costs (and cost savings) should be established. Costs should be appropriately benchmarked, to ensure fiduciary responsibility. CAPRA also strongly recommends that the Physical Campus Strategic Plan include rigorous quantitative financial analyses of any proposed actions under the Cal Climate Action Partnership (CalCAP) especially any CalCAP initiatives that involve energy efficiency retrofits of campus buildings, decisions concerning capital expenditures on the existing cogeneration facility on campus, and the issuance of additional bond debt to finance energy efficiency objectives.

CAPRA applauds the recent appointment of the new Vice Chancellor for Real Estate, and looks forward to a report on progress toward achieving his exemplary goals.

**4) Campus Shared Services (CSS)**
Consistent with CAPRA budget and policy recommendations for the last four years, CAPRA appreciates the importance of streamlining administrative operations, consolidating these functions, reducing operational risks from lack of administrative oversight or administrative compliance, and achieving an ultimate goal of excellence and efficiency in the delivery of administrative services at UC Berkeley. Nevertheless, given the developmental nature of the current implementation phase of CSS and the significant implementation problems with similar initiatives at other major universities, such as the University of Michigan and the University of Texas, CAPRA believes that it is imperative to have full transparency on the operations of CSS especially with respect to metrics (including effects on faculty time and effort), costs, and benefits. CAPRA is concerned by a number of recently reported CSS performance indicators including: the anecdotal nature of significant components of CSS service satisfaction reporting;[1] the lack of specifics on the cost of service delivery relative to benchmarks; mixed indicators concerning staff engagement and affiliation with CSS management and with campus

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[1] See, CAPRA CSS Discussion, March 5, 2014, slide 8.

departments;[2] mixed indicators concerning administrative burden especially with respect to the lack of key performance indicators targeted at measuring the time faculty now spend on administrative tasks;[3] lack of clarity on accountability metrics to determine what is working well and what is currently working less well; and better quantitative metrics on achievements and challenges in compliance risk reduction and process standardization with respect to research administration.[4] CAPRA therefore recommends that the Chancellor and Executive Vice Chancellor and Provost request an immediate update from CSS which should provide, at a minimum, projected costs and benefits, details of all metrics and benchmarks to be used in evaluating the success or failure of CSS, and an analysis of where CSS is now relative to the original plans and forecasts. Timely review of CSS is needed now and it cannot wait for the Fundamental Review that is currently proposed for the end of 2015. CAPRA requests that this "interim" Fundamental Review be completed and reported to CAPRA by September, 2014.

**5) Departmental Reviews**
The current Departmental Review Process does not sufficiently reflect changes that have occurred as a result of recommendations resulting from the last review of an academic unit. Many reviews do not articulate a strategic plan for the department and how such a plan fits within the broader operation of campus initiatives within and between fields or colleges. CAPRA therefore recommends that each time a department begins the review process, it should use the culmination letter from the last review as a point of departure. The unit should consider the strengths and weaknesses identified, and report on what it has done to maintain and build on those strengths and overcome weaknesses, and how the department has responded to the recommendations in the culmination letter. The academic review process furnishes the department the opportunity to develop a blueprint outlining potential new directions, as well as reflect on pedagogical areas that are no longer as central to its mission and might be discontinued. The self-study plan should include information about collaborations with other departments, ORUs, industry partners, and donors. This assessment process should lead to delineating the resources required-both financial and physical-over the next several years to achieve the objectives identified. In other words, the self-study should produce a draft strategic plan oriented to the future.

**6) The Libraries**
CAPRA views the UC Berkeley Libraries as a common good and strongly believes that they should be funded accordingly. CAPRA urges the Administration to maintain library services vital at predictable and sufficient funding levels; to support the University Librarian in replacing the large cohort of professional Librarian/Selectors lost as a result of underfunding; and, to put NRLF expansion (as either a cooperative or UCB-only enterprise) high on the Capital Projects list. Most emphatically, we recommend that the Administration increase and guarantee institutional support of the Library at the level recommended in the Report of the Commission on the Future of the Library.

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[2] See, CAPRA CSS Discussion, March 5, 2014, slide 8, slide26, and slide 31.
[3] See, CAPRA CSS Discussion, March 5, 2014, slide 9 and slide 37.
[4] See, CAPRA CSS Discussion, March 5, 2014, slide 9, slide 27, and slide 35.

**7) Intercollegiate Athletics**
CAPRA, together with the recently formed Senate Athletics Committee, remains concerned about student-athlete admissions policies; advising; degree completion rates; the health and welfare of student athletes (especially with regard to head injuries); the real estate 'footprint' of Intercollegiate Athletics on campus; and the unsteady glide path of that unit toward financial self-sufficiency (prescribed by the Senate by Resolution in 2009). CAPRA also has concerns about the disappointing pace of seat sales and its effects on the financial viability of the California Memorial Stadium funding model. We are, however, encouraged by recent progress in generating additional revenues from short-term seat sales and space rentals associated with the new stadium visioning plan.

**8) Organized Research Units**
The lapse in regular reviews of campus Organized Research Units (ORUs), which are specified by UCOP policy, is troubling. CAPRA requests that the office of the Vice Chancellor for Research set a high priority on conducting ORU reviews following a schedule consistent with university policy, and to develop a more transparent reporting system concerning the number of functioning ORUs on the campus and information on their performance and costs. The VC-Research should work collaboratively with the Committee on Research in this process. Since ORUs absorb a significant share of the campus budget, a review process will help to identify where resources should continue to be allocated.

# CAPRA

## CSS Discussion

March 5, 2014

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Shared Services

# Questions from CAPRA

1. What metrics are being used to evaluate the effectiveness of CSS and what do the metrics say?

2. What are the biggest complaints about CSS, who are they coming from, and how are complaints being responded to?

3. We are hearing widespread rumors that the loss of direct personal interaction with the faculty they support is causing demoralization and resignations among administrative staff, especially the most valuable. What are the statistics on this?

4. How has the CSS financial model worked in practice? What are the ways in which it is working successfully and ways in which it is not working successfully?

5. In public statements, you have reported large expected savings from CSS in future years. What cost savings are being realized from the transition to CSS and how are those cost savings being distributed across the campus? How do results so far compare with original expectations/budgets? What is the reason for any differences? How are those savings calculated? Do they include all costs of new space and monitoring of CSS performance? How much of these savings is expected to come from faculty doing work that administrative personnel used to perform?

6. What/where is the most recent CSS budget, along with detailed assumptions on both revenues and costs?

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# CSS to date

# CSS Key achievements 2013

1. Four service functions operational for over a year
2. Serving 60%+ of campus, 140+ academic and administrative departments; over 15,000 faculty & staff
3. Transferred/hired over 560 employees (75% transfers)
4. Filled staffing gaps, including supporting departments in filling gaps prior to department's implementation
5. Implemented funding mechanism
6. Delivered consistently high level of service from CSS IT
7. Delivered training, training, training (APS and RA in particular)
8. Implemented Service Recovery and Process Improvement Model: Successful critical process/structure improvements in HR/APS (e.g. HR Integrated Work Teams; GSR/GSI hiring process)
9. Developed Strategic Project Selection tool to prioritize process improvement projects (over 100 projects on the list)
10. Have continued to be adaptable and flexible when implementation needs from departments change.

# Question 1: CSS Metrics

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# CSS Key Metrics

1. Service satisfaction – surveys, in-person outreach
2. Cost of service delivery – budgets, process cost measurements
3. Staff engagement and quality – staff surveys, training participation, turnover
4. Administrative burden – process work time required, productivity
5. Accountability – seeking and reporting feedback, being accountable to Service Level Agreements
6. Reduce Risk – cost of organizational risk from lack of service or compliance, risk avoidance calculations from process improvement projects

# What do metrics, feedback, and leading indicators say?

- Service satisfaction
    - CSS IT – service satisfaction high (survey)
    - CSS HR/APS – service improving, better structure, good people (anecdotal feedback)
    - CSS B&FS – T&E reimbursement process is cumbersome, service needs improvement (anecdotal feedback)
    - CSS RA – Staff "churn" has been too high, but is stabilizing; few complaints about service (anecdotal feedback)

- Cost of service delivery –
    - Close to budget for FY14 (see Financial Model/Budget section)

- Staff engagement and quality (see Turnover/Engagement section)
    - Engaged staff, connection with management needs improving
    - High training participation rates (e.g. AP Core Skills, RA Core Skills)

# What do metrics, feedback, and leading indicators say?

- Administrative burden
  - Some areas improved (e.g. CSS IT help, onboarding of new employees), some areas worse (e.g. T&E reimbursements process and existing systems, compliance requirements)

- Accountability
  - Ability to measure CSS performance and hold organization accountable to goals improving, but want more reporting of metrics and communication about what is happening, what is working well and not so well

- Reduce Risk
  - Increases in staffing, training, compliance, standard processes already implemented or underway are reducing risk (and uncovered pre-existing risks).

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# Service Satisfaction

- Pre–implementation baseline data – OE survey from Aug 2012 as proxy
- CSS IT "transaction surveys"
  - working to apply survey tool to other functions by end of FY14
- Post Implementation Surveys
  - Post–implementation surveys sent to faculty and staff approximately 9 months after implementation
- Anecdotal Information – collect and analyze for trends
  - Service Director outreach and collection of feedback
  - Unsolicited kudos / complaints – trend
- Annual benchmark survey – to be implemented post–implementation in late FY15 or early FY16.

# OE Campus-wide survey Aug 2012 - Proxy for CSS baseline

**Highest levels of satisfaction**



## Overall Satisfaction

CSS Services

| | Email | Tech Help (Hardware) | Tech Help (Software) | Calendar |
|---|---|---|---|---|
| Satisfied | 389 | 211 | 129 | 135 |
| Neutral | 44 | 32 | 30 | 22 |
| Dissatisfied | 44 | 52 | 32 | 20 |

■ Dissatisfied  ■ Neutral  ■ Satisfied
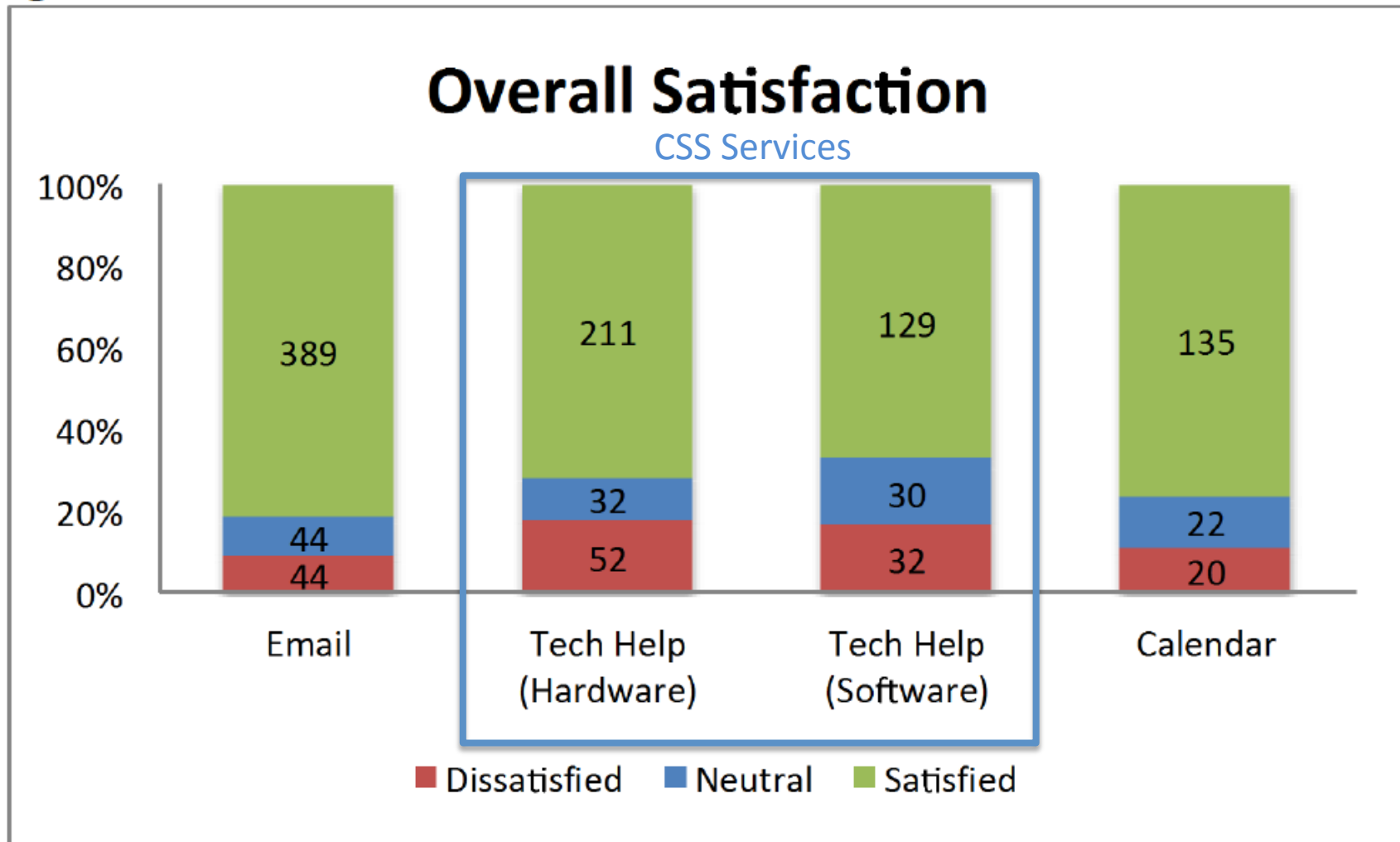
# OE Campus-wide survey Aug 2012 - Proxy for CSS baseline

**Lower Levels of Satisfaction**

# CSS IT Service Satisfaction Trends

- Increased "**Overall Service Experience**" survey results from 4.25 in Jan. to 4.56 in Dec.  Dip in satisfaction due downtime for campus systems (not owned by CSS), but reflected in overall satisfaction with "IT services".

## Total Surveys Trend

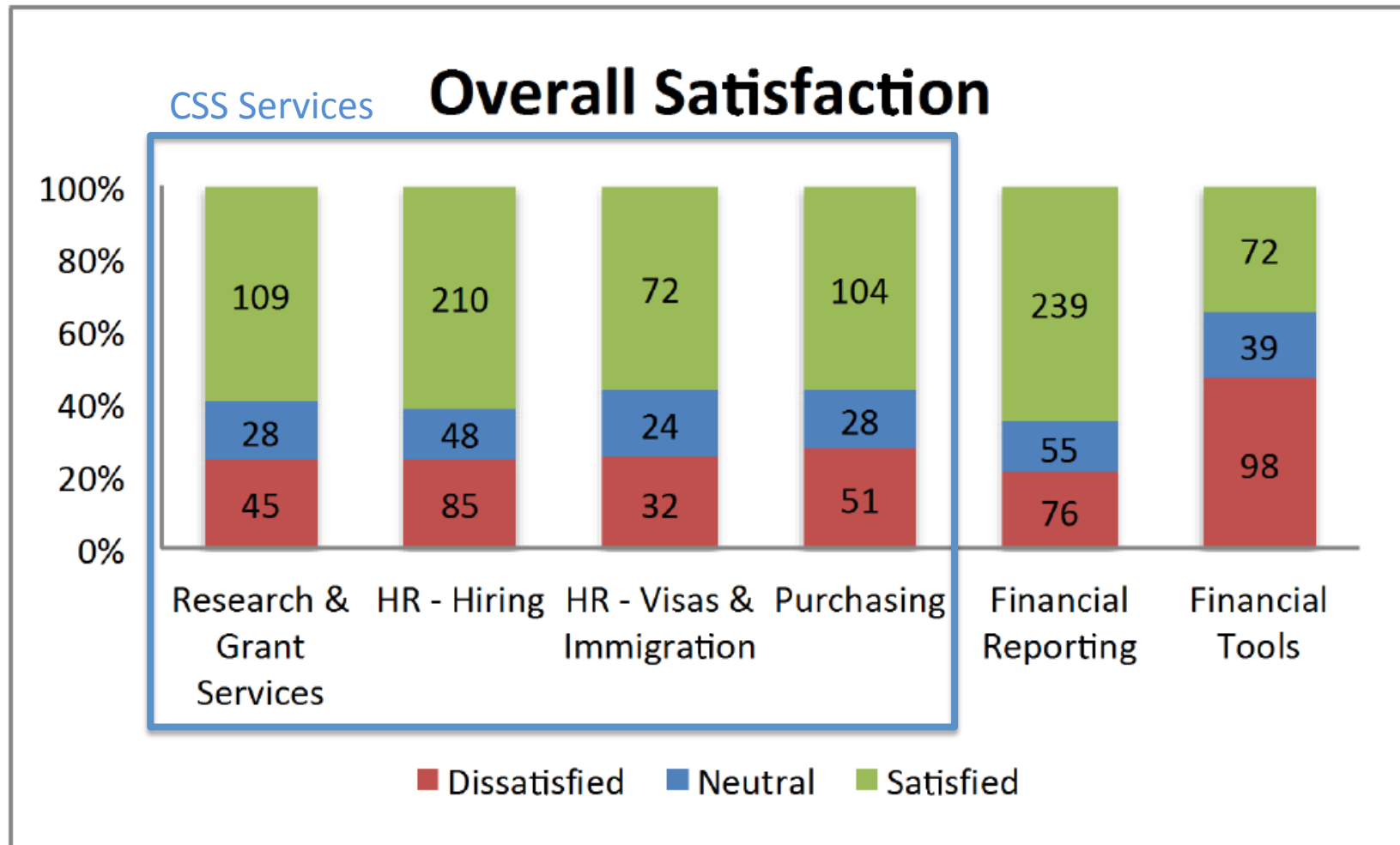| Row Labels | Average of Q1 - The courtesy of the analyst? | Average of Q2 - The technical skills/knowledge of the analyst? | Average of Q3 - The timeliness of the service provided? | Average of Q4 - The quality of the service provided? | Average of Q5 - The overall service experience? | Number of Surveys Sent | Number of Surveys Completed |
|---|---|---|---|---|---|---|---|
| 1/1/2013 | 4.70 | 4.51 | 4.25 | 4.41 | 4.25 | 618 | 106 |
| 2/1/2013 | 4.76 | 4.70 | 4.64 | 4.66 | 4.55 | 1,186 | 247 |
| 3/1/2013 | 4.79 | 4.68 | 4.55 | 4.58 | 4.50 | 1,206 | 264 |
| 4/1/2013 | 4.78 | 4.61 | 4.50 | 4.51 | 4.48 | 1,188 | 264 |
| 5/1/2013 | 4.80 | 4.68 | 4.59 | 4.63 | 4.57 | 1,420 | 332 |
| 6/1/2013 | 4.73 | 4.51 | 4.50 | 4.46 | 4.34 | 1,334 | 317 |
| 7/1/2013 | 4.84 | 4.67 | 4.59 | 4.60 | 4.53 | 1,626 | 377 |
| 8/1/2013 | 4.80 | 4.67 | 4.57 | 4.60 | 4.49 | 1,622 | 378 |
| 9/1/2013 | 4.76 | 4.68 | 4.50 | 4.58 | 4.51 | 1,627 | 368 |
| 10/1/2013 | 4.78 | 4.70 | 4.60 | 4.61 | 4.54 | 1,953 | 475 |
| 11/1/2013 | 4.82 | 4.70 | 4.61 | 4.62 | 4.57 | 1,759 | 409 |
| 12/1/2013 | 4.81 | 4.70 | 4.60 | 4.66 | 4.56 | 1,469 | 355 |
| Grand Total | 4.79 | 4.66 | 4.56 | 4.59 | 4.51 | 17,008 | 3,892 |
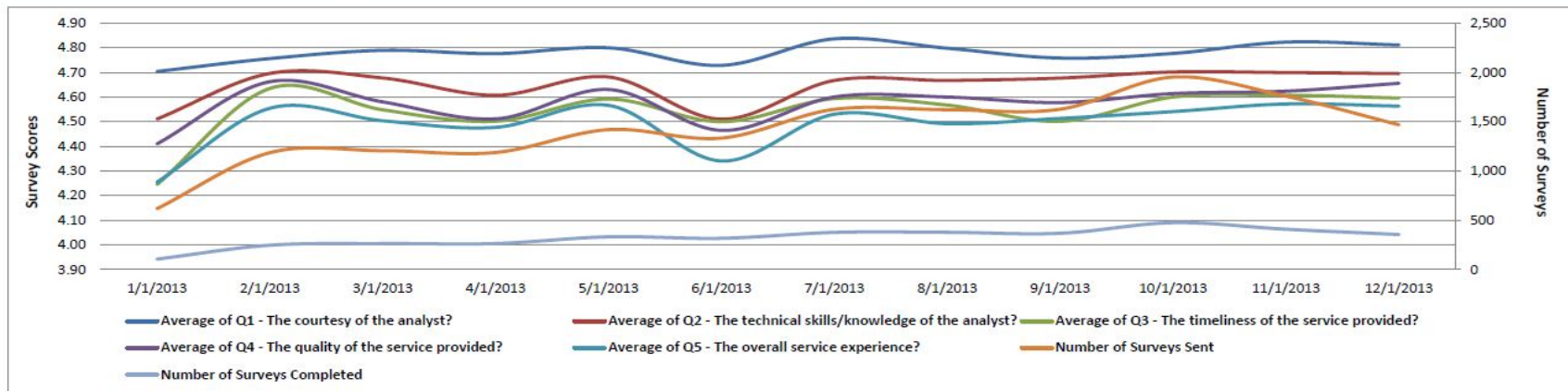
# CSS Management Metric Reports

Samples of current reports

# CSS Management Reports

CSS management reports:

- Report achievement against Service Level Agreement metrics
- Support management of staffing levels, ratios to ensure consistent service
- Productivity reports used to determine if staff, tools, and processes are more efficient and effective
- Service volume reports used to project resource needs in specific areas

- Samples from each function on following pages…

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# CSS IT Total Calls Trend

- Answered 21,076 ACD phone calls
- Decreased **Call Abandon Rate** from 13.61% in Jan. to 3.53% in Dec.
- Decreased **Average Speed of Answer** from 38s in Jan. to 13s in Dec.

## Total Calls Trend

| Month | Total Calls Answered | Total Calls Received | % Abandon Rate | % Calls Answered Within 30 Seconds | Average Speed of Answer (Seconds) |
|---|---|---|---|---|---|
| January-13 | 1,080 | 1,419 | 13.61% | 95.09% | 38 |
| February-13 | 1,760 | 2,214 | 11.07% | 97.67% | 19 |
| March-13 | 1,900 | 2,390 | 10.97% | 97.00% | 15 |
| April-13 | 2,141 | 2,723 | 7.75% | 98.55% | 12 |
| May-13 | 2,240 | 2,864 | 1.96% | 99.51% | 10 |
| June-13 | 1,941 | 2,532 | 1.82% | 99.69% | 8 |
| July-13 | 1,983 | 2,438 | 2.17% | 99.60% | 10 |
| August-13 | 1,918 | 2,310 | 2.68% | 99.32% | 14 |
| September-13 | 1,732 | 2,102 | 3.00% | 99.36% | 13 |
| October-13 | 1,833 | 2,175 | 2.85% | 99.18% | 12 |
| November-13 | 1,426 | 1,757 | 3.41% | 99.30% | 11 |
| December-13 | 1,122 | 1,475 | 3.53% | 98.66% | 13 |
| Total | 21,076 | 26,399 | 5.17% | 98.71% | 14 |





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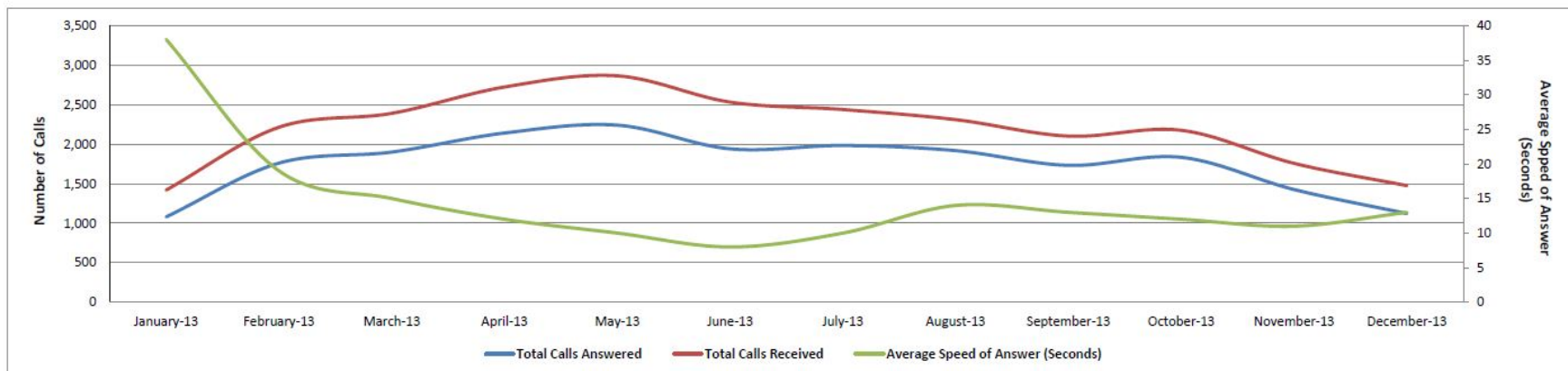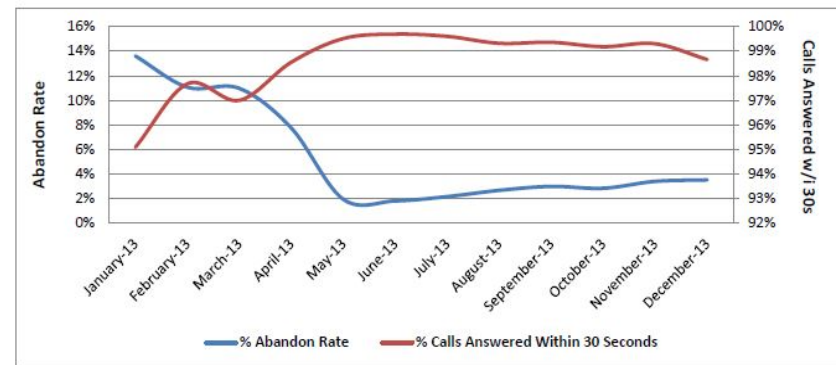
# Business & Financial Services Volume and Processing time

Ability to provide meaningful metrics in B&FS is improving and needs further development

**B&FS Campus Shared Service**

**Volume of work processed in B&FS CSS**

**October 2013 thru January 2014**

| October 2013 | | | December 2013 | | | |
|---|---|---|---|---|---|---|
| **B&FS** | **Total Number** | **% of total work processed** | **B&FS** | **Total Number** | **% of total work processed** | **Average Days to Process** |
| Requisition Created | 7563 | 50% | Requisition Created | 4639 | 50% | 4.29 |
| Vouchers Approved | 5829 | 39% | Vouchers Approved | 3201 | 35% | 4.03 |
| Travel & Entertainment | 1677 | 11% | Travel & Entertainment | 1407 | 15% | 7.19 |

| November 2013 | | | January 2014 | | |
|---|---|---|---|---|---|
| **B&FS** | **Total Number** | **% of total work processed** | **B&FS** | **Total Number** | **% of total work processed** |
| Requisition Created | 6607 | 53% | Requisition Created | 6517 | 50% |
| Vouchers Approved | 4399 | 35% | Vouchers Approved | 5065 | 39% |
| Travel & Entertainment | 1432 | 12% | Travel & Entertainment | 1432 | 11% |

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# CSS Human Resources & Academic Personnel Support

| Key Metrics: Service Management Summary | Jan 2014 | Nov 2013- Jan 2014 |
|---|---|---|
| Tickets Submitted | 3,235 | 8,304 |
| HCM Transactions | 2,226 | 4,658 |
| Total Service Volume | 5,461 | 12,962 |
| % Tickets Closed | 2428 (75.1%) | 6589 (79.3%) |
| % Tickets Pending Client Response | 279 (08.6%) | 629 (07.6%) |
| % Tickets Open | 528 (16.3%) | 1086 (13.1%) |
| SLA Summary | | |
| SLA Met | 2122 (65.6%) | 5741 (69.1%) |
| Work in Progress | 807 (24.9%) | 1715 (20.7%) |
| SLA Unmet | 306 (09.5%) | 848 (10.2%) |



Percentage of Ticket Volume & Transactions by Category

- Visas & Immigration 1%
- Recruitment 2%
- Payroll & Timekeeping 4%
- HRIM Tickets 51%
- HR Records 13%
- HCM Transactions 41%
- Academic Appointments 1%
- Benefits & Leave 15%
- Employee Lifecycle 10%



SLA Met | WIP | SLA Unmet

| Category | SLA Met | WIP | SLA Unmet |
|---|---|---|---|
| Benefits & Leave | 726 | 78 | 8 |
| HR Records | 569 | 100 | 5 |
| HRIM | 347 | 155 | 170 |
| Employee Lifecycle | 229 | 244 | 89 |
| Payroll & Timekeeping | 183 | 33 | 20 |
| Recruitment | 45 | 62 | |
| Academic Appointments | 20 | 36 | |
| Visas & Immigration | 3 | 27 | |

**NOTATIONS**:

- **GREEN:  SLA Met:** Service request completed on or before the target SLA number of days.
- **YELLOW:  WIP:** Work in progress and the target SLA number of days has not been passed.
- **RED:  SLA Unmet**: Service request completed after the target SLA number of days

# Research Administration

- Research Administration (RA) has been working towards more effective support for faculty.  RA is also working on metrics to understand the complexity of portfolios as a factor in the research administrator's workload.

Specific staffing targets are as follows:

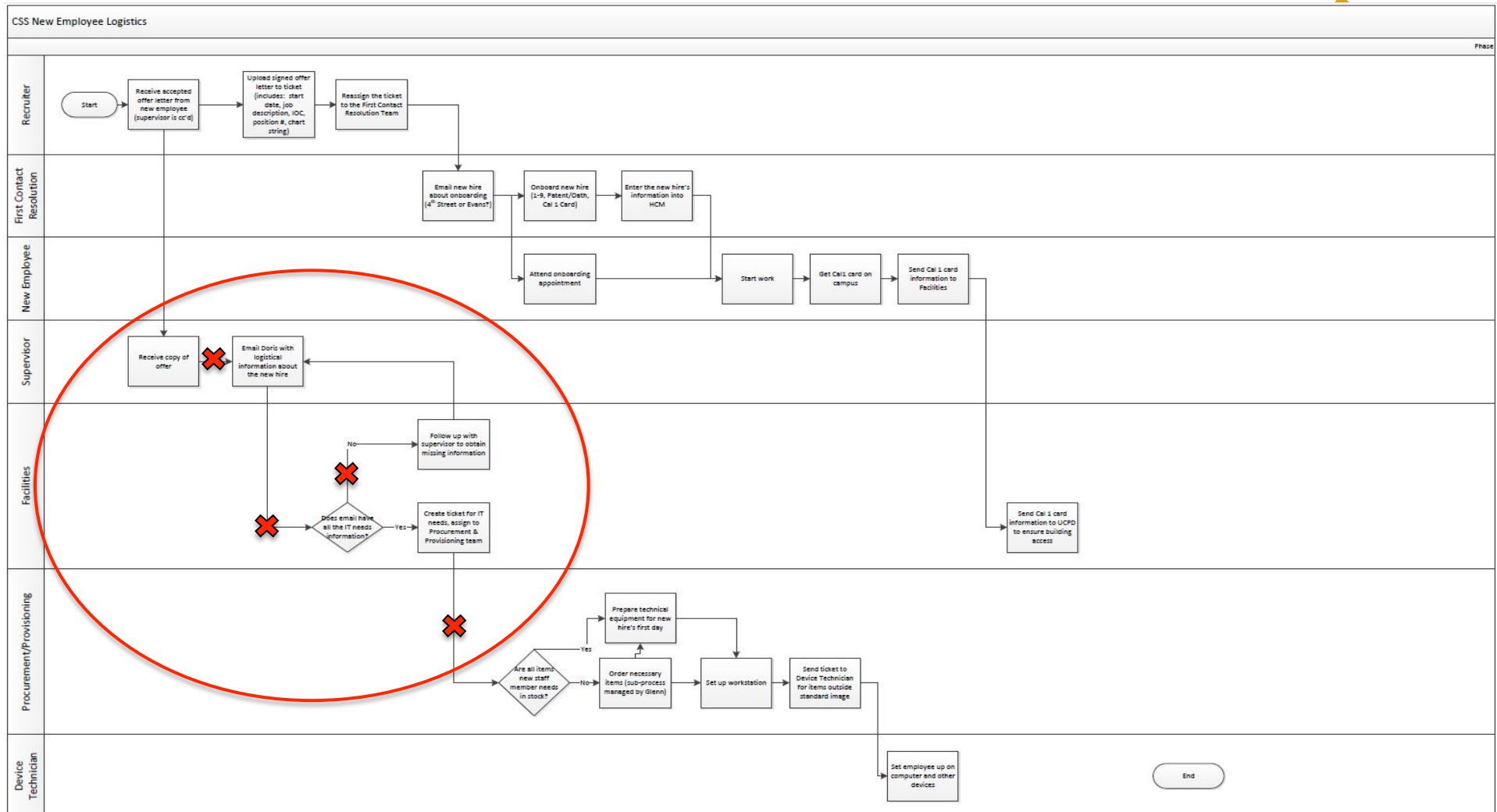| Service Team | Current* | | Future | |
|---|---|---|---|---|
| | # Staff | *Ratio* PI to RA | # Staff | *Ratio* PI to RA |
| Team 1, 3, 5, 6, 7, 8 (Public Health, Optometry, Social Welfare  Education, Lawrence Hall, Haas, Boalt) | 20 | 10:1 | 34 | 6:1 |
| Team 2 (Engineering, Environmental Design, Information) | 36 | 10:1 | 36 | 10:1 |
| Team 4 (Letters & Science, Natural Resources, Chemistry) | 42 | 17:1 | 55 | 13:1 |
| Team 9 (Organized Research Units) | 40 | 12:1 | 52 | 9:1 |

*Not all current staff will been re-assigned to CSS due to restrictions from 'major' project designation. The current staff number may exclude other Departmental staff that manage non-Contract and Grant funds. The future staffing level accounts for all PI/Faculty designated fund management.

# Process metrics and cost savings

Sample process analysis from recent process improvement project.

# New Hire: As-is Process Map



CSS New Employee Logistics

**Recruiter:** Start → Receive accepted offer letter from new employee (supervisor is cc'd) → Upload signed offer letter to ticket (includes: start date, job description, IOC, position #, chart string) → Reassign the ticket to the First Contact Resolution Team

**First Contact Resolution:** Email new hire about onboarding (4th Street or Evans?) → Onboard new hire (I-9, Patent/Oath, Cal 1 Card) → Enter the new hire's information into HCM

**New Employee:** Attend onboarding appointment → Start work → Get Cal1 card on campus → Send Cal 1 card information to Facilities

**Supervisor:** Receive copy of offer → Email Doris with logistical information about the new hire

**Facilities:** Follow up with supervisor to obtain missing information → Does email have all the IT needs information? (No / Yes) → Create ticket for IT needs, assign to Procurement & Provisioning team → Send Cal 1 card information to UCPD to ensure building access

**Procurement/Provisioning:** Are all items new staff member needs in stock? (Yes / No) → Prepare technical equipment for new hire's first day → Order necessary items (sub-process managed by Glenn) → Set up workstation → Send ticket to Device Technician for items outside standard image

**Device Technician:** Set employee up on computer and other devices → End

Berkeley Campus Shared Services

# New Hire: Current Process



Recruiter notifies supervisor of acceptance

Supervisor sends email to Facilities

Usually several emails back and forth

Facilities follows up with supervisor regarding missing info

Facilities creates ticket for Procurement & Provisioning

Procurement & Provisioning configures equipment and sets up on desk

Procurement & Provisioning forwards ticket to CSS Device Support Hub

Employee starts

Device Support tech sets employee up with his/her equipment

# SAMPLE: Cost and Benefit Analysis

**CSS New hire process – time to set up new employees.**

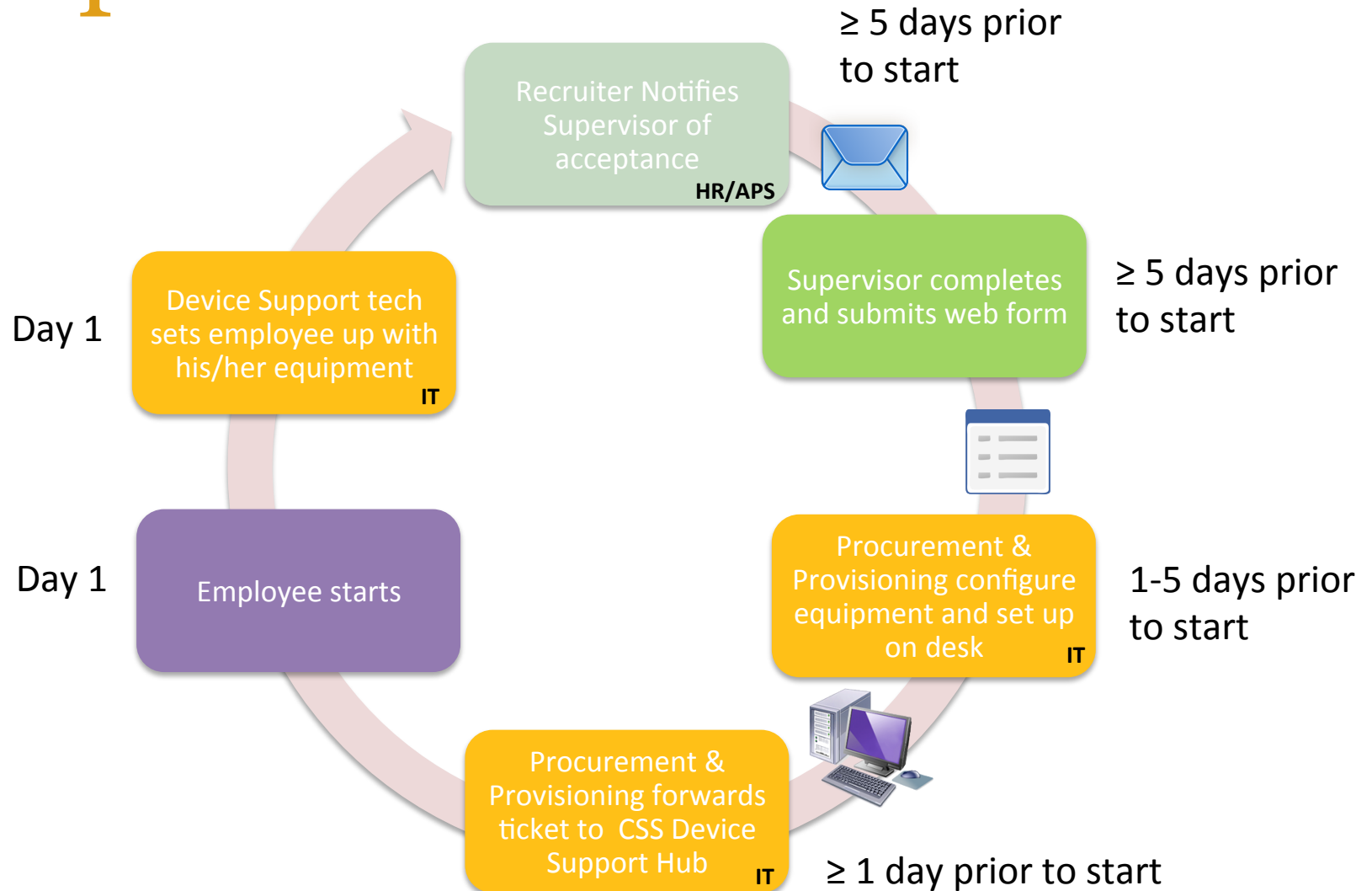**Cost/benefit analysis tracks the savings from the process improvement
User Benefit**: The employee will be able to perform her/his work starting on Day 1 in CSS and not waste her/his time with back and forth communication.

**CSS Benefit**: Clear benefits in process efficiency, major decrease in back and forth communication due to clear requirements needed from Facilities and IT. High $ savings!

**Campus Benefit:** This process could be applied to the reassigned staff to ensure smooth transition.

| Cost Benefit Analysis | | |
|---|---|---|
| *Normal Process(Frequency)  Annual* | **Current** | **Target** |
| **Transaction Volume** | 270 | 250 |
| **Time by transaction in minutes** | 2400 | 2400 |
| **Material Cost Per Transaction** | $ - | $ - |
| **Cost per transaction** | $1,915.71 | $1,915.71 |
| **Total Time for all transaction in minutes** | 648000 | 600000 |
| **Total Cost** | $517,241.38 | $478,927.20 |
| | | |
| **Transaction Defects** | 183 | 18 |
| **Opportunities per Unit** | 5 | 5 |
| **Total Cost of  defects** | **$223,162.36** | **$17,241.38** |
| **Total Time lost in minutes** | 439200 | 43200 |
| **Accuracy Yield** | **32.22%** | **92.80%** |
| **DPMO** | 135,556 | 14,400 |
| **Sigma Level** | 2.60 | 3.69 |
| **Annual Transaction Volume** | 270 | 250 |
| **Annual Savings** | | $ 205,921 |

Berkeley Campus Shared Services

# Proposed Process

Recruiter Notifies Supervisor of acceptance **HR/APS**

≥ 5 days prior to start

Supervisor completes and submits web form

≥ 5 days prior to start

Procurement & Provisioning configure equipment and set up on desk **IT**

1-5 days prior to start

Procurement & Provisioning forwards ticket to CSS Device Support Hub **IT**

≥ 1 day prior to start

Employee starts

Day 1

Device Support tech sets employee up with his/her equipment **IT**

Day 1

# Biggest Issues and Responses

# Issues and responses

- **Issue**: Travel & Entertainment Reimbursements – taking too long, additional compliance requirements, confusion about roles, additional burden on department (complaint from travelers, CAOs, department managers)
- **Response**: Formed special "Service Response Team" Feb 2014:
  – Has executive sponsorship from each stakeholder group.
  – Brings departments, CSS, and Controller's office to the table to solve the problem from end–to–end.
  – Has a compressed and defined timeframe for resolution
  – Uses our proven process improvement methodology (same process used to improve GSR/GSI problems last summer)

- **Issue**: CSS Communications are lacking or missing the mark (complaint from CAOs and department managers)
- **Response**: Independent review to determine main issues; responding the action plan recommended including being sure we have the right resources to get the right information to the right people in the right way at the right time.

# Issues and responses

- Issue:  Lack of consistency in reporting and projections for PIs.. (long-standing historical issue inherited by CSS)

- Response:  Standardizing fund reporting and projections process and expectations of RAs.
  - Using fast-tracking process improvement process to standardize tools and expectations.  Project has a defined timeline and will dovetail into new PI Portfolio tools that will be available in the fall.

- Issue:  Clarity about roles of Service Director (who have dual reporting to CSS and to deans/VCs they serve). (complaint from deans/VCs and Service Directors)
  - Response: Clarifying roles and responsibilities as role develops
  - Roles and Responsibilities project to further clarify roles for Service Directors (recommendation almost complete); regular meetings between CSS Chief Operating Officer and respective deans/VCs

# Staff turnover and engagement

Berkeley Campus Shared Services

# CSS Turnover – Jan 2013 to Feb 2014

- CSS turnover is much lower than expected with change of this magnitude (usually in double digits).

- Highest turnover in HR/APS. This has stabilized.

- Some departments report some retirements in advance of their department's implementation.

| Reassigned Staff | | | | |
|---|---|---|---|---|
| | Retirement | Voluntary | Involuntary | Totals |
| BF&S | 1 | 3 | 0 | 4 |
| HR/APS | 1 | 6 | 1 | 8 |
| IT | 0 | 1 | 0 | 1 |
| RA | 3 | 2 | 0 | 5 |
| Totals | 5 | 12 | 1 | 18 |
| CSS Hires | | | | |
| | Retirement | Voluntary | Involuntary | Totals |
| BF&S | 0 | 1 | 1 | 2 |
| HR/APS | 0 | 12 | 2 | 14 |
| IT | 0 | 1 | 0 | 1 |
| RA | 0 | 0 | 0 | 0 |
| Totals | 0 | 14 | 3 | 17 |
| Total Functional Staff | | | | |
| BF&S | 1 | 4 | 1 | 6 |
| HR/APS | 1 | 18 | 3 | 22 |
| IT | 0 | 2 | 0 | 2 |
| RA | 3 | 2 | 0 | 5 |
| Totals | 5 | 26 | 4 | 35 |
| | | Total Staff | 615 | 5.7% |

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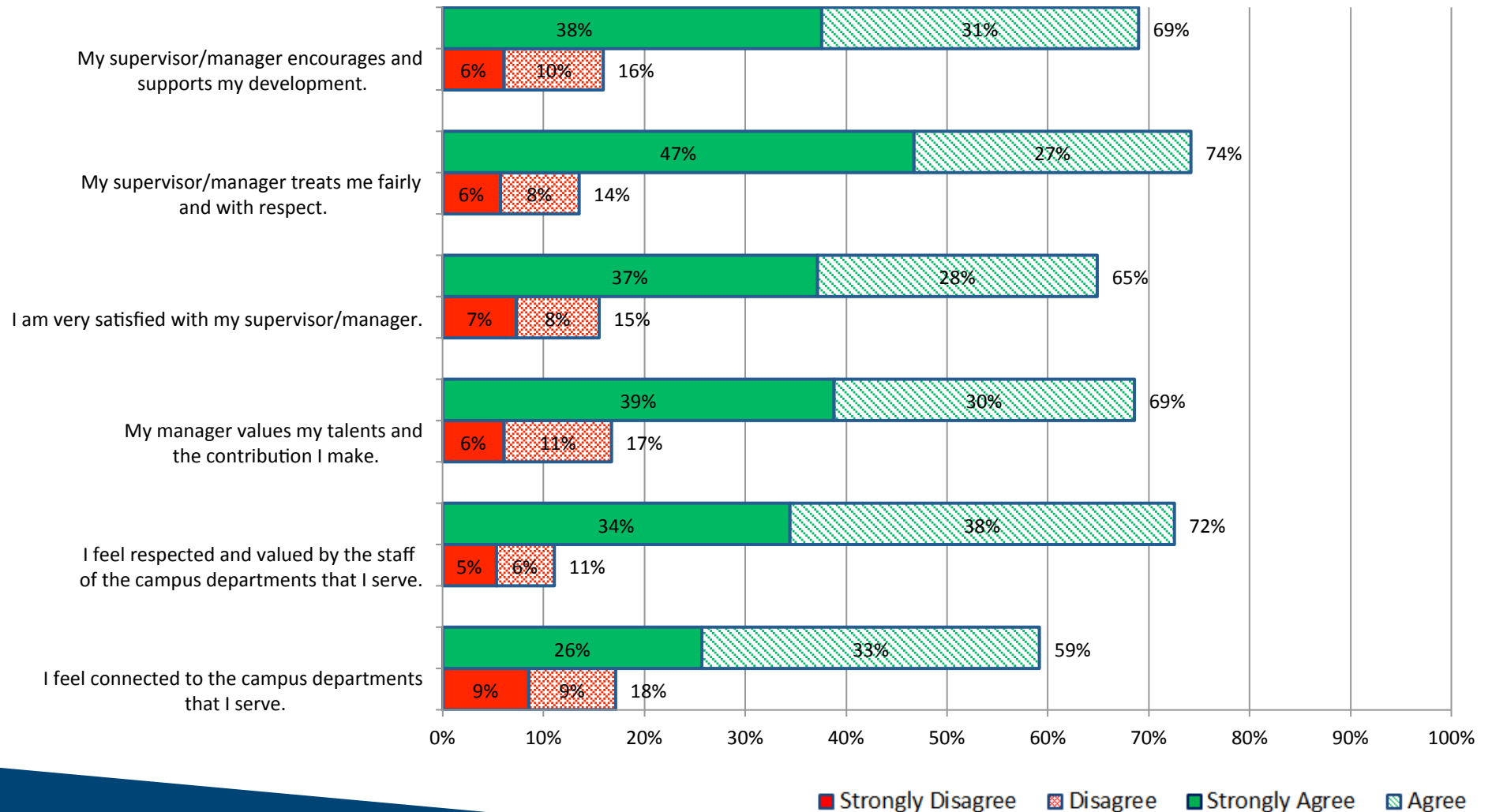
# October 2013 Overall Results – Entire Survey Population

## Overall Satisfaction

- Staff are largely "personally driven to help CSS succeed" (engaged)
- During this stage of our organizational development, we are largely in the "Insecurity" stage, with some staff already moving to the "Trust" stage. Keeping options open is normal during this stage as staff adjust to their new jobs. Turnover data shows that while people may feel "insecure" and look around, the vast majority stay
- Staff also still largely feel a strong connection to the departments they serve (see next page)
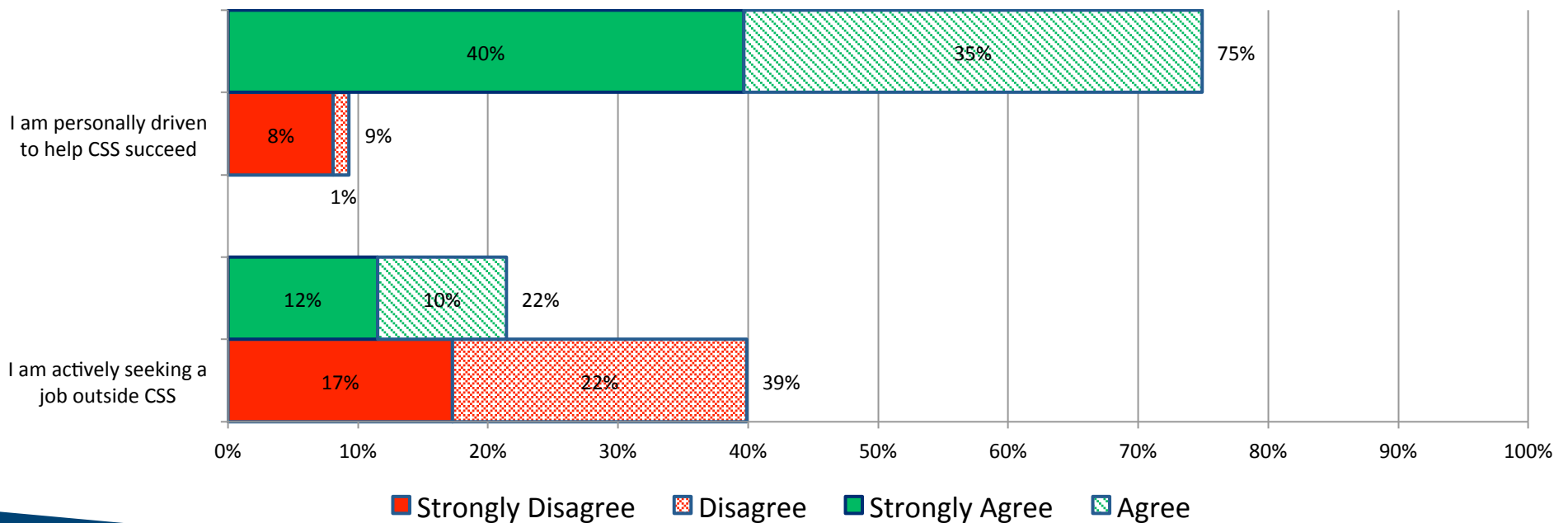
# October 2013 Overall Results – Entire Survey Population, continued

## Satisfaction with Manager and Department



**My supervisor/manager encourages and supports my development.**
- Strongly Agree 38%, Agree 31% = 69%
- Strongly Disagree 6%, Disagree 10% = 16%

**My supervisor/manager treats me fairly and with respect.**
- Strongly Agree 47%, Agree 27% = 74%
- Strongly Disagree 6%, Disagree 8% = 14%

**I am very satisfied with my supervisor/manager.**
- Strongly Agree 37%, Agree 28% = 65%
- Strongly Disagree 7%, Disagree 8% = 15%

**My manager values my talents and the contribution I make.**
- Strongly Agree 39%, Agree 30% = 69%
- Strongly Disagree 6%, Disagree 11% = 17%

**I feel respected and valued by the staff of the campus departments that I serve.**
- Strongly Agree 34%, Agree 38% = 72%
- Strongly Disagree 5%, Disagree 6% = 11%

**I feel connected to the campus departments that I serve.**
- Strongly Agree 26%, Agree 33% = 59%
- Strongly Disagree 9%, Disagree 9% = 18%

Legend: ■ Strongly Disagree  ▨ Disagree  ■ Strongly Agree  ▨ Agree

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# CSS Financial Model, Budget, and Savings

# Financial Model

- A 2% surcharge was implemented for academic units on non-contract and grant expenses to collect for services in the areas of HR/APS, B&FS, and IT Refunds at the dean's level for over collections

- Administrative Divisions and a select few Academic Divisions (ie. EVCP, Academic Senate, Graduate Division, others) are not in-scope for the 2% assessment and will pay for CSS through a budget contribution

- Turn off previous (uneven) ICR distribution and moved unrestricted budgets that were paying for RA services back to Central Campus.

- Divisions will not be assessed any ongoing or incremental fee to use RA services.

- Central Campus installed a new model that directs funding back to the Dean and individual Faculty members. The EVCP and a committee of Faculty members decided on how to size and implement the new ICR model.

# Financial Model Successes

- Launch of the assessment in the financial system.

- Budget redirections from Administrative Divisions.

- Refinement of funds to assess resulting in more funds being out-of-scope (i.e. Course Material Fee funds, un-restricted Work Study funds).

- Budget redirections for RA activities.

- ICR funds distributed through the 6% return mechanism in February.

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# Financial Model – Challenges

- Gift and Research Gift funds:
  - the campus does not have a reliable way to differentiate 'regular gifts' from 'research gifts' and therefore all gifts have been excluded from the 2% charge even though campus approved adding the 2% charge on non-research gifts.
  - Research Gifts are more like contract and grant funds and pay a 10.5% overhead charge; these funds should not be assessed, given that overhead funds RA.
  - Gifts will likely stay out of scope for this fiscal year; next year, we may investigate adding the charge upfront to non-research gifts. There is no agreement on how to deal with gift funds.

# Projected savings and timing

- Per our approved OEEC project proposal, CSS will start to realize savings approximately 2 years after full implementation in 2017/18.

- The goal was for CSS to first implement and start operations before realizing savings.  We were aware that we would need to staff up in certain areas due to staffing deficiencies on campus and the lack of efficient and effective systems.

- So far, CSS has not realized any savings and this is consistent with the original project proposal. CSS was never projected to earn savings during the implementation period.

# Projected savings

- Space:  The baseline  cost does not include the cost of space.
  - Central Campus purchased the building and expects to earn a positive rate of return from this capital investment.
  - The 'value' of space released by staff moving to 4th street greatly exceeds the value of space at 4th street.
  - Central Campus will benefit from the expected capital appreciation of space at 4th street and also pays the debt service on this space.

- Faculty work:  No savings are expected from pushing work to faculty. One of our goals is specifically targeted at measuring and reducing the time faculty spend on administrative tasks.

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# CSS Budget

- CSS has submitted its FY15 budget request to the VCAF for approval/funding decisions.

- CSS does not generate revenue, but is funded through a budget allocation from Central Campus. Central Campus collects all funding model receipts. The amount collected through the 2% assessment and budget contributions are not revenue.

- Costs are based on the projected cost to operate CSS. The costs include staff, supply & expense, and a management team.

- Total planned expenditures are approximately $76 million in FY15 ($71 million compensation, $5 million non-compensation).
  - The main drivers of supply and expense are technology and infrastructure charges (41%), a contingency reserve for inherited RA-related process risk (26%), employee training (10%), office supplies and computer equipment (11%), space rent at 2150 Shattuck to keep RA staff close to campus (6%), and transportation (5%).

- The size of the budget is consistent with the original OE project proposal, adjusted for the implementation schedule.

# Appendix

- Current priorities

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# 2013 Key lessons learned

1.  Listen, listen, listen. Act on what you hear.
2.  Respond, follow up, get the answers (even if it is "I don't know yet").
3.  Accept, adjust, advance – accept problems, adjust quickly.
4.  Get the right information to the right people at the right time in the right way.
5.  The plural of anecdote is (good) data.  This has been hard to come by.
6.  Inherited lack of standardization costs money (e.g. T&E reimbursement; time recording, etc.).
7.  Old or lacking systems and inherited variations in process can lead to a temporary increase in administrative burden
8.  Inherited risk costs money and significant time (e.g. RA issues, personnel issues, etc.).
9.  Service/staffing gaps greater than anticipated for some units.
10. Service director positions were very difficult to fill and impacted ability to properly connect with all the units.  Dual reporting and roles need to be more clear.

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# CSS – The year ahead

1. Demonstrate CSS value with reporting of metrics, data.
2. Improve communications, campus perception, outreach.
3. Stabilize and rationalize staffing, reduce churn.
4. Stabilize, standardize operations, services. and underlying processes as platform for achieving savings targets.
5. "Move the needle" on critical end-to-end processes involving units and other central campus departments.
6. Manage risk through RA and Financial Liability policy.
7. Deliver on promises *on time*. Deliver on SLA commitments.
8. Build a stronger CSS culture.
9. Implement initial critical technology solutions.
10. Manage upcoming more complex implementations successfully.

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# Functions:  Current priorities at a glance

| | |
|---|---|
| Information Technology (IT)<br><br>1. ServiceNow implementation Phase I – ticketing, knowledge base  (in process)<br>2. Review need for new services (e.g. Web development support, How-To application support) | Business & Financial Services:<br><br>1. Fix Travel and Entertainment Reimbursement process in collaboration with units and controller's office<br>2. Standardize, standardize, standardize |
| Human Resources & Academic Personnel Support:<br><br>1. Expand "integrated work team" concept to all teams<br>2. Build Academic Personnel bench strength. Train, train, train.<br>3. Prepare processes for implementation of ServiceNow (Fall 2014)<br>4. Prepare for CalTime, UCPath | Research Administration<br><br>1. Standardize monthly reporting, projections. and support for faculty review of funds.<br>2. Stabilize staffing.  Train, train, train.<br>3. Implementation and use of new campus tools (PI Portfolio) |

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# Operations:  Current priorities at a glance

| Communications | Finance and Administration |
|---|---|
| 1. Hire new Director of Communications<br>2. Update, upgrade communications plans and activities<br>3. Immediately work to improve outcomes<br>4. Make website more robust, easy to use and "customer" friendly | 1. Budget submission<br>2. Continued monitoring of the funding model<br>3. Develop Phase II of 4$^{th}$ street and on-campus space strategy<br>4. Implement asset inventory process and tools |
| Service Directors | Service Quality, Culture, Employee Engagement and Development |
| 1. Continue to identify service trends and issues and follow through to resolution<br>2. Work on pre-implementation activities<br>3. Ensure completion of *signed* Service Level Agreements<br>4. Complete pre- and post- implementation surveys with units | 1. Implement CSS Reward and Recognition program.<br>2. Communicate results of Employee Engagement survey results and develop action plans organization-wide and with the functions.<br>3. Support development of online training for functions |

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# Operations:  Current priorities at a glance

| Process Improvement | Implementation |
|---|---|
| 1. Continue focus on high-priority processes<br>2. Support CSS in inventorying, documenting, and improving process<br>3. Publish "customer-friendly process "maps"<br>4. Seek out campus input on project selection and prioritization<br>5. Quantify savings from each project | 1. Preparation for April and July cohorts<br>2. Meetings with departments<br>3. "Deep Dive" meetings with all departments for April go live<br>4. Employee reassignment preparation<br>5. Move planning |

### Current Process Improvement Projects in Process:

| | |
|---|---|
| • PI Reporting project (RA)<br>• Award Closeout (RA)<br>• Research Proposal process (RA)<br>• GSI/GSR phase 2 (HR/APS)<br>• Summer Salary (HR/APS) | • Service Now assistance for HR/APS<br>• HR and AP Processes<br>• T&E Process (B&FS)<br>• Voice of the Customer Process (Operations)<br>• Org development project for All CSS (SLT, managers and supervisors) |

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