Chancellor’s Town Hall

“Living the Promise”

Monday, March 30, 2015
3:30 p.m. HUB 302
UNIVERSITY OF CALIFORNIA, RIVERSIDE
Online at:
chancellor.ucr.edu

E-mail questions to:
townhall@ucr.edu
UCR Budget Redesign Initiative

March 30, 2015

Provost and Executive Vice Chancellor Paul D’Anieri
Vice Chancellor Planning & Budget Maria Anguiano
UCR is in a period of intense change and tremendous growth driving transformation to achieve its UCR 2020 Strategic Plan.
When asked to describe the current Resource Allocation process, an audience of faculty and staff said that the process is...
To no surprise, the Current Funds Flow requires a “secret decoder ring” to understand.
When we asked faculty and staff what words came to mind when envisioning the future Resource Allocation process.
To better align resource allocation with its strategic goals, UCR is migrating to a more performance and incentive-based budget model.

**So far we have:**

- Assessed and evaluated current resource allocation process;
- Reviewed background on leading practices for resource allocation in higher education;
- Created a flexible budget model customized for UCR.

**Still to do...**

- Work through details of budget design and governance structure
- Develop a plan to implement the new budget model
## Budget Guiding Principles and Resulting Design

<table>
<thead>
<tr>
<th>PRINCIPLE</th>
<th>DESIGN</th>
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</thead>
<tbody>
<tr>
<td>Transparent</td>
<td>Ability for campus to understand flows of revenue and use of resources</td>
</tr>
<tr>
<td>Incentivized</td>
<td>Tuition will be distributed based on performance (student credit hours, majors, graduation rate)</td>
</tr>
<tr>
<td>Strategic</td>
<td>Create Strategic Investment Fund</td>
</tr>
<tr>
<td>Risk Tolerant</td>
<td>Reward entrepreneurial behavior by department/unit (e.g., expanding masters degrees)</td>
</tr>
<tr>
<td>Logical</td>
<td>Costs decentralized to benefiting units (rent charge and utility charge)</td>
</tr>
</tbody>
</table>
Our new budget design will be deployed through a phased approach, starting with a hold-harmless period when we undergo implementation.
Fulfilling THE PROMISE

DEFINING THE PROMISE

FULFILLING EXECUTING

Organizational Excellence at UCR
Fulfilling THE PROMISE

ORGANIZATIONAL EXCELLENCE

Speaker Series

We are a university of great promise, and together we can make UCR an institution of distinction. Join the UCR Committee on Organizational Excellence through workshops this winter and spring with more to come, as we seek to define, execute, and fulfill that promise.

FEB 23
“LEAN PROCESS AT THE UNIVERSITY OF WASHINGTON”
Mark McKenzie
February 23, 1:30-4:30 p.m.
HUB 302

MAR 25
“OPERATIONAL EXCELLENCE AT UC BERKELEY”
Peggy Huston
March 25, 1:30-4:30 p.m.
HUB 302

APR 14
“IMPLEMENTATION & STANDARDIZATION OF HR SYSTEMS/PROCESSES”
Omar Reid, City of Houston
April 14, 1:30-4:30 p.m.
HUB 302

MAY 11
“PROJECT MANAGEMENT OFFICE AT UC SAN FRANCISCO”
Marc Fellouris
May 11, 1:30-4:30 p.m.
HUB 302

FREE AND OPEN TO ALL UCR FACULTY, STAFF, AND STUDENTS

AND MORE TO COME...

RSVP via bit.ly/ucr-fulfill or (951) 827-6030
Lean Six Sigma - The 8 Wastes

- **Defects**
  - Errors/Misinformation
  - Reprocessing/Correcting Work

- **Over Production**
  - Information Overload
  - Producing more than required

- **Waiting**
  - Delays/Meetings Overrun
  - Waiting for another process

- **Non-Utilized Talent**
  - Wrong Resource Allocation
  - Not using full intellectual contribution

- **Transportation**
  - Travel/Space Constraints
  - Unnecessary movement of people/information

- **Inventory**
  - Unproductive Multi-tasking
  - Inventory/Information sitting idle

- **Motion**
  - Unnecessary Actions
  - Extra physical/mental activities that do not add value

- **Excess-Processing**
  - Duplication/Excess Work
  - Adding Excess Value

Eliminate “waste” to focus on “value added” activities!
UC Berkeley’s – Operational Excellence Vision

World-class Teaching and Research
Supported by World-class Operations

Preeminent academic leadership
Public Charter maintained
Internationally recognized researchers & teachers

Effective organizational performance
- Alignment on priorities, with resources allocated appropriately
- Clear decision-making roles and accountabilities
- Appropriate measures & incentives
- High performing employees with clear goals and career paths

Financial sustainability
- Streamlined organization structure, optimized with a pan-university view
- Highly productive workforce using efficient processes and tools
- Appropriate, consistent service levels to meet functional needs
- Lowest cost for quality goods & services
UC Berkeley – OE Initiatives

- Five areas of savings
  - Energy Management
  - Information Technology
  - Organizational Simplification (AKA Campus Shared Services)
  - Procurement
  - Student Services

- Two foundational requirements
  - Financial Sustainability
  - High Performance Culture
# Case for Change

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>OPPORTUNITIES</th>
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<tbody>
<tr>
<td>• Fewer people doing more</td>
<td>• Leadership buy-in</td>
</tr>
<tr>
<td>• Workflow and routing</td>
<td>• Professional development</td>
</tr>
<tr>
<td>• Lack of professional development</td>
<td>• Collaboration</td>
</tr>
<tr>
<td>• Competing &amp; duplicate efforts</td>
<td>• Mentorship</td>
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<tr>
<td>• Lack of communication</td>
<td>• Enabling technology</td>
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<tr>
<td>• Conflicting processes</td>
<td>• Readiness for change</td>
</tr>
<tr>
<td>• Not service oriented culture</td>
<td>• On-line career development</td>
</tr>
<tr>
<td>• Reactive culture</td>
<td>• Engaged employees</td>
</tr>
<tr>
<td>• Staff burnout</td>
<td>• Operational excellence</td>
</tr>
<tr>
<td>• Higher error rates</td>
<td>• Employer of choice/Campus of choice</td>
</tr>
<tr>
<td>• Best of us leave</td>
<td>• UCR looked at as national model</td>
</tr>
<tr>
<td>• Not employer or university of choice</td>
<td>• Leader in educational excellence</td>
</tr>
<tr>
<td>• Further behind best practices</td>
<td>• International rankings</td>
</tr>
<tr>
<td>• Grants/funding at risk</td>
<td>• Hire and retain best and brightest</td>
</tr>
<tr>
<td>• Increased costs</td>
<td>• Happy customers (staff, faculty, students)</td>
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</table>

**CURRENT**

**FUTURE**
Becoming the Benchmark!

Organizational Excellence within BAS
BAS Realignment

Business & Administrative Services Organizational Structure

Proposed (Phase 1)

LEGEND
Departments Not Impacted
Proposed Realignment
New Positions / Functions

BAS Vice Chancellor
Ron Coley

Physical Plant Director
Ken Mueller

Financial Services AVC
Bobbi McCracken

Human Resources AVC
Jadie Lee

Police Chief
Mike Lane

EH&S Director
Russell Vernon

Enterprise Risk Management
TBD

Business Continuity Planning
Emergency Management
Risk Management

Environmental Health & Safety

Safety

Communications
PD IT Services

Risk Management

Printing, Copy, and Mail Services

Trans. & Parking / Fleet Services

Logistics Services

BAS CFAO & Office of the VC Operations

BAS Organizational Excellence

BAS Shared Services

Printing, Copy, and Mail Services

Trans. & Parking / Fleet Services

Logistics Services

BAS CFAO & Office of the VC Operations

BAS Organizational Excellence

BAS Shared Services

LEGEND
Departments Not Impacted
Proposed Realignment
New Positions / Functions

CFO & Organizational Excellence
Georgianne Carlson

BAS CFAO & Office of the VC Operations

BAS Organizational Excellence

BAS Shared Services

Printing, Copy, and Mail Services

Trans. & Parking / Fleet Services

Logistics Services

Facilities Finance & Administrative Services
Architects & Engineers
Architects & Engineers

Architects & Engineers
Trans. & Parking / Fleet Services

Architects & Engineers

Architects & Engineers

Physical Plant

Physical Plant Director
Ken Mueller

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Paul D’Anieri
Provost & Executive Vice Chancellor

FACULTY HIRING PROCESS UPDATE
E-mail questions to: townhall@ucr.edu